



Notice of Annual General Meeting

2022

ANNUAL GENERAL MEETING

Thursday, 27 October 2022
10.00am (AEDT)

To be held in person at Level 1, 3 - 5 George Street, Leichhardt NSW 2040

A webcast of the meeting will be made available to shareholders

ATOMO DIAGNOSTICS LIMITED
ABN 37 142 925 684

Atomo Diagnostics Limited (**Company** or **Atomo**) gives notice that an Annual General Meeting (**AGM**) of Shareholders will be held on:

**Thursday, 27 October 2022
at 10.00 am (AEDT)**

The AGM will be held in person at:

Level 1,
3 - 5 George Street
Leichhardt NSW 2040

In addition, the Board will webcast the AGM. Details of the webcast will be made available to shareholders and other interested persons via the ASX Market Announcement Platform.

This meeting is not a hybrid or virtual meeting. Shareholders attending via the webcast will not be able to vote, ask questions or make comments during the meeting. Directors encourage all shareholders to attend in person.

VOTING ELIGIBILITY

To be eligible to vote at the meeting, shareholders must be a registered Shareholder of the Company as of 7.00 pm on Tuesday, 25 October 2022.

If more than one joint holder of shares participates in the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Option holders are not eligible to vote at the meeting.

HOW CAN YOU VOTE

If you are entitled to participate in and vote at the AGM, you can vote your shares in one of the following ways. Atomo reserves the right to declare a vote invalid if it is not received by one of the following methods:



In person at the AGM.



You may vote your shares online prior to the AGM.

Go to:

<https://investorcentre.linkgroup.com>

To be effective, your votes must be received by Atomo no later than **10.00am (AEDT) on Tuesday, 25 October 2022.**



Shareholders may complete and return the enclosed Voting Form to 'Vote Directly' or 'Appoint a Proxy'.

UNDIRECTED PROXIES

The Directors unanimously recommend Shareholders vote in favour of all resolutions. The Chairman intends to vote all undirected proxies **IN FAVOUR** of each resolution.

VOTING BY PROXY

To appoint a proxy, Shareholders should complete Section B of the enclosed **Voting and Proxy Form**.

If no direction is given on an item or if Section A and Section B are both completed on the Voting and Proxy Form, your vote may be passed to the Chair of the AGM as your proxy. The Chair will vote in accordance with the voting intentions stated above.

Shareholders may appoint a proxy or proxies to vote and act on their behalf at the AGM. A proxy need not be a Shareholder and can be an individual or a body corporate.

You may appoint one or two proxies (but no more). If two proxies are appointed, you may specify the proportion or number of the votes each proxy is appointed to exercise. In accordance with Rule 17.1(b) of Atomo's Constitution, if a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes.

Shareholders who have appointed a proxy may still participate in the meeting. The proxy is not revoked by the shareholder participating and taking part in the meeting, unless the shareholder actually votes at the meeting on a resolution for which the proxy is proposed to be used.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of shareholders shall be accepted to the exclusion of the others, regardless of whether the vote is by proxy, by representative or by attorney.

A proxy need not be a shareholder of the Company and may be an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (**the Act**); and
- provides satisfactory evidence of the appointment of its corporate representative to the Company at least 48 hours prior to commencement of the meeting.

If such evidence is not received at least 48 hours prior to the commencement of the meeting, then the body corporate proxy (through its representative) will not be permitted to act as the shareholder's proxy.

Proxy forms (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the

authority) must be received by the Company's share registry by 10:00 am (AEDT) on Tuesday, 25 October 2022 to be effective.

Completed Voting Forms may be **posted** to:

Atomo Diagnostics Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Alternatively, completed Voting and Proxy Forms may be **faxed** to +61 2 9287 0309.

KEY MANAGEMENT PERSONNEL

Under the *Corporations Act 2001* (Cth), voting restrictions apply to Atomo's key management personnel (**KMP**) and their closely related parties in relation to Items 4 and 5. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of Atomo, directly or indirectly, including any director (whether executive or otherwise) of Atomo.

The term "**closely related party**" in relation to a member of KMP includes a spouse, child (including a spouse's child), dependents, and certain other close family members, as well as any companies the KMP controls. Please refer to the Explanatory Notes for more detail. If you intend to appoint a member of the KMP (other than the Chair of the meeting) or one of their closely related parties as your proxy or nominee, please ensure that you direct them on how to vote on Items 4 and 5, otherwise they may not be able to cast a vote as your proxy or nominee on this item.

QUESTIONS AT THE MEETING

The meeting is intended to give shareholders the opportunity to hear from the Chairman as well as the Managing Director & Chief Executive Officer, to discuss the financial year ended 30 June 2022, to give some insight into the Company's prospects for the year ahead and provide an opportunity for shareholders to ask questions and make statements relevant to the Company.

The Company welcomes shareholders' questions at the meeting. However, in the interests of those present, questions or comments should be confined to items of business before the meeting and should be relevant to shareholders as a whole.

Shareholders can submit questions and comments online prior to the AGM via:
registrars@linkmarketservices.com.au

Questions and comments sent online must be received by Atomo no later than 5.00 pm (AEDT) on Tuesday, 25 October 2022.

CONTACT US

Shareholders are encouraged to call Atomo's share registry, Link Market Services (**Link**), if you have any questions regarding submitting your votes, the AGM or your holding, by phoning 1300 554 474 (within Australia) or +61 1300 554 474 (Overseas).

Items of Business

1. FY22 Financial Report

To receive and consider the financial statements of the Company and the reports of the Directors and auditors for the year ended 30 June 2022.

2. Re-election of a Director – Dr Paul Kasian

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

“That Dr Paul Kasian, being a Director who retires under rule 20.6(a) of the Company’s constitution and being eligible, is elected as a Director of the Company.”

Details of the qualifications and experience of Dr Kasian and the recommendation of the Board in relation to his election are set out in the attached Explanatory Notes.

3. Re-election of a Director – Mr John Keith

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

“That Mr John Keith, being a Director who retires under rule 20.6(a) of the Company’s constitution and being eligible, is elected as a Director of the Company.”

Details of the qualifications and experience of Mr Keith and the recommendation of the Board in relation to his election are set out in the attached Explanatory Notes.

4. Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2022 be adopted.”

This is a non-binding advisory vote.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4:

- by or on behalf of a member of the Company’s key management personnel (**KMP**) named in the Company’s Remuneration Report for the year ended 30 June 2022 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company’s KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 4:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of the KMP.

5. Equity grants to Managing Director & Chief Executive Officer

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 666,666 unquoted options to John Kelly under the Atomo Employee Option Plan on the terms described in the Explanatory Notes which forms part of the Notice of Meeting, is approved.”

Voting exclusion statement

The Company will disregard any votes cast on Resolution 5 by on behalf:

- John Kelly; or
- An associate of John Kelly

However, this does not apply to a vote cast in favour of Resolution 5 by:

- A person as 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
- The chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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.

BY ORDER OF THE BOARD

23 September 2022

Tharun Kuppana
Company Secretary

Explanatory Statement

These Explanatory Notes form part of the Notice of Meeting and are intended to provide shareholders of the Company with information to assess the merits of the proposed resolutions.

The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to these resolutions.

ITEM 1: FY22 FINANCIAL REPORTS

This item of business provides a reasonable opportunity for shareholders to comment on and ask questions on the financial statements and reports for the financial year ended 30 June 2022 and on the business, operations and management of Atomo. There will also be an opportunity to ask questions of the Company's auditor.

All shareholders can view the Company's 2022 Annual Report (which contains the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the year ended 30 June 2022) on the Company's website at: www.atomodiagnosics.com

Shareholders who have previously elected to receive a hard copy of the Company's Annual Report will receive the document in the mail.

ITEM 2 – 3: RE-ELECTION OF DIRECTORS

Clause 20.7 of the Company's Constitution provides that The Company must hold an election of Directors at each annual general meeting of the Company. Clause 20.6(a) provides that a Director must not hold office (without re-election) past the third annual general meeting following that Director's appointment or three (3) years, whichever is longer. Mr Keith and Dr Kasian retire in accordance with cl. 20.6(a) and being eligible, submit themselves for re-election.

Election of Director – Dr Paul Kasian

Dr Paul Kasian joined the Board in February 2020. Dr Kasian currently serves as Chairman of the Audit & Risk Committee (**ARC**).

Dr Kasian is the Chair of IODM Limited (ASX:IOD); Executive Chairman of Zucero Therapeutics Limited; and Non-Executive Director of Eco Systems Ltd. Previously Dr Kasian was Chair and CEO of Genetic Technologies Limited; a former Chief Investment Officer; Head of Global Financials at HSBC Asset Management; Founding Director of Accordius; and Founding Director of Wallara Asset Management.

Dr Kasian holds a PhD in Microbiology and MBA, both from the University of Melbourne, and is a Graduate Member of the Australian Institute of Company Directors.

The Board (with Dr Kasian absent) reviewed the performance of Dr Kasian. The review included

consideration of his expertise, skill and experience, as well as his performance and contribution to the work of the Board over his term of office. The Board found that Dr Kasian had been a high performing Director and continues to make valuable contributions to the Board and in his capacity as Chairman of the ARC. Dr Kasian is considered an independent Director by the Board.

Election of Director – Mr John Keith

John Keith has served as the Non-Executive Director of Atomo since November 2011 and became Chairman in 2014.

Mr Keith is a Managing Director of BNP Paribas, establishing and leading its financial institutions coverage team. Prior to joining BNP Paribas in 2011, Mr Keith held country management and senior business and coverage positions for Nomura Securities in Sydney and Hong Kong. His career comprises working with supranational, sovereign and institutional clients across all areas of investment and institutional banking. He has also served on the boards of ASIA Limited, Calliva Limited, Room to Read Australia Foundation and Ascham Foundation.

Mr Keith holds a Bachelor of Arts (Hons) majoring in Economic History from the Victoria University of Wellington, a Master of Applied Finance from Macquarie University and a Global Executive MBA from the University of Sydney

The Board (with Mr Keith absent) reviewed the performance of Mr Keith. The review included consideration of his expertise, skill and experience, as well as his performance and contribution to the work of the Board over his term of office. The Board found that Mr Keith had been a high performing Director and continues to make valuable contributions to the Board. Mr Keith is considered an independent Director by the Board.

Directors' Recommendation

The Board, with Dr Kasian and Mr Keith abstaining in relation to their own re-election, recommend that shareholders vote **IN FAVOUR** of the re-election of directors.

ITEM 4: REMUNERATION REPORT

In accordance with section 250R(2) of the *Corporations Act 2001* (Cth), the Board is presenting the Company's Remuneration Report for the year ended 30 June 2022 to shareholders for consideration and adoption by a non-binding vote. The Remuneration Report was published on 25 August 2022 and is available on the Company's website (www.atomodiagnosics.com).

The Remuneration Report:

- explains the Board's policies in relation to the objectives and structure of Atomo's remuneration system;
- discusses the relationship between the remuneration outcomes and the returns to shareholders;

- provides details of performance conditions, why they were chosen and how performance is measured against them; and
- sets out the remuneration arrangements for each Director and each other member of the KMP of the Company.

Shareholders will have a reasonable opportunity to ask questions and comment on the Remuneration Report at the AGM.

The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

The *Corporations Act* prohibits certain persons from voting on this item of business. The voting exclusion statement relating to this item of business is set out on page 4 of the Notice of Meeting.

Directors' Recommendation

The Board recommends that shareholders **vote IN FAVOUR** of adopting the Remuneration Report.

ITEM 5: ISSUE OF OPTIONS TO THE MANAGING DIRECTOR & CEO

Subject to shareholder approval, Atomo proposes to issue and allot 666,666 unquoted options (**the Issue**) under Atomo's Employee Option Plan (**Option Plan**) to John Kelly as part of Atomo's remuneration scheme to reward the diligent execution of the corporate strategy and to ensure retention of the key talent needed to deliver strategic outcome in the interest of shareholders.

The Issue will replace 666,667 options previously granted to Mr Kelly and subsequently cancelled as the conditions were not capable of being satisfied (refer to Notice of cessation of securities lodged 2 September 2022).

The options issued to Mr Kelly will be exercisable at \$0.25 per option and expire on 14 April 2025 and are conditional upon John Kelly remaining employed by Atomo.

Listing Rule 10.14 provides that an ASX-listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme without shareholder approval:

- a director of the company (Listing Rule 10.14.1);
- an associate of a director of the company (Listing Rule 10.14.2); or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders, unless it obtains the approval of its shareholders.

As Mr Kelly is a Director of the Company, the Issue falls within Listing Rule 10.14.1 above and therefore requires the approval of Atomo's shareholders.

This resolution seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

If this resolution is passed, Atomo will be able to proceed with the Issue and 666,666 unquoted options will be issued and allotted to Mr Kelly. If this resolution is not passed, Atomo will not be able to proceed with the Issue and the Board may need to consider alternative remuneration arrangements in order to reward, incentivise and retain Mr Kelly.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Atomo without approval of shareholder in any rolling twelve month period. However, Atomo is permitted to issue securities in excess of the 15% limit if those securities are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders. ASX Listing Rule 7.2 details 17 exceptions to Listing Rule 7.1 Exception 14 is that the issue of securities is made with the approval of the holders of the entity's ordinary securities under Listing Rule 10.11 or 10.14.

This resolution, if passed, will provide approval for the purposes of Listing Rule 10.14 in relation to both the options and any shares issued on exercise of those options. In accordance with Exception 14 of ASX Listing Rule 7.2, if approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

The following information is provided in accordance with ASX Listing Rule 10.15:

1. John Kelly is the person to be the recipient of the Issue.
2. John Kelly is Atomo's Managing Director and therefore the Issue falls within Listing Rule 10.14.1.
3. 666,666 unquoted options (ASX:AT1AM) are proposed to be issued and allotted to John Kelly.
4. John Kelly's total remuneration package for the 2022 financial year comprises:
 - Fixed base salary of \$421,917.80 (including \$38,256 in superannuation and \$7,746 in long service leave);
 - Variable short term incentive (bonus) of \$94,500; and
 - A variable long-term incentive of 666,666 unquoted options (the subject of this resolution)

Further information regarding John Kelly's remuneration is set out in Atomo's 2022 Remuneration Report, contained in the 2022 Annual Report which is available on Atomo's website at: www.atomodiagnosics.com

5. The Company has previously issued 2,000,000 options to John Kelly under the Plan exercisable at \$0.25 per option as disclosed in the Company's Prospectus (**IPO Options**). The IPO Options were issued in three equal tranches vesting in 12 months, 24 months and 36 months respectively and include vesting conditions relating to satisfaction of KPIs. The IPO Options were issued at nil cost to John Kelly.

The Company issued 333,333 options to John Kelly under the Plan exercisable at \$0.25 per option as disclosed in the 2021 Notice of Meeting (**2021 Options**). The 2021 Options were issued following shareholder approval in 2021 and include vesting conditions relating to satisfaction of KPIs. The 2021 Options were issued at nil cost to John Kelly.

The first and second tranche of these IPO options, 666,667 options lapsed as the KPIs applicable to the options were not capable of being satisfied with respect to the year ended 30 June 2021 and 30 June 2022.

The Managing Director continues to hold 999,999 unquoted options (excluding the Issue).

6. The unquoted options will be exercisable at \$0.25 per option and expire on 14 April 2025.

The options do not carry voting rights. Options are not quoted on the ASX and carry no voting or dividend rights. Shares issued on exercise of the options will rank equally with ordinary shares on issue. Options are considered by the Board to be an appropriate equity security to issue under the Option Plan as the options assist with ensuring retention of the Managing Director and CEO who is needed to deliver strategic outcomes for the Company, in the interest of shareholders.

In accordance with AASB 2 Share-Based Payments, the total fair value of the options is recognised as an expense over the vesting term of the options with a corresponding increase in equity. Where early exercise occurs, this cost is accelerated. The options are valued at \$14,861 (based on a 25 August 2022 grant date). Atomo has not obtained an independent valuation of the options.

Options are valued using the Black Scholes methodology and are disclosed in the Company's annual reports.

7. The options will be issued to John Kelly on or about the date of the AGM, but in any event no later than 3 years after the date of the Meeting.
8. The issue price of the options is nil.
9. A summary of the material terms of the Option Plan are provided in Annexure A. The Option Plan has not been amended to that as set out in the Company's IPO Prospectus dated 31 March 2020.
10. No loan will be made to John Kelly in relation to the acquisition of the options.
11. Details of any securities issued under the Option Plan will be published in the annual report of Atomo relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 5 is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

12. A voting exclusion statement applies to this resolution.

Directors' Recommendation

The Directors, with Mr Kelly abstaining, recommend shareholders vote **IN FAVOUR** of Resolution 5

**Annexure A:
Summary of the Material Terms of Atomo's Employee Option Plan**

Term	Description
Eligible participants	<p>Eligible participants include natural persons who are a:</p> <p>(a) permanent full-time or permanent part-time employee; or</p> <p>(b) Director,</p> <p>of the Company or an Associated Company whom the Board determines to be eligible to participate in the Option Plan (Eligible Option Participant).</p>
Plan Interests	<p>Eligible Option Participants will be provided with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide greater incentive for them to focus on the Company's longer-term goals.</p>
Quantum	<p>The number of Options offered to an Eligible Option Participant will be specified in the invitation made to that Eligible Option Participant.</p>
Terms and conditions	<p>The Board may from time to time invite an Eligible Option Participant to participate in the Option Plan. Invitations will be subject to such terms as the Board determines and will specify, amongst other things, the following:</p> <p>(a) any option fee that may be applicable;</p> <p>(b) the exercise price of the Options;</p> <p>(c) the duration of the Options, including the first and last exercise date of the Options; and</p> <p>(d) the time period for making an application to participate in the Option Plan;</p> <p>Following receipt by an Eligible Option Participant of an invitation as described above, the Eligible Option Participant may make an application by delivering to the Company a duly completed and executed application form within the closing time specified in the invitation or in accordance with any other procedure set out in the invitation. The Board may then decide to accept or reject the offer made by the Eligible Option Participant</p>
Restrictions	<p>An Option Participant must not assign, transfer, sell or grant a security interest or otherwise deal with an Option.</p> <p>An Option Participant may only exercise an Option in accordance with the terms of the Option Plan.</p> <p>If the Company offers shareholders other securities, the Board will determine whether the other securities are to be offered to Option Participants on the exercise of Options or whether any other equivalent securities, interest or rights will be offered to them if the other securities are not available, and the basis thereof, to the intent that on the exercise of Options the Option Participants will be treated whenever possible as if they were shareholders at the date that the Options are granted to the Option Participant.</p>
Amendments	<p>The Board may at any time amend the Option Plan or waive or amend the application of any of the rules under the Option Plan in relation to an Eligible Option Participant at any time and a change may be given retrospective effect. However, where any amendments will reduce any of the Option Participants' rights in respect of their Plan Shares, the Board must obtain the prior written consent of at least 75% of the Option Participants affected by the change unless the amendment is to correct a manifest error or for the purpose of complying with applicable laws or to take into consideration possible adverse tax implications to the Option Plan arising from changes to relevant tax guidance.</p>