

NOTICE OF 2017 ANNUAL GENERAL MEETING

Notice is hereby given that the 2017 Annual General Meeting of Integral Diagnostics Limited (the **Company**) will be held at the office of PricewaterhouseCoopers located at Level 19, 2 Riverside Quay, Southbank, Victoria 3006, on Wednesday, 22 November 2017, commencing at 10.00am (AEDT).

Further details in respect of each of the resolutions proposed in this Notice of Annual General Meeting are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

ITEMS OF BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditors for the year ended 30 June 2017.

2. RE-ELECTION OF MS HELEN KURINCIC AS A DIRECTOR

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

"That, Ms Helen Kurincic, who retires by rotation and being eligible, be re-elected as a Director of the Company."

Details of the qualifications and experience of Ms Helen Kurincic are set out in the Explanatory Memorandum.

3. ELECTION OF MS RAELENE MURPHY AS A DIRECTOR

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

"That, Ms Raelene Murphy, who was appointed on 1 October 2017, retires and being eligible, be elected as a Director of the Company."

Details of the qualifications and experience of Ms Raelene Murphy are set out in the Explanatory Memorandum.

4. REMUNERATION REPORT

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

"The Remuneration Report for the year ended 30 June 2017 be adopted."

Note: voting restrictions apply to this item of business. Please see page 3 for further details.

5. APPROVAL OF LONG-TERM INCENTIVE GRANT OF FY18 RIGHTS TO THE CEO AND MD

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

"That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of Rights to Ian Kadish as his annual long-term incentive grant for the year ended 30 June 2018 on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting."

Note: voting restrictions apply to this item of business. Please see page 4 for further details.

6. APPROVAL OF ISSUE OF SECURITIES UNDER THE COMPANY'S EQUITY INCENTIVE PLAN

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

"That the Company's Equity Incentive Plan, the terms and conditions of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting, be approved and the issue of securities under the Company's Equity Incentive Plan, as described in the Explanatory Memorandum, be approved for all purposes including ASX Listing Rule 7.2, Exception 9."



Note: voting restrictions apply to this item of business. Please see page 4 for further details.

7. RENEWAL OF THE PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

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

“That the proportional takeover provisions in the Company’s Constitution, rule 6, be renewed for a further period of 3 years.”

The accompanying important information and Explanatory Memorandum form part of this Notice of Meeting.

By order of the Board

Kathryn Davies
Company Secretary

23 October 2017

IMPORTANT INFORMATION

ANNUAL REPORT

The Company's 2017 Annual Report is now available at:
<https://www.integraldiagnostics.com.au/content/Document/annualreport.pdf>

SHAREHOLDERS ENTITLED TO ATTEND AND VOTE

All shareholders may attend the Annual General Meeting.

The Board has determined that persons entitled to attend and vote at the meeting will be those persons set out in the register of Members as at 7.00pm (AEDT) on Monday, 20 November 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to vote at the meeting.

If more than one joint holder of shares is present at the Annual General Meeting (whether personally, by proxy, 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.

PROXIES

If you are a shareholder entitled to vote, you may appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of the Company and can be either an individual or a body corporate.

If you wish to appoint a body corporate as your 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); and
- provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received before the commencement of the meeting, the body corporate (through its representative) will not be permitted to act as a proxy.

If you are a shareholder holding two or more shares, you can appoint either one or two proxies. Where two proxies are appointed, you can specify what proportion or number of your votes you want each proxy to exercise. If no proportion or number is specified, each proxy may exercise half of your votes, and if both proxies attend the meeting, neither proxy may vote on a show of hands.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.

Your proxy must vote in accordance with your directions on the proxy form. If a poll is duly demanded in relation to a proposed resolution, and you have directed your proxy how to vote, and they fail to attend the meeting or they choose not to vote on a poll then the Chairman of the meeting will vote your proxies on that resolution as directed by you.

The Chairman intends to vote all available proxies in favour of each item of business.

Unless the Chairman of the meeting is your appointed proxy (or he/she becomes your proxy by default), members of the Company's Key Management Personnel (**KMP**) (which includes each of the Directors) and their closely related parties will not be able to vote as proxy on Items 4, 5 and 6 unless you direct them how to vote. If you intend to appoint a member of the KMP or their closely related parties as your proxy, you should ensure that you direct that person how to vote on Items 4, 5 and 6.

LODGEMENT

To be effective, completed proxy forms (together with any additional documentation such as a power of attorney or appointment of a body corporate representative) must be received by the Company via its Share Registry by 10.00am (AEDT) on Monday, 20 November 2017, by one of the following methods:

Online: Shareholders may lodge proxies online by visiting www.investorvote.com.au and following the prompts. To use this facility you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and control number as shown on the proxy form.

For Intermediary Online subscribers only (custodians and nominees) please visit:
www.intermediarvonline.com

By Mail: to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001

In Person: Share Registry, Computershare Investor Services, 452 Johnson Street, Abbotsford, Victoria 3067

By Fax: to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

CORPORATE REPRESENTATIVE

Any corporate shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the *Corporations Act 2001* (Cth) authorising him or her to act as that company's representative. The authority must be sent to the Company (attention: Company Secretary) and/or registry before the commencement of the meeting.

VOTING BY ATTORNEY

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the meeting. An attorney may but need not be a member of the Company.

An attorney may not vote at the meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company before the commencement of the meeting.

SHAREHOLDER QUESTIONS

The Annual General Meeting is intended to give shareholders the opportunity to hear both the Chairman and the CEO & MD talk about the financial year just passed and also give some insight into the Company's prospects for the year ahead. At the meeting, shareholders will have a reasonable opportunity to ask questions on the management of the Company and the Remuneration Report.

Shareholders will also be given reasonable opportunity to ask the Company's auditor, PwC, questions about the content of its report, and the conduct of the audit of the Company for the past financial year.

Shareholders are encouraged to submit written questions in relation to these matters. During the meeting, the Chairman of the meeting will seek to address as many of the more frequently raised topics as possible. Please note that individual responses will not be sent.

Written questions must be submitted no later than 5:00pm (AEDT) on Wednesday, 15 November 2017 by completing the question form attached.

Following the Annual General Meeting, shareholders are invited to join Directors and the executives for refreshments.

VOTING RESTRICTIONS

Voting on Item 4

The Company will disregard any votes cast on Item 4:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 30 June 2017 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 and their closely related parties,

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

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting, pursuant to an express authorisation in the proxy form to exercise the proxy even though Item 4 is connected with the remuneration of KMP.

Voting on Item 5

The Company will disregard any votes cast on Item 5:

- by or on behalf of Dr Kadish and any of his associates, regardless of the capacity in which the vote is cast; and
- 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 Item 5:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy even though Item 5 is connected with the remuneration of the KMP.

Voting on Item 6

The Company will disregard any votes cast on Item 6:

- by or on behalf of a Director of the Company (other than a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates, 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 Item 6:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy even though Item 6 is connected with the remuneration of the KMP.

If you appoint the Chairman of the Meeting as your Proxy

If you appoint the Chairman of the Annual General Meeting as your proxy (or he/she becomes your proxy by default), and you do not direct your proxy how to vote on Items 4, 5 and 6 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy on these Items even though the resolution is connected, directly or indirectly, with the remuneration of the KMP.

The Chairman of the meeting intends to vote all available proxies in favor of Items 4, 5 and 6.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist shareholders in understanding the items of business at the forthcoming Annual General Meeting.

ITEM 1 - ANNUAL FINANCIAL STATEMENTS AND REPORTS

The Company's Annual Report for 2017 (which includes the Financial Report, the Directors' Report and the Auditor's Report, together called the "Reports") will be presented to the meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on the Reports. However, shareholders will be given a reasonable opportunity to ask questions about the management of the Company.

Also, a reasonable opportunity will be given to shareholders as a whole at the meeting to ask the Company's Auditor, PwC, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders are invited to submit written questions in advance of the meeting as set out in the attached form.

ITEM 2: RE-ELECTION OF MS HELEN KURINCIC AS A DIRECTOR

Ms Helen Kurincic (MBA, FAICD, Grad Dip Wom Stud, PBC Crit Care, Cert Nsg) was appointed as an independent Non-Executive Director and Chairman of the Company in December 2014, preceding listing on the ASX on 21 October 2015 and is the Chairman of the Nomination Committee and a member of the People and Remuneration Committee and the Audit, Risk & Compliance Committee.

Helen has deep Executive and Board-level experience across the healthcare industry. She is currently a Non-Executive Director of HBF Health Limited, Estia Health Limited (ASX:EHE) and Sirtex Medical Limited (ASX:SRX), and is a senior advisor in the healthcare sector. Previously, Helen was the Chief Operating Officer and Director of Genesis Care from its earliest inception, creating and developing the first and largest radiation oncology and cardiology business across Australia. Prior to that Helen held various executive and non-executive healthcare sector roles including Non-Executive Director of DCA Group Ltd (diagnostic imaging services in Australia and the United Kingdom), Non-Executive Director of AMP Capital Investors Domain Principal Group, CEO of Benetas and Non-Executive Director of Melbourne Health and Orygen Research Centre.

Helen has also been actively involved in healthcare government policy reform including appointments by health ministers as Chair of the Professional Programs and Services Committee for the Fourth Community Pharmacy Agreement and Member of the Minister's Implementation Taskforce and Minister's Reference Group for the Long Term Reform of Aged Care.

Recommendation

The Board (with Ms Helen Kurincic abstaining) unanimously recommends the re-election of Ms Helen Kurincic as a Director of the Company.

ITEM 3: ELECTION OF MS RAELENE MURPHY AS A DIRECTOR

Ms Raelene Murphy (BBus, CA, GAICD) was appointed as an independent Non-Executive Director of the Company on 1 October 2017, and is the Chairman of the Audit, Risk & Compliance Committee.

In accordance with the Constitution, a Director appointed by the Board holds office until the next Annual General Meeting following his or her appointment, unless elected by shareholders.

Raelene has over 30 years' experience in strategic, financial and operational leadership in both industry and professional advisory after beginning her career in audit. She was formerly a Partner in a national accounting firm, Managing Director of Korda Mentha and CEO of Delta Group. In her professional advisory career she specialised in operational and financial restructuring with a particular emphasis on merger and acquisition integration across a range of significant public and private companies.

Raelene is a qualified Chartered Accountant and has extensive experience as Chair of Audit and Risk Committees for ASX Listed companies.

She is currently a Non-Executive Director of ASX listed Altium Limited (ASX:ALU), Service Stream Limited (ASX:SSM), Bega Limited (ASX:BGA) and Tassal Group Limited (ASX:TGR).

Recommendation

The Board (with Ms Raelene Murphy abstaining) unanimously recommends the election of Ms Raelene Murphy as a Director of the Company.

ITEM 4: ADOPTION OF THE REMUNERATION REPORT FOR YEAR ENDED 30 JUNE 2017

The Corporations Act requires that at a listed Company's Annual General Meeting, a resolution that the

Remuneration Report be adopted must be put to the shareholders. However, 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 and discussion at the meeting when considering the future remuneration policies and practices of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for KMP of the Company. The Remuneration Report is part of the Annual Report for the year ending 30 June 2017.

Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on the Remuneration Report.

The Remuneration Report for the year ended 30 June 2017:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between remuneration of executives and the Company's performance;
- sets out the remuneration arrangements for KMP; and
- explains the difference between the basis for remunerating non-executive Directors and executives.

Recommendation

The Board unanimously recommends the adoption of the Remuneration Report.

ITEM 5: APPROVAL OF LONG-TERM INCENTIVE GRANT OF FY18 RIGHTS TO THE CEO AND MD

Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of zero exercise priced options (referred to as **FY18 Rights**) to Dr Ian Kadish, CEO and MD, as part of his long-term incentive (**LTI**) award for the year ended 30 June 2018 (**FY18**) as well as for the issue of any shares on vesting and exercise of the FY18 Rights.

The announcement of the appointment of the CEO and MD on 1 May 2017 and the Remuneration Report outlined the terms of his proposed FY18 LTI. These terms have been finalised for shareholder approval as set out below.

In finalising the terms, the trading restrictions that will apply following vesting and exercise of Dr Kadish's FY18 Rights are less restrictive than those previously announced. The terms set out below provide for an additional voluntary holding lock following vesting and exercise of the FY18 Rights of up to eight years (see details under 'Restrictions on dealing' below). There is no further escrow period. It was previously announced that the shares allocated to Dr Kadish on vesting and exercise of his FY18 Rights would be subject to a holding lock for the maximum period available for tax deferral and once receipt of the shares had been included in his taxable income, Dr Kadish could have sold so much of the shares as would have been reasonably required to meet the tax payable in connection with their receipt, with the balance being held subject to escrow conditions that would have matched those applicable to the Company's radiologist shareholders. If approved by shareholders, the FY18 Rights will be granted on the terms set out below.

Subject to shareholder approval, the FY18 Rights will be granted under Integral Diagnostics Equity Incentive Plan within 12 months of the meeting.

Key terms of the FY18 LTI award

The Company's LTI is designed to align the interests of the CEO and MD with the interests of shareholders by providing him with the opportunity to receive an equity interest in the Company through the granting of FY18 Rights.

It is proposed that Dr Kadish be granted 362,585 FY18 Rights, which have been determined by dividing Dr Kadish's LTI opportunity (being \$500,000) by the 30 day volume weighted average share price of the Company's shares traded on the ASX over the 30 trading days prior to commencement of Dr Kadish's employment on 22 May 2017 (being \$1.37899), rounded up to the nearest whole number.

As the FY18 Rights will form part of Dr Kadish's remuneration, they will be granted at no cost and there will be no amount payable on vesting and exercise. The FY18 Rights will be automatically exercised on vesting.

The Company may issue new shares or acquire shares on market to satisfy awards under the Plan. Each FY18 Right entitles Dr Kadish to one ordinary share in the Company on vesting and exercise. The Board retains discretion to make a cash equivalent payment in lieu of an allocation of shares. Prior to vesting and exercise, FY18 Rights do not entitle Dr Kadish to any dividends or voting rights.

Performance condition

Dr Kadish's FY18 Rights will vest subject to the satisfaction of an earnings per share (**EPS**) performance condition.

EPS measures the earnings generated by the Company attributable to each share on issue on a fully diluted basis.

The EPS performance condition will be measured by reference to the compound annual growth rate (**CAGR**) of the Company's EPS over a period of 4 financial years, commencing on 1 July 2017 and ending on 30 June 2021. Calculation of the CAGR of the EPS and achievement against the performance condition will be determined by the Board in its absolute discretion, having regard to any matters that it considers relevant (including any adjustments for unusual or non-recurring items that the Board consider appropriate). The EPS in FY17 for the purposes of this calculation has been determined by the Board to be 10.41 cents per share.

The percentage of FY18 Rights that will be eligible for vesting (if any) will be determined as follows:

Company's EPS CAGR over the performance period	% of FY18 Rights that vest
Less than 5% p.a.	Nil
Equal to 5% p.a.	20%
Between 5% and 15% p.a.	Straight line pro rata vesting between 20% and 100%
Equal to, or above, 15% p.a.	100%

Testing of the performance condition

The performance period will run from 1 July 2017 to 30 June 2021.

EPS will be measured on a compound growth basis over the four year performance period as the Board believes this incentivises participants to improve performance over the performance period. Calculation of EPS, the CAGR of the EPS and achievement against the performance condition will be determined by the Board in its absolute discretion, having regard to any matters that it considers relevant (including any adjustments for unusual or non-recurring items that the Board considers appropriate).

The performance condition will be tested after the end of the performance period. The number of FY18 Rights that vest (if any) will be determined by the Board following completion of testing. Any remaining portion of the FY18 Rights that do not vest will lapse.

If none of the FY18 Rights vest following testing after the end of the performance period due to some extreme event or circumstance, the Board may, in its discretion, decide to re-test the performance condition at the end of a further one year period ending on 30 June 2022. Shortly after 30 June 2022, the Board will re-test the EPS performance condition by reference to the CAGR of the Company's EPS over a period of 5 financial years, commencing on 1 July 2017 and ending on 30 June 2022.

If the performance condition is determined to be satisfied, the FY18 Rights will vest by reference to the vesting schedule above and the FY18 Rights will automatically exercise on vesting. No exercise price is payable by Dr Kadish.

Other key terms of the FY18 Rights

Cessation of employment

Where employment is terminated for cause or ceases due to resignation (other than for death, permanent disability or serious illness) all unvested FY18 Rights will automatically lapse.

In all other circumstances, a pro rata portion of any unvested FY18 Rights (based on the portion of the performance period that has elapsed) will remain on foot and subject to the original performance condition, as if the CEO and MD had not ceased employment.

However, the Board retains discretion to vest or lapse some or all FY18 Rights.

Change of control

Where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the FY18 Rights (but not less than a pro rata portion (calculated based on the portion of the performance period that has elapsed and tested based on performance against the performance condition to that date)). Where only some of the FY18 Rights are vested on a likely change of control, the remainder of the FY18 Rights will immediately lapse.

If a change of control occurs before the Board exercises its discretion, a pro-rata portion of the FY18 Rights (equal to the portion of the relevant performance period that has elapsed up to the change of control) will be tested based on performance against the performance condition to that date. The Board retains a discretion to determine whether the remaining unvested FY18 Rights will vest or lapse.

Clawback

The Board has broad "clawback" powers to determine that FY18 Rights lapse, any shares allocated on exercise are forfeited, or that amounts are to be repaid in certain circumstances (for example, in the case of serious misconduct).

Restrictions on dealing

Dr Kadish may elect to impose a trading restriction period beyond vesting and exercise of his FY18 Rights. This will have the effect of deferring the taxing point on any shares received by him. Dr Kadish may nominate one of following four dates for the restriction period to end (unless he ceases employment with the Group earlier):

- 1 July 2022 (one year), or
- 1 July 2024 (three years), or

- 1 July 2026 (five years); or
- 1 July 2029 (eight years).

In the event that re-testing occurs at the end of 30 June 2022, each of these four dates for the end of the restriction period will be one year later. During the restriction period, the shares will be subject to a holding lock or held in an employee share trust. Dr Kadish will be entitled to receive dividends on the shares and to vote in respect of those shares. Once the restriction period ends, Dr Kadish will be free to deal with the shares, subject to the Company's Securities Dealing Policy.

If Dr Kadish does not elect to impose a trading restriction period, no restriction period will apply and he will be free to deal in shares allocated to him on vesting and exercise of the FY18 Rights, subject to the requirements of the Company's Securities Dealing Policy.

Additional information provided in accordance with ASX Listing Rule 10.15

- This is the first time the Company is seeking approval under Listing Rule 10.14.
- Dr Kadish is the only Director entitled to participate in, and receive FY18 Rights under, the Equity Incentive Plan.
- No loan will be made by the Company in relation to the acquisition of FY18 Rights or allocation to Dr Kadish of any shares on exercise of those rights.
- If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

Recommendation

The Board (with Dr Kadish abstaining) unanimously recommends that shareholders approve the grant of FY18 Rights to Dr Kadish.

ITEM 6: APPROVAL OF ISSUE OF SECURITIES UNDER THE COMPANY'S EQUITY INCENTIVE PLAN

In 2017, the Company established the Equity Incentive Plan (**Plan**) for eligible employees.

The Plan is designed to align the interests of eligible employees with the interests of shareholders by providing the opportunity for participants in the Plan to receive an equity interest in the Company through the granting of incentive securities subject to the achievement of conditions and the terms of the Plan.

Shareholder approval for the issue of any securities under the Plan is being sought so that the securities granted or issued by the Company under the Plan do not count towards the Company's 15% annual limit on issuing securities without shareholder approval.

ASX Listing Rule 7.1 prohibits an entity from issuing more than 15% of its securities in any 12 month period, without obtaining shareholder approval (unless an exception applies).

ASX Listing Rule 7.2, Exception 9, provides that an issue of securities under an employee incentive scheme will not count towards the 15% placement capacity if, within 3 years before the date of the issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

This approval continues for 3 years, at which time it must be renewed, or it will expire. In the absence of such an approval, issues of securities under the Plan may still be made, but must fall within the 15% placement capacity at the time of issue.

The terms and conditions of the Plan may be summarised as follows:

Offers under the Plan and eligibility

Under the Plan, the Board may invite eligible employees (being an employee of the Integral Diagnostics Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of incentive securities under the Plan) to participate in a grant of incentive securities, which may comprise restricted shares, performance rights and/or options (**Incentive Securities**). Offers will be made to eligible employees on the terms set out in the Plan and on any additional terms as the Board determines.

Vesting and exercise

Restricted shares, options and/or performance rights granted under the Plan will vest, and in the case of options, become exercisable, where any performance condition and any other relevant conditions advised to the participant by the Board have been satisfied.

On vesting of a performance right or following the exercise of an option (as the case may be), the Board will allocate the number of shares in respect of which the performance rights have vested, or the options have been exercised. Any shares issued under the Plan will rank equally in all respects with other shares on issue at that time (except as regards any rights attaching to such shares by reference to a record date prior to the date of their issue).

Cessation of employment

Where a participant ceases to be an employee of the Group, the Board may determine (in its absolute discretion) that some or all of a participant's Incentive Securities lapse, vest, are forfeited, are exercisable for a prescribed period (if applicable), or are no longer subject to some of the restrictions that previously applied. Alternatively, the Board may specify in any offer to the participant how the participant's Incentive Securities are to be treated on

cessation of employment.

Change of control

In the event of a takeover bid, transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change of control of the Company, the Board may, in its absolute discretion, determine that all or a specified number of a participant's Incentive Securities vest or cease to be subject to restrictions (as applicable).

In the event of an actual change in the control of the Company then, unless the Board determines otherwise, a pro rata portion of all unvested Incentive Securities will immediately vest or cease to be subject to restrictions (as applicable) based on the portion of the vesting period that has elapsed.

Alternatively, the Board may specify in any offer to the participant how the participant's Incentive Securities are to be treated on a change of control of the Company.

Corporate actions/reconstructions

In accordance with the terms of the Plan, prior to the allocation of shares to a participant upon vesting of performance rights or exercise of options (as the case may be), the Board may make any adjustments it considers appropriate to the terms of a performance right and/or option granted to a participant in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction.

Dealings in Incentive Securities

Subject to the Company's Securities Dealing Policy, any dealing in respect of an Incentive Security is prohibited unless the Board determines otherwise or the dealing is required by law.

Clawback

If, in the opinion of the Board, a participant's Incentive Securities vest or may vest as a result of the fraud, dishonesty or breach of duties or obligations of any other person, the Board may determine that Incentive Securities held on behalf of the participant will lapse or be forfeited, and/or that the participant must pay or repay as a debt proceeds from shares allocated to the participant under the Plan.

Administration of the Plan

The Plan is administered by the Board which has the power to determine appropriate procedures for administration of the Plan including to implement an employee share trust for the purposes of delivering and holding shares on behalf of participants upon the grant or exercise of Incentive Securities (as applicable), and may delegate their power arising under the Plan.

Other Information

No Incentive Securities have been granted to eligible employees under the Plan. At the Company's 2017 Annual General Meeting, shareholders are being asked to approve a grant of 362,585 FY18 Rights to Dr Kadish under the Plan. See Item 5 for details of the proposed grant.

Recommendation

The Board unanimously recommends that shareholders approve the issue of securities under the Company's Plan.

ITEM 7: RENEWAL OF THE PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

The Company's Constitution currently contains provisions dealing with proportional takeover bids for the Company's shares in accordance with the Corporations Act. The provisions, which are contained in rule 6 of the Constitution, are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every 3 years or they will cease to have effect. The current provisions will automatically cease to have effect after 25 August 2018 (which is prior to the 2018 Annual General Meeting) unless renewed by the proposed special resolution. If approved by shareholders, the proportional takeover provisions will be in exactly the same terms and will have effect for 3 years from the date of the Annual General Meeting.

The Corporations Act requires that the following information be provided to shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

Effect

A proportional takeover bid is one where an offer is made to each shareholder for a proportion of that shareholder's shares.

The current provisions in the Company's Constitution state that, in the event of a proportional takeover bid being made, the Directors must hold a meeting of the shareholders entitled to vote for the purpose of considering and, if thought fit, passing a resolution to approve the proportional takeover bid. A resolution approving the bid must be voted on by the 14th day before the last day of the bid period, during which the offers under the proportional

takeover bid remain open, or a later day allowed by the Australian Securities and Investments Commission. The resolution will be passed if more than 50% of votes are cast in favour of the approval. The bidder and its associates are not allowed to vote on the resolution.

The Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. If no resolution is voted on by the deadline, the bid is taken to have been approved.

The proportional takeover provisions do not apply to full takeover bids.

Reasons for proposing the resolutions

If the proportional takeover approval provision is not in the Constitution, a proportional takeover bid may enable control of the Company to pass without shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares.

The proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

No knowledge of any acquisition proposals

At the date of this notice, no Director of the Company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of proportional takeover provisions

While proportional takeover provisions have been in effect under the Company's Constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which to assess the advantages or disadvantages of the existing proportional takeover provisions (that is, rule 6 of the existing Constitution) for the Directors and shareholders of the Company. The Directors are not aware of any potential takeover bid that was discouraged by rule 6.

Potential advantages and disadvantages

The Directors of the Company consider that the proposed renewal of the proportional takeover provisions has no potential advantages or disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for shareholders of the Company are:

- shareholders have the right to decide by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist shareholders to avoid being locked in as a minority;
- the bargaining power of shareholders is increased and this may assist in ensuring that any proportional bid is adequately priced; and
- knowing the view of the majority of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some potential disadvantages for shareholders of the Company are:

- the provisions are a hurdle to, and may discourage the making of proportional takeover bids in respect of the Company;
- shareholders may lose an opportunity of selling some of their shares at a premium; and
- the chance of a proportional takeover bid being successful may be reduced.

The Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

Recommendation

The Board unanimously recommends the renewal of the proportional takeover provisions in the Constitution.



Integral Diagnostics Limited
ABN 55 130 832 816

IDX

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Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (AEDT) on Monday, 20 November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Integral Diagnostics Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Integral Diagnostics Limited to be held at the office of PricewaterhouseCoopers located at Level 19, 2 Riverside Quay, Southbank, VIC 3006 on Wednesday, 22 November 2017 at 10.00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 4, 5 & 6 (except where I/we have indicated a different voting intention below) even though Items 4, 5 & 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 4, 5 & 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 2 Re-election of Ms Helen Kurincic as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Ms Raelene Murphy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval of long-term incentive grant of FY18 Rights to the CEO and MD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Approval of issue of securities under the Company's Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Renewal of the proportional takeover provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

IDX

2 2 9 1 9 0 A

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