

20 October 2023

Dear Shareholder

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Paragon Care Limited (the **Company** or **PGC**) will be held by video-conferencing facility on Tuesday, 21 November 2023 at 1.00pm (AEDT).

The Notice of Annual General Meeting and Explanatory Notes and other documents including the 2023 details as to how to participate and vote at the AGM, can be viewed or downloaded at the Company's investor relations website at <https://www.paragoncare.com.au/asx-announcements>.

Meeting Agenda

The business of the meeting will include a review of the Company's FY23 performance and a business update. It will also consider the following items of business as outlined in the Notice of Meeting:

1. Annual Financial Report;
2. Adoption of Remuneration Report;
3. Re-election of Mr Brent Stewart as a Director of Paragon Care Limited;
4. Approval to Issue 1,222,111 Performance Rights to Mr John Walstab; and
5. Approval of 10% Placement Facility

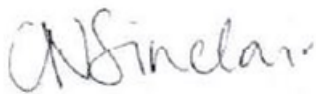
All proposed resolutions are explained in more detail in the Notice of Meeting and the Explanatory Notes. The Board unanimously recommends shareholders vote in favour of these resolutions.

How to participate

You are invited to register in advance for the Meeting through https://vistra.zoom.us/webinar/register/WN_5_BUpW-TRQO61Z13_-WPCQ following which you will receive a confirmation email containing information about joining the Meeting.

Even if you plan to participate online, we encourage all shareholders to cast proxy votes beforehand at <https://investorcentre.linkgroup.com> and to lodge questions in respect of the AGM resolutions ahead of the Meeting at info@paragoncare.com.au. Lodging questions and casting your proxy vote ahead of the Meeting will not prevent you from attending online.

Yours sincerely,



Claire Newstead-Sinclair
Company Secretary

NOTICE OF 2023 ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT



Date of Meeting

Tuesday, 21 November 2023

Time of Meeting

1.00pm (AEDT)

In accordance with the Corporations Act 2001 (Cth) which provides for permanent relief for companies to use electronic communications to send materials, no hard copy of the Notice of Meeting and Explanatory Statement (AGM Materials) will be circulated, unless shareholders have elected to receive the AGM Materials in paper form. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website <https://paragoncare.com.au/>.

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PARAGON CARE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Paragon Care Limited (the **Company** or **PGC**) will be held by video-conferencing facility on Tuesday, 21 November 2023 at 1.00pm (AEDT).

The technology used to hold the Meeting virtually will provide PGC Shareholders with a reasonable opportunity to ask questions or make comments. Voting at the Meeting is occurring by way of a poll rather than show of hands, each person entitled to vote is to be given the opportunity to vote in real time, and this Notice of Meeting includes information about how shareholders can participate in the Meeting. PGC Shareholders attending virtually will be taken for all purposes to be in attendance as if they were physically there.

PGC Shareholders can attend and participate in the virtual Meeting via the below details:

When:

Tuesday, 21 November 2023 at 1.00pm (AEDT)

Topic:

PGC Annual General Meeting

Register in advance for the virtual meeting:

https://vistra.zoom.us/webinar/register/WN_5_BUpW-TRQO61Z13_-WPCQ

After registering, you will receive a confirmation email containing information about joining the Meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning to attend the meeting online. To lodge your proxy, please follow the directions on your personalised proxy form.

The Company is happy to accept and answer questions submitted prior to the meeting by email to info@paragoncare.com.au. The Company will address relevant questions during the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: PGC) and on its website at <https://www.paragoncare.com.au/>.

PARAGON CARE LIMITED

AGENDA

Items of Ordinary Business

Receipt and Consideration of Financial Statements and Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the financial year ended 30 June 2023.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2023 be adopted.”

Resolution 2 – Re-election of Mr Brent Stewart as a Director of Paragon Care Limited

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That Mr Brent Stewart, being a Director who retires by rotation pursuant to the Company's Constitution and being eligible for re-election, be re-elected as a Director of the Company”.

Resolution 3 – Approval to Issue 1,222,111 Performance Rights to Mr John Walstab

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That the grant of 1,222,111 Long Term Incentive Plan Performance Rights (being a right to acquire up to 1,222,111 fully paid ordinary shares in the Company, subject to the satisfaction of relevant vesting conditions) to Mr John Walstab, Executive Director of the Company, (or his nominee) under the Employee Incentive Plan and on the terms described in the Explanatory Statement is approved under and for the purpose of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes.

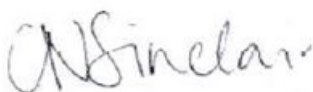
Items of Special Business

Resolution 4 – Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, under and for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

BY ORDER OF THE BOARD



Claire Newstead-Sinclair

Company Secretary

20 October 2023

VOTING EXCLUSION STATEMENT

RESOLUTION	PERSONS EXCLUDED FROM VOTING
Resolution 1	<p>In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this Resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (KMP voter), unless the KMP voter is casting a vote on this Resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:</p> <ul style="list-style-type: none"> a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or b) the KMP voter is the Chair of the Meeting and the appointment of the Chair as proxy; <ul style="list-style-type: none"> i. does not specify the way the proxy is to vote on the Resolution; and ii. expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity. <p>If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.</p> <p>If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of this Resolution. In exceptional circumstances, the Chair may change their voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.</p> <p>If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.</p>
Resolution 2	There are no voting exclusions on this Resolution.
Resolution 3	<p>The Company will disregard any votes cast in favour of each of the resolutions by or on behalf of Mr John Walstab, any associates of Mr John Walstab and a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question.</p> <p>However, this does not apply to a vote cast in favour of the resolution by:</p> <ul style="list-style-type: none"> a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or b) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> • the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and • the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolution 4	As at the date of dispatch of this Notice, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this Resolution is not currently required by Listing Rule 7.3A.7. There is no voting exclusion on this resolution.
<p>Restrictions on Key Management Personnel voting undirected proxies</p> <p>A vote must not be cast as proxy on any of Resolution 1 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.</p> <p>However, a person described above (a “Restricted Voter”) may cast a vote on any of Resolution 1 as a proxy if:</p>	

- a) The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); and
- b) The Chair is the Restricted Voter and the written appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chair to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolutions 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Notes

1. Voting by Proxy

If you are a Shareholder entitled to attend and vote you may, subject to the Corporations Act, including sections 250R and 250BD, appoint an individual or a body corporate as a proxy.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a Shareholder of the Company.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder’s votes.

If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.

To be effective, the proxy form must be received at the Share Registry of the Company no later than 9.00am (AEDT) on 19 November 2023 (48 hours before the commencement of the Meeting). Proxies must be received before that time by one of the following methods:

Online: Shareholders may lodge their proxy votes online at: www.linkmarketservices.com.au

To lodge your proxy vote online, you will need your Security holder Reference Number (SRN) or Holder Identification Number (HIN) which is shown on the proxy form.

By post: Paragon Care Limited
c/-Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By facsimile: +61 (02) 9287 0309
By hand to: Link Market Services Limited*
Parramatta Square, Level 22, Tower 6,
10 Darcy Street
Parramatta, NSW 2150

OR

Level 12
680 George Street
Sydney NSW 2000
*During business hours (Monday to Friday, 8:30am–5:00pm)

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

If you have any queries regarding casting of votes via a proxy, please call Link Market Services Limited on 1300 554 474 during business hours.

2. Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Share Registry no later than 9.00am (AEDT) on 19 November 2023.

3. Corporate representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative must, prior to or at the AGM, provide to the Company a properly executed letter or other document confirming its authority to act as the company's representative.

4. Record date

The Company has determined under regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that for the purpose of voting at the Meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (AEDT) on 19 November 2023.

5. Questions and Comments by Shareholders at the Annual General Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders to ask questions about or make comments on the management of the Company at the AGM. Similarly, a reasonable opportunity will be given to Shareholders to ask the Company's external Auditor, RSM Australia, questions relevant to:

- (a) The conduct of the audit;
- (b) The preparation and content of the Auditors' Report;
- (c) The accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the audit.

Please submit any written questions addressed to the Company or its external Auditors to Paragon Care Limited, Level 4, 96-100 Albert Road, South Melbourne, VIC 3205, or on info@paragoncare.com.au no later than 5.00pm (AEDT) on 14 November 2023.

The Company or its external Auditor will either answer the questions at the AGM or table written answers to them at the AGM. If written answers are tabled at the AGM, they will be made available to Shareholders as soon as practicable after the AGM.

EXPLANATORY STATEMENT

1. Introduction

General

This Explanatory Statement has been prepared for the information of members of the Company in connection with the business to be conducted at the Annual General Meeting and provide a detailed explanation about each resolution set out in the Notice of Meeting. This Explanatory Statement forms part of the Notice of Meeting and must be read together with that notice.

Purpose

The purpose of the Annual General Meeting is to consider and vote on the resolutions.

Entire Document

Members are encouraged to read this document in its entirety before deciding on how to vote on the resolutions being considered at the Annual General Meeting. If you have any doubt about how to deal with this document, please consult your legal, financial or another professional advisor.

Glossary

Certain terms and abbreviations used in this Explanatory Statement have defined meanings, which are set out in the Glossary.

2. Business of the Annual General Meeting

Receipt and Consideration of Financial Statements and Reports

A copy of the Annual Report for the financial year ended 30 June 2023 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditor's report) is available on the Company's website <https://paragoncare.com.au/> or via the Company's announcement platform on ASX. Alternatively, you may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be given reasonable opportunity at the Meeting to ask questions and make comments on the Financial Report, the Directors' Report, and the Auditor's Report. Questions for the Company's auditors relating to the conduct of the audit, preparation and contents of the audit report, accounting policies adopted by the Company in relation to the preparation of its financial statements, and the independence of the auditors in relation to the conduct of the audit, must be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office or by email to info@paragoncare.com.au.

Except as set out in Resolution 1, no resolution is required on these reports.

Resolution 1 – Adoption of Remuneration Report

Section 205R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report is set out Directors' Report in the Company's 2023 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a **spill resolution**) that another meeting to be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

At the Company's last Annual General Meeting, the votes cast against the Remuneration Report were less than twenty-five (25%) per cent of the total votes cast on that resolution and, accordingly, a spill resolution will not, under any circumstances, be required for this Meeting.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this Resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this Resolution, the Board encourage all eligible shareholders to cast their votes in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

A voting inclusion has been provided in this Notice of Meeting.

Resolution 2 – Re-Election of Mr Brent Stewart as a Director of Paragon Care Limited

Clause 3.6 of the Constitution requires that at every Annual General Meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 3.6 of the Constitution is eligible for re-election. Mr Brent Stewart is retiring at this Meeting under that clause.

Brent is an experienced company executive and director having occupied numerous senior executive and board roles over the past 25 years. He established and grew a successful company in Australia and New Zealand (Market Equity Pty Ltd) before selling to a large multinational group (Aegis PLC). Brent has a long association with various segments of the healthcare sector in Australia and Internationally. Currently, Brent occupies Non-Executive roles at HBF Health Ltd, Etherington Inc and Argonaut Ltd.

Board Recommendation

The Board (with Mr Brent Stewart abstaining) recommends that Shareholders vote in favour of this Resolution to elect Mr Brent Stewart as a Director of the Company. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 3 – Approval to Issue 1,222,111 Performance Rights to Mr John Walstab

Background

This Resolution seeks Shareholder approval for 1,222,111 Performance Rights (**Performance Rights**) to be granted to Mr John Walstab (or his nominee) as part of his overall remuneration package as Managing Director.

Performance Rights are proposed to be granted to Mr John Walstab to align his interests with the interests of Shareholders. The grant of the Performance Rights (and the subsequent issue of Shares) to Mr John Walstab is a long-term incentive if pre-agreed performance and service conditions (Vesting Conditions) are achieved over a three-year performance period.

The intent is to structure executive compensation such that, depending on seniority, a significant proportion of total remuneration is 'at risk'. It should be recognised that the achievement of these pre-agreed Vesting Conditions will be to the benefit of all Shareholders, and the conversion of the Performance Rights can only occur if these benefits are realised.

If this Resolution is passed, the Performance Rights will be issued to Mr John Walstab (or his nominee).

If this Resolution is not passed, the Performance Rights will not be issued to Mr John Walstab (or his nominee).

Terms of Performance Rights

The full term of the Award are subject to the terms of the Paragon Care Limited Employee Incentive Plan (**EIP**) and to the extent of any consistency between the terms of the EIP and the Employment Agreement of Mr Walstab, the terms of the Employment Agreement will prevail. The Performance Rights proposed to be issued will have a three-year performance period from 1 July 2023 to 30 June 2026 (**Performance Period**).

Vesting Conditions

The Performance Rights will vest in accordance with the achievement of the following Vesting Conditions:

Vesting Condition 1	Vesting Condition 2	Vesting Condition 3
1/3 of the Performance Rights (Tranche 1)	1/3 of the Performance Rights (Tranche 2)	1/3 of the Performance Rights (Tranche 3)
Subject to continuous employment and a minimum share price of 35c being achieved in the financial year 2024 calculated on a 14-day VWAP	Subject to continuous employment and a minimum of 45c being achieved in the financial year 2025 calculated on a 14-day VWAP	Subject to continuous employment and a minimum of 55c being achieved in the financial year 2026 calculated on a 14-day VWAP

The vesting of Performance Rights is also subject to the continuing employment of Mr Walstab. Unvested Performance Rights may, in certain circumstances, vest early in accordance with the terms of the EIP Rules. Performance Rights will generally lapse on Mr Walstab's resignation or dismissal.

If the Vesting Conditions are not satisfied by the Vesting Date the entitlement to Shares will lapse unless:

- The Board decides exceptional circumstances justify the reduction or waiver in whole or in part of the Vesting Conditions; or
- A Change of Control Event occurs (as defined in the EIP Rules).

Additional Information

ASX Listing Rule 10.14 requires that the Company not permit a Director or their associates to acquire securities under an "employee incentive scheme" without Shareholder approval (unless an exception applies). The Board is therefore seeking Shareholder approval to grant Performance rights to Mr Walstab on the terms set out above and under the EIP. The EIP constitutes an "employee incentive scheme" under the ASX Listing Rules.

Information provided in accordance with Listing Rule 10.15

ASX Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 10.14:

- The related party is Mr Walstab;
- Mr Walstab falls within ASX Listing Rule 10.14 as a Director of the Company;
- The maximum number of Performance Rights is 1,222,111, subject to the achievement of performance hurdles;
- Mr Walstab's current remuneration package as follows:

Director	Nature	Remuneration Package Details
Mr John Walstab	Managing Director	<p>Fixed remuneration of \$500,000 per annum, plus 11% Superannuation in line with the Superannuation Guarantee (<i>Administration</i>) Act 1992 (Cth).</p> <p>Mr Walstab will be entitled to a potential short-term incentive (STI) of \$200,000, representing 40% of his fixed remuneration package, with KPIs to be determined by the Board. This will be payable in cash.</p> <p>Subject to the Employee Incentive Plan Rules Mr Walstab will be entitled to:</p> <ul style="list-style-type: none"> - Within 1st year the PGC share price exceeding \$0.30: 2,000,000 fully paid ordinary shares and exceeding \$0.40: 5,000,000 fully paid

		<p>ordinary shares.</p> <ul style="list-style-type: none"> - Within 2nd year the PGC share price exceeding \$0.50: 2,000,000 fully paid ordinary shares and exceeding \$0.60: 5,000,000 fully paid ordinary shares. - Within 3rd year the PGC share price exceeding \$0.70: 2,000,000 fully paid ordinary shares, exceeding \$0.80: 5,000,000 fully paid ordinary shares.
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In addition, it is noted that Mr Walstab’s security interests in the Company are currently (not including any potential grant of Performance Rights, the subject of this resolution) 125,075,109 Fully Paid Ordinary Shares and 1,022,029 Unquoted Performance Rights.

- e) The total number of securities previously issued to Mr Walstab under the EIP is 1,022,029 unquoted performance rights;
- f) The performance rights will have a three-year performance period from 1 July 2023 to 30 June 2026. The total value the entity attributes to these securities will be calculated each year based on a 14-day VWAP during the vesting year. Subject to the satisfaction of the vesting and exercise conditions described above, Mr Walstab will receive one Share in the Company for each Performance Right exercised;
- g) The Company expects to issue the Performance Rights within one month after the date of the Meeting, and in any event, no later than 3 years after the date of the Meeting;
- h) The Performance Rights will be granted to Mr Walstab at nil issue price;
- i) The material terms of the plan can be found in Company’s EIP plan rules. To the extent that there is any discrepancy between the terms of the plan and the Employment Agreement to Mr Walstab, the terms of the Employment Agreement will prevail;
- j) No loan will be made by the Company in relation to the grant of Performance Rights to Mr Walstab;
- k) Details of any Performance Rights issued under EIP will be published in each Annual Report of the Company relating to a period in which the Performance Rights have been issued in addition to a statement that the securities were issued under ASX Listing Rule 10.14;
- l) Any additional persons referred to in Listing Rule 10.14 who becomes entitled to participate in the EIP after this Resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14; and
- m) If approval is given under ASX Listing Rule 10.14, approval will not be sought under ASX Listing Rule 7.1.

Termination Benefits approval – sections 200B and s200E Corporations Act

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous three years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person’s retirement from office and is in excess of that person’s average annual base salary over the relevant period, unless that benefit is approved by Shareholders or an exemption applies.

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Mr Walstab’s unvested Performance Rights in the event Mr Walstab ceases employment in ‘good leaver’ circumstances being cessation other than due to resignation or dismissal for cause or poor performance and for the benefit not to be a termination benefit for the purposes of the Corporations Act. Where Mr Walstab ceases as ‘bad leaver’ (which includes by resignation or dismissal for poor performance), all unvested Performance Rights will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Mr Walstab’s termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act. The approval will be effective from the date the Resolution is passed until the conclusion of the 2026 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Performance Rights given in connection with Mr Walstab ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of the value are:

- The number of Performance Rights held by Mr Walstab prior to cessation of employment;
- The date when, and circumstances in which, Mr Walstab ceases employment;
- Whether performance hurdles are waived or (if not waived) met, and the number of Performance Rights that vest (which could be all of the Performance Rights held by Mr Walstab); and
- The market price of the Company's shares on the ASX on the date Shares are provided to Mr Walstab upon vesting of the Performance Rights

Board Recommendation

The Board (with Mr Walstab abstaining) recommends Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

Refer to Voting Exclusion Number 3.

Resolution 4 – Approval of 10% Placement Capacity

Background

Broadly speaking and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that the Company can issue without the approval of the Shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.1A enables an eligible entity to issue up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement Capacity**). An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity. Note however that if, on the date of this Meeting, the market capitalisation of the Company exceeds \$300 million or the Company has been included in the S&P/ASX 300 Index, then this Resolution will no longer be effective and will be withdrawn.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue equity securities under the 10% Placement Capacity. The effect of this Resolution is to allow the Directors to issue equity securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without, or in addition to, using the Company's 15% placement capacity under Listing Rule 7.1.

Placement Period

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A commences on the date of this Annual General Meeting and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of this Annual General Meeting;
- (ii) the time and date of the Company's next Annual General Meeting; and
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

The Company will only issue and allot the equity securities approved under the 10% Placement Capacity during the 10% Placement Period.

Outcome of this Resolution

If Shareholders approve this Resolution:

- the number of equity securities permitted to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below); and
- the Company will be able to issue equity securities up to the combined 25% limits in Listing Rules 7.1 and 7.1A without further shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Formula for calculating 10% Placement Capacity

The maximum number of equity securities that may be issued by the Company under the 10% Placement Capacity pursuant to Listing Rule 7.1A2 is calculated in accordance with the following formula:

$$(A \times D) - E$$

A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The ability of an entity to issue equity securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula stated above.

Type and number of equity securities

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at date of this Notice, has on issue two classes of quoted equity securities, being Shares and unquoted performance rights, as follows:

- 659,345,929 Shares; and
- 17,895,216 unquoted performance rights.

Minimum issue price and cash consideration

The equity securities will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i. the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient of the securities; or
- ii. if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

Purpose of the funds raised

The purposes for which the funds raised by an issue under the 10% Placement Capacity may be used by the Company include:

- i. consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
- ii. continued expenditure on the Company's current business and/or general working capital.

Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues equity securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the dilution table below.

Shareholders may be exposed to economic risk and voting dilution, including the following:

- i. the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Annual General Meeting; and
- ii. the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the equity securities.

The dilution table shows the hypothetical dilution of existing Shareholders on the basis of the market price of Shares as at 11 October 2023 (**Current Share Price**) and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The dilution table also shows:

- two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable ‘A’ in ASX Listing Rule 7.1A.2	Share price	Dilution		
		\$0.090 Half Current	\$0.180 Current Price	\$0.360 Double Current Price
Current Variable A 667,868,179 Shares	10% Voting Dilution	66,786,818	66,786,818	66,786,818
	Funds raised	\$6,010,814	\$12,021,627	\$24,043,254
50% increase in Variable A 1,001,802,269 Shares	10% Voting Dilution	100,180,227	100,180,227	100,180,227
	Funds raised	\$9,016,220	\$18,032,441	\$36,064,882
100% increase in Variable A 1,335,736,358 Shares	10% Voting Dilution	133,573,636	133,573,636	133,573,636
	Funds raised	\$12,021,627	\$24,043,254	\$48,086,509

This dilution table has been prepared on the following assumptions:

- The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- No Options (including any Options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the equity securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder’s holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of equity securities under the 10% Placement Capacity consists only of Shares. If the issue of equity securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.180 (18 cents), being the closing price of the Shares on ASX on 11 October 2023.

Allocation Policy

The Company’s allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- the methods of raising funds that are available to the Company, including, but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

Previous Issues

The Company:

- i. has not issued, nor agreed to issue, any equity securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting; and
- ii. had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any equity securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Special Resolution

The ability to issue equity securities under the 10% Placement Capacity is subject to shareholder approval by way of a special resolution. This means it requires approval of 75% of the votes cast by Shareholders present or represented, and eligible to vote.

Board Recommendation

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

Disclosure

The Company considers this Explanatory Statement to contain all material information known to it that could reasonably be required by a Shareholder in deciding how to vote on the proposed resolution other than information that would be unreasonable to require the Company to disclose because it has previously disclosed that information to Shareholders.

GLOSSARY

\$ means Australian Dollars.

10% Placement Capacity has the meaning as defined in the Explanatory Statement for Resolution 4;

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2023.

AEDT means Australian Eastern Daylight Time.

AGM or **Annual General Meeting** means the Annual General Meeting of the Company which is the subject of this Notice of Meeting.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as the context requires.

Auditor's Report means the auditor's report on the Financial Report.

Board means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- a) a spouse or child of the member; or
- b) has the meaning given in section 9 of the Corporations Act.

Company or **PGC** means Paragon Care Limited ABN 76 064 551 426.

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement which forms part of this Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the Listing Rules of ASX, as amended from time to time.

Meeting has the meaning given in the introductory paragraph of the Notice.

Member has the same meaning as a Shareholder.

Notice or **Notice of Meeting** means the Notice of Annual General Meeting of the Company.

Performance Right means a right to acquire a Share, subject to conditions specified by the Board.

Proxy Form means the proxy form attached to the Notice;

Remuneration Report means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 30 June 2023 and which is set out in the 2023 Annual Report.

Resolution means a resolution to be put to Paragon Care Limited Shareholders at the AGM, as set out in the Notice of Meeting.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the Company.

Shareholder means shareholder of the Company.

Share Registry means Link Market Services Limited (ACN 083 214 537) or any other person appointed as registrar of the register of members of the Company from time to time.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

VWAP means volume weighted average price.

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

Paragon Care Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Paragon Care Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held virtually at **1:00pm (AEDT) on Tuesday, 21 November 2023 via video-conferencing facility (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted virtually via video-conferencing facility and you can participate by registering your attendance online at https://vistra.zoom.us/webinar/register/WN_5_BUpW-TRQ061Z13_-WPCQ, following which you will receive the dial-in details of the Meeting. You can view and download the **Notice of Annual General Meeting and Explanatory Statement** at the Company's website at <https://www.paragoncare.com.au/asx-announcements> and on the Australian Stock Exchange Announcement Platform

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Brent Stewart as a Director of Paragon Care Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Issue 1,222,111 Performance Rights to Mr John Walstab	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, both shareholders have to sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



STEP 1

STEP 2

STEP 3

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, both shareholders have to sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **1:00pm (AEDT) on Sunday, 19 November 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Shareholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Paragon Care Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

or

Level 12
680 George Street
Sydney NSW 2000

*During business hours Monday to Friday (9:00am - 5:00pm)