



Nightingale Intelligent Systems, Inc

ARBN 659 369 221

NOTICE OF 2023 ANNUAL GENERAL MEETING

The 2023 Annual General Meeting of Nightingale Intelligent Systems, Inc (**Nightingale** or **Company**) will be held electronically using an online webcast meeting at:

	Australia (AEST)	USA (PDT)
DATE:	Thursday, 15 June 2023	Wednesday, 14 June 2023
TIME:	9.00 AM	4.00 PM
MEETING LINK:	https://stctransfer.zoom.us/webinar/register/WN_A_Tbg671RsGNp2pGezFE1g	

This Notice of Meeting should be read in its entirety. If Securityholders (being both holders of Shares and holders of CDIs) are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Meeting is being held by way of a virtual meeting which will be held electronically using an online meeting platform (further instructions are enclosed in this Notice of Meeting).

All Securityholders are urged to vote their Shares and CDIs, whether by attending the Meeting electronically or submitting a Proxy Card (in the case of Stockholders) or submitting a CDI Voting Card (in the case of CDI Holders).

Letter from the Chairman

22 May 2023

Dear Securityholder,

On behalf of the Directors of Nightingale Intelligent Systems, Inc (**Nightingale** or **Company**), I am pleased to invite you to attend the first Annual General Meeting (**Meeting**) of Nightingale since its listing on the Australian Securities Exchange.

The Meeting will be held electronically using an online webcast meeting. To attend and participate at the Meeting online, you will need to register for the meeting at:

https://stctransfer.zoom.us/webinar/register/WN_A_Tbg671RsGNp2pGezFE1g.

Details as to how Securityholders can register to attend the Meeting can be found in this Notice.

Stockholders and CDI Holders may vote ahead of the Meeting by completing and returning either a Proxy Card (for Stockholders) or a CDI Voting Form (for CDI Holders). The relevant form for each Securityholder accompanies this Notice. Proxy Cards and CDI Voting Forms must be returned to either the US or Australian share registries as instructed on the forms by no later than Monday, 12 June 2023.

Stockholders may vote online during the Meeting. Unfortunately, CDI Holders will not be able to vote online during the Meeting but will be able to ask questions.

Whether or not you expect to virtually attend the Meeting, we strongly encourage you to submit your Proxy Card or CDI Voting Form as soon as possible so that your applicable Shares and / or CDIs can be voted at the Meeting.

The Directors of Nightingale unanimously recommend that Securityholders vote in favour of all resolutions.

Thank you for your continued support of the Company.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Denis Hébert', with a long, sweeping horizontal line extending to the right.

Denis Hébert
Independent Non-Executive Chairman

Nightingale Intelligent Systems, Inc

ARBN 659 369 221

NOTICE OF 2023 ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 Annual General Meeting (**Meeting**) of the Company will be held electronically using an online webcast meeting at:

	Australia (AEST)	USA (PDT)
DATE:	Thursday, 15 June 2023	Wednesday, 14 June 2023
TIME:	9.00 AM	4.00 PM
MEETING LINK:	https://stctransfer.zoom.us/webinar/register/WN_A_Tbg671RsGNp2pGezFE1g	

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement, Proxy Card (for Stockholders) or a CDI Voting Form (for CDI Holders) accompany and form part of this Notice.

The Directors have determined pursuant to the Company's Bylaws that the persons eligible to vote at the Meeting are those who are registered Stockholders or CDI Holders (as the case may be) at 5.00pm (AEST) on Tuesday, 30 May 2023 (AEST).

Terms and abbreviations used in this Notice (including the Explanatory Statement) are defined in the Glossary.

ORDINARY BUSINESS

Receipt of Financial Statements and Reports

To receive the annual financial statements of the Company and the reports of the Directors and of the Auditors for the financial year ended 31 December 2022.

Note: There is no requirement for Securityholders to approve the financial statements or reports

Resolution 1: Re-election of Class I Director – Tony Zhang

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

“That, for the purpose of Section 2.2 of the Company’s Amended and Restated Bylaws, ASX Listing Rule 14.4 and for all other purposes, Tony Zhang retires, and being eligible for re-election, is re-elected as a Class I Director of the Company.”

SPECIAL BUSINESS

Resolution 2: Approval to issue Options to Jack Wu (CEO and Executive Director of the Company) under the Nightingale Equity Plan in lieu of a portion of his annual salary

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, the Securityholders approve the issue of Options to CEO and Executive Director, Jack Wu, or his nominee, in lieu of the payment of a portion of his annual salary under the Nightingale Equity Plan on the terms and conditions set out in the Explanatory Statement.”

Note: A voting exclusion statement applies to this Resolution. Please see below.

Resolution 3: Approval of 10% Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

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

Note: A voting exclusion statement applies to this Resolution. Please see below.

VOTING EXCLUSIONS

Voting Exclusions in accordance with ASX Listing Rules

Resolution 2: In accordance with Listing Rules 14.11, the Company will disregard any votes cast in favour of Resolution 2 by or on behalf of the following persons:

- a) any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Nightingale Equity Plan; or
- b) any associate of such a person.

However, the above voting exclusion statements under the ASX Listing Rules will not apply and, the Company need not disregard a vote cast in favour of Resolution 2 if it is cast by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote as the Chairperson decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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

- ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3: In accordance with Listing Rules 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of the following persons:

- a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of any Shares or CDIs under the additional 10% Placement Facility (except a benefit solely by reason of being a holder of common stock or CDIs in the Company); or
- b) any associate of such a person

However, the above voting exclusion statements under the ASX Listing Rules will not apply and, the Company need not disregard a vote cast in favour of Resolution 3 if it is cast by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote as the Chairperson decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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
 - ii. 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

Michael Tschiderer – CFO and Company Secretary

Dated: 22 May 2023

IMPORTANT INFORMATION FOR SECURITYHOLDERS

Action to be taken by Securityholders

Stockholders and CDI Holders should read this Notice including the Explanatory Statement carefully before deciding how to vote on the Resolutions.

Voting

A. Voting by Stockholders at the Virtual Meeting

The Company is pleased to provide Stockholders with the opportunity to attend and participate in the virtual Meeting at:

https://stctransfer.zoom.us/webinar/register/WN_A_Tbg671RsGNp2pGezFE1g.

Stockholders will need to register for, and attend, the Meeting by following the above link.

Once registered, Stockholders will be able to vote on each resolution during the Meeting by going to:

<http://onlineproxyvote.com/ngl/>

Stockholders can login by using the control number located in the top left-hand corner of their Proxy Card and then access the voting link for the Meeting.

B. Stockholders voting by proxy

Completed Proxy Cards must be delivered to the Company's US Share Registry, Security Transfer Corporation by 9.00 am Tuesday, 13 June 2023 (AEST) in any of the following ways:

i. By mail:

Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, Texas 75093
Attention: Proxy Department

ii. By email to Security Transfer Corporation at: proxyvote@stctransfer.com

iii. By facsimile to Security Transfer Corporation at: (469) 633-0088

Stockholders may also vote their proxy online prior to the meeting by following the directions for online voting on the Proxy Card.

Stockholders are strongly urged to appoint the Chairperson as their proxy. Stockholders can complete the proxy form to provide specific instructions on how a Stockholder's vote is to be cast on each item of business, and the Chairperson must follow your instructions.

C. Voting by CDI Holders

CDI Holders will be able to attend the virtual Meeting and ask questions but will not be able to vote at the Meeting.

In order to vote, CDI Holders must instruct CHESS Depository Nominees Pty Ltd (CDN) as the holder of the underlying Shares to vote the Shares underlying the CDIs pursuant to instructions in the CDI Holder's CDI Voting Form which accompanies this Notice of Meeting or can otherwise be obtained online following the instructions below.

Completed CDI Voting Instruction forms must be delivered to the Company's Australian Share Registry by 9.00 am (AEST) Monday, 12 June 2023 in any of the following ways:

i. Online:

CDI Holders are able to vote online at <https://investor.automic.com.au/#/loginsah>, by logging in, clicking on 'Meetings' and using the holder number as shown at the top of the CDI Voting Form.

ii. By mail to:

Automic
GPO Box 5193
Sydney NSW 2001

iii. By email to: meetings@automicgroup.com.au

iv. In person to:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

D. How do CDI Holders attend the Virtual Meeting

CDI Holders wishing to attend the Meeting, must log in online and register to participate in (but not vote) the virtual Meeting by registering for the meeting at:

https://stctransfer.zoom.us/webinar/register/WN_A_Tbg671RsGNp2pGezFE1g

Either a Proxy Card or a CDI Voting Form are enclosed with this Notice of Meeting. The Directors strongly encourage all Stockholders and CDI Holders to sign and return the Proxy Card or complete the CDI Voting Form (as appropriate) in accordance with the instructions thereon or alternatively complete the online Proxy Card and CDI Voting Form in accordance with the instructions set out above.

Chairperson's voting intention

The Chairperson intends to vote all available proxies in favour of all Resolutions, unless the Securityholder has expressly indicated a different voting intention.

Submitting questions

Stockholders and CDI Holders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary, Michael Tschiderer at mike@nightingalesecurity.com by 13 June 2023.

Stockholders and CDI Holders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, Securityholders should press on the Q&A icon, which will open a new screen. At the bottom of that screen there is a section for Securityholders to type their question, who should start their question by typing their SRN or HIN. Securityholders who would like to ask a question verbally, will be required to type their SRN or HIN and then type "I'd like to speak", and hit enter on their keyboard to send.

The Chairperson will attempt to respond to the questions during the Meeting. The Chairperson will request prior to a Stockholder or CDI Holder asking a question that they identify themselves (including the entity name of their security holding and the number of Shares or CDIs they hold).

Voting Eligibility

The Board has determined that a Securityholder's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Stockholders or CDI Holders as at 5.00pm (AEST) on Tuesday, 30 May 2023. Accordingly, transactions registered after that time will be disregarded in determining a Securityholder's entitlement to attend and vote at this Annual General Meeting.

Enquiries

Securityholders may contact the Company Secretary, Michael Tschiderer on mike@nightingalesecurity.com if they have any queries in respect of the matters set out in these documents.

Voting requirements

Recommendation 6.4 of the ASX Corporation Governance Council's Corporate Governance Principles and Recommendations (4th edition) and ASX guidance provide that a listed entity should ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands. In accordance with these recommendations, the Chairperson has determined in accordance with the Company's Bylaws and Certificate of Incorporation that all resolutions put to Securityholders at the Meeting will be decided by poll rather than by a show of hands.

In accordance with the Bylaws and the ASX Listing Rules, Resolution 1 put to Securityholders at the Meeting must be passed by a plurality of votes cast by Securityholders present in person, by remote communication or by proxy at the Meeting and entitled to vote thereon. "Plurality" means that the nominees who receive the largest number of votes cast "For" such nominees are elected as directors. As a result, any shares not voted "For" a particular nominee (whether as a result of stockholder abstention or a broker non-vote) will not be counted in such nominee's favour and will have no effect on the outcome of the election. You may vote "For" or "Withhold" on the nominee for election as a Class I Director. Withheld votes and broker non-votes will have no effect on the outcome of Resolution 1.

In accordance with the Bylaws and the ASX Listing Rules, Resolution 2 put to Securityholders at the Meeting must be passed by way of an ordinary resolution which requires Resolution 2 be approved by a majority of votes cast by Securityholders entitled to vote on Resolution 2. Abstentions and broker non-votes will not be counted as a vote "For" or "Against" for Resolution 2, though in certain cases abstentions will have the same effect as votes against Resolution 2 as they will be counted toward the tabulation of votes present or represented on the matter. Broker non-votes will not be counted as shares entitled to vote and accordingly will not affect the outcome with respect to Resolution 2.

In accordance with the Bylaws and the ASX Listing Rules, Resolution 3 put to Securityholders at the Meeting must be passed by way of a special resolution which requires Resolution 3 to be approved by at least 75% of votes cast by Securityholders entitled to vote on Resolution 3. Abstentions and broker non-votes will not be counted as a vote "For" or "Against" Resolution 3, though in certain cases abstentions will have the same effect as votes against Resolution 3 as they will be counted toward the tabulation of votes present or represented on the matter. Broker non-votes will not be counted as shares entitled to vote and accordingly will not affect the outcome with respect to Resolution 3.

Nightingale Intelligent Systems, Inc

ARBN 659 369 221

EXPLANATORY STATEMENT

This Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it and in its entirety.

Stockholders and CDI Holders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Annual General Meeting and the Explanatory Statement.

Financial Statements and Reports

Under the Corporations Act, an Australian company listed on the ASX is required in each calendar year to lay its audited financial statements before its shareholders at an annual general meeting.

The Corporations Act does not require a vote of shareholders on the reports or statements. However, shareholders are given ample opportunity to raise questions or comments in relation to the management of the Company at an annual general meeting.

Nightingale, being a company incorporated in Delaware, United States is not required to meet the Corporations Act requirements to lay before the Meeting its audited annual financial report and other related reports.

The Board of the Company has however decided to lay before the Meeting the Company's audited financial statements and the reports for the financial year ended 31 December 2022 as a matter of good corporate governance.

The Company's audited financial statements and the reports for the financial year ended 31 December 2022 are contained in the Company's 2023 Annual Report which is available on the Company's website at: <https://www.nightingalesecurity.com/investors/>

Any Stockholder or CDI Holder who would like to receive a hard copy of the 2023 Annual Report should contact Nightingale's CFO and Company Secretary, Mike Tschiderer at: mike@nightingalesecurity.com.

Resolution 1 - Re-election of Class I Director – Tony Zhang

Clause 2.2 of the Company's Bylaws, provides that the office of each director other than the CEO shall not extend beyond the latest of:

- a) the date of the Company's third annual meeting following the date of appointment of the relevant director; or
- b) the date falling three years after the date of appointment of the relevant director.

In addition, the Bylaws provide for the appointment of Tony Zhang as a Class I Director with his term expiring at the Company's 2023 Annual General Meeting.

Further to this, ASX Listing Rule 14.4 provides that a director of an ASX listed entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. However, this does not apply to the managing director. Even if no director

is required to stand for election by rotation under ASX Listing Rule 14.4, the Company is still required to hold an election of directors at each annual general meeting under ASX Listing Rule 14.5.

There are four directors (excluding Jack Wu, Chief Executive Offer) currently on the Board. Based on the above requirements, Tony Zhang's term as a Director shall expire at the Meeting and being eligible for re-election, wishes to stand for re-election as a Director at the Meeting.

Information about Mr Zhang

Mr Zhang is an entrepreneur and investor. Mr Zhang has 10 years' experience in venture capital and is the founding partner of Ventek Ventures which offers venture investment and business advisory for over 100 start-ups.

Mr Zhang founded and was the CEO of Foodomo in 2015 which was acquired by Uni President in 2020. Thereafter, Mr Zhang commenced investing in several technology focused companies including Soul App in China and Nightingale in the United States. He is also a partner at BITKRAFT ventures, a venture capital and private equity practice.

Mr Zhang holds a Master's Degree in engineering management from the University of Southern California and an Electrical Engineering and Business Administration degree from the University of California, Riverside.

Tony Zhang does not currently hold any other material directorships, other than as disclosed in this Notice.

The Board continues to consider Mr Zhang to not be an independent director, because Mr Zhang is the representative of the substantial shareholder of the Company, BVM Fund, LLC.

Board recommendation

The Board (excluding Mr Zhang) recommends that Securityholders vote in favour of Resolution 1.

The Chairperson of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Resolution 2 - Approval to issue Options to CEO and Executive Director Jack Wu under the Nightingale Equity Plan in lieu of a portion of his annual salary

General

In accordance with the Board's desire to conserve cash and further align executives' and employees' interests with the business, Nightingale's CEO, CTO and CFO as well as all other employees have agreed to a plan to receive stock options under the Nightingale Equity Plan in lieu of a portion of their annual salary cash compensation.

The Board has determined that the plan to offer options in lieu of a portion of annual salary cash compensation will operate from the March payroll to no later than the August payroll, a period from 1 March 2023 to 31 August 2023 (**Period**). The Board, in its discretion, may terminate the salary sacrifice plan earlier. Details of the plan were included in the Company's Q1 2023 Quarterly Report released to ASX on 31 March 2023.

The number of options that will be issued to participants at the end of each month during the Period is calculated each month end at payroll date on the basis of 5,500 Options for each US\$1,000 of salary foregone using the closing price of the Company's CDIs on the payroll date.

Whilst issues of options to Nightingale's senior managers and employees in lieu of a portion of their annual salary cash compensation do not require Securityholder approval, any proposed issue of options to Mr Jack Wu, Nightingale's CEO and Executive Director does require Securityholder approval.

As at the date of this Notice, the Company has determined that, subject to Securityholder approval of this Resolution 2, Mr Wu will be issued the following Options in lieu of cash salary for the March and April payroll periods:

- a) 27,500 options issued for the March payroll at an exercise price of US\$0.057 and expiring on 27 March 2033;
- b) 27,500 options issued for the April payroll at an exercise price of US\$0.062 and expiring on 26 April 2033.

The number of further Options that may be issued to Mr Wu at the end of each subsequent month during the Period will be calculated in accordance with the formula outlined above.

Resolution 2 seeks the required Securityholder approval for the Company to issue the Options under the Nightingale Equity Plan to Jack Wu (or his Nominee) for the purposes of ASX Listing Rule 10.14.

Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employment incentive scheme:

- a) a director of the Company;
- b) an associate of a director of the Company; or
- c) 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 Securityholders,

unless it obtains the approval of its Securityholders.

The issue of the Options falls within either Listing Rule 10.14.1 or Listing Rule 10.14.2 above and therefore requires the approval of the Company's Securityholders under Listing Rule 10.14.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 2 will be to allow the Company to issue the Options to Mr Jack Wu or his Nominee without using the Company's 15% placement capacity under Listing Rule 7.1.

Accordingly, if Securityholder approval is given for the issue of the Options for the purposes of Listing Rule 10.14:

- a) Securityholder approval will not be required for the purposes of Listing Rule 7.1; and
- b) the Company will issue the Options without using any of the Company's 15% placement capacity under Listing Rule 7.1.

If Securityholder approval is not given for the proposed issue of the Options, the Company will not be able to proceed with the proposed issue of the Options to Mr Jack Wu and the Company will be required to pay the Mr Jack Wu's remuneration wholly in cash or find alternative means to pay this salary.

Additional information required under ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following additional information is provided for the purpose of obtaining Securityholder approval for Resolution 2:

- a) the Options will be granted to the Company's CEO and Executive Director, being Mr Jack Wu, who is a director of the Company and falls within the category of person in Listing Rule 10.14.1, or to his Nominee who falls with the category of person in Listing Rule 10.14.2;
- b) Mr Jack Wu will be issued the following Options for the March and April payroll periods and will otherwise be issued that number of Options for each remaining payroll date during the Period calculated on the basis of 5,500 Options for each US\$1,000 of his salary foregone using the closing price of the Company's CDIs on the payroll date:
 - i. 27,500 options issued for the March payroll at an exercise price of US\$0.057 and expiring on 27 March 2033;
 - ii. 27,500 options issued for the April payroll at an exercise price of US\$0.062 and expiring on 26 April 2033;
- c) The exercise price of the options will be the closing price of the Company's CDIs on the date of the monthly payroll converted to US dollars at the prevailing exchange rate. In relation to the March and April payroll periods the Options have the exercise prices noted above;
- d) the Options are fully vested on the date of issue and expire 10 years after the date of issue;
- e) the current total remuneration package (excluding superannuation) for the year ending 30 June 2023 for Mr Jack Wu is US\$300,000. Mr Wu is also eligible to participate in various customary employee benefit programs maintained by the Company and is eligible for an annual discretionary bonus as determined by the Board or the Remuneration and Nomination Committee;
- f) the following table shows, for indicative purposes, the current shareholdings Mr Jack Wu (and his associates) following the issue of the Options under the Nightingale Equity Plan:

	Current CDIs/ Shares held	Current Holding %¹	Options to be issued (max)²	Holding % post issue of Options (max)³
Jack Wu and associates	4,250,000	3.19	165,000	3.31

Notes:

1 Assumes all Shares are held as CDIs

2 Assumes the salary sacrifice plan extends until 31 August 2023

3 Calculated on a fully diluted basis, assuming all Options are exercised.

- g) Mr Wu has previously been issued with 2,200,000 unlisted options and 3,500,000 restricted shares units under the Nightingale Equity Plan. The Equity Securities previously issued to Mr Wu under the Nightingale Equity Plan were issued for nil consideration. Further details of these Equity Securities are contained in the Company's 2023 Annual Report released to ASX on 31 March 2023.

- h) if Resolution 2 is passed, the Options relating to payrolls prior to the Meeting are expected to be issued by the Company no later than five days after the date of the Meeting. Options relating to payroll periods after the date of the Meeting will be issued at the same time as options issued to other executives and employees under the salary sacrifice plan, but in any event no later than 3 years after the date of the Meeting;
- i) the Options will be issued under the Nightingale Equity Plan, a summary of the material terms of which is contained at the end of this Notice and forms part of this Notice;
- j) for valuation purposes, the Company has assigned a value equal to the portion of Mr Wu's annual salary forgone. The Company believes this is an appropriate valuation given the Options are issued fully vested at the time the salary would otherwise have been paid, with the number issued calculated in accordance with the formula set out above;
- k) the Company considers that the Options are an appropriate type of Equity Security to be used to compensate Mr Wu for foregoing a portion of his annual salary in cash, as the exercise price reflects the prevailing CDI price at the date of issue, the fully vested nature of the Options reflects the fact that Mr Wu is effectively paying cash for the Options and on exercise of the options, Mr Wu will contribute further cash to the Company; and
- l) details of any Equity Securities issued under the Nightingale Equity Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Nightingale Equity Plan after Resolution 2 is approved and who were not named in this Notice will not participate until approval is obtained under that rule.

Board recommendation

The Board (excluding Mr Jack Wu) recommends that Securityholders vote in favour of Resolution 2. A voting exclusion statement for Resolution 2 is included in the voting exclusions. The Chairperson intends to exercise all available proxies in favour of Resolution 2.

Resolution 3: Approval of 10% Placement Facility

General

ASX Listing Rule 7.1 generally limits the amount of equity securities that a listed entity can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under ASX Listing Rule 7.1A, mid to small cap listed companies may seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement over the earlier of a 12 month period since last approval under ASX Listing Rule 7.1A, the date and time of the next annual general meeting, or approval by shareholders of a transaction under ASX Listing Rule 11.1.2 or rule 11.2 (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1 bringing the total combined potential placement capacity for the entity to 25%.

A company is eligible to seek shareholder approval for this additional placement capacity under ASX Listing Rule 7.1A if it satisfies both of the following criteria at the date of the annual general meeting:

- a) it has a market capitalisation of \$300 million or less; and
- b) it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the Meeting. If on the date of the Meeting, the Company no longer meets this eligibility criteria, Resolution 3 will be withdrawn.

Accordingly, Resolution 3 is seeking approval of Securityholders by special resolution for the issue of up to the number of Equity Securities as calculated in accordance with the formula in ASX Listing Rule 7.1A.2, at an issue price permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms described in this Notice of Meeting.

Approval of Resolution 3 does not oblige the Company to conduct a placement or use the additional 10% capacity. The approval would provide the Company with additional flexibility and an ability to move quickly in the event the Company required the ability to issue further Equity Securities.

At the date of this Notice, the Company has on issue 133,222,854 Shares (where each CDI represents one underlying Share) and a capacity to issue:

- a) 19,983,428 equity securities under ASX Listing Rule 7.1; and
- b) 13,322,285 equity securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Securityholders approve Resolution 3, the effect will be to allow the Company to issue Equity Securities under ASX Listing Rule 7.1A up to the combined 25% capacity in ASX Listing Rules 7.1 and 7.1A without further Securityholder approval.

If Securityholders do not approve Resolution 3, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Securityholder approval under ASX Listing Rule 7.1A and will remain subject to the 15% capacity limit on issuing Equity Securities without Securityholder approval under ASX Listing Rule 7.1.

Additional information required under ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following additional information is provided for the purpose of obtaining Securityholder approval for Resolution 3:

- a) if any of the securities being approved by Resolution 3 are issued, they will be issued during the 10% Placement Period, being the period from the date of the Meeting to the earlier of the following events occurring:
 - i. the date that is 12 months after the date of the Meeting (i.e. by 15 June 2024);
 - ii. the time and date of the Company's next annual general meeting if it is held prior to 15 June 2024; or
 - iii. if Stockholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) prior to 15 June 2024.
- b) the minimum price at which the Equity Securities will be issued for cash consideration per security will not be less than 75% of the volume weighted average market price for CDIs calculated over the 15 trading days on which trades are 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 securities are not issued within 10 trading days of the date in paragraph (i), the date on which the Equity Securities are issued.
- c) the Company may seek to issue the Equity Securities under the 10% Placement Facility to raise cash to be used to facilitate continued development of the Company's products and services and/or general working capital;
- d) if Resolution 3 is approved by Securityholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Securityholders face the risk of economic and voting dilution as a result of the issue of Equity Securities which are the subject of this Resolution 3, to the extent that such Equity Securities are issued, including the risk that:
 - i. the market price of Equity Securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - ii. the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- e) the following table gives examples of the potential dilution of existing Securityholders calculated as at the date of this Notice using the current market price of CDIs and the current number of Shares and CDIs for variable "A" in the formula in ASX Listing Rule 7.1A.2.

The table also shows:

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

No. of Shares/CDIs ¹ on Issue ²	Dilution			
	Issue price (per Share)	50% decrease in Issue Price (Issue Price A\$0.047)	Issue Price (Issue Price A\$0.094)	100% increase in Issue Price (Issue Price A\$0.188)
133,222,854 (Current)	Shares issued	13,322,285	13,322,285	13,322,285
	Funds raised	\$626,147	\$1,252,295	\$2,504,589

¹ One CDI represents one fully paid Share in the Company

² Variable "A" in ASX Listing Rule 7.1A.2

199,834,281 (50% increase)	Shares issued	19,983,428	19,983,428	19,983,428
	Funds raised	\$939,211	\$1,878,442	\$3,756,884
266,445,708 (100% increase)	Shares issued	26,644,570	26,644,570	26,644,570
	Funds raised	\$1,252,294	\$2,504,589	\$5,009,179

The table has been prepared on the following assumptions:

- i. the Company issues the maximum number of Equity Securities available under the 10% Placement Facility in ASX Listing Rule 7.1A;
 - ii. no unlisted Options over Shares/CDIs are exercised before the date of issue of Shares/CDIs under ASX Listing Rule 7.1A;
 - iii. 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%;
 - iv. the table does not show an example of dilution that may be caused to a particular Securityholder by reason of placements under the 10% Placement Facility, based on that Securityholder's holding at the date of the Meeting;
 - v. the table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
 - vi. the issue of Equity Securities under the 10% Placement Facility consists only of Shares or CDIs; and
 - vii. the issue price is A\$0.094 per CDI, being the closing price of the CDIs (representing Shares) on ASX on 9 May 2023.
- f) the Company will comply with the disclosure obligations under ASX Listing Rule 7.1A.4 upon issue of any Equity Securities;
- g) the Company's allocation policy will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of any equity securities that may be issued (subject to Securityholders approval of Resolution 3) have not been determined as at the date of this Notice, but may include existing Stockholders, CDI Holders and/or parties who are not currently Stockholders or CDI Holders and are not related parties or associates of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- i. the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing Securityholders can participate), while balancing interest from potential allottees with the interests of existing Securityholders;
 - ii. the effect of the issue of Equity Securities on the control of the Company and balancing the interests of existing Securityholders;

- iii. the financial situation and solvency of the Company and its need for working capital at any given time; and
 - iv. advice from corporate, financial and broking advisors (if applicable).
- h) a Voting Exclusion Statement is set out under Resolution 3 in the Notice of Meeting. Potential allottees under the 10% Placement Facility (should it be approved) have not been identified as at the date of the Notice of Annual Meeting, but may include existing Securityholders and/or parties who are not currently Securityholders and are not related parties or associates of the Company.

Board recommendation

The Board recommends that Securityholders vote in favour of Resolution 3. A voting exclusion statement for Resolution 3 is included in the voting exclusions. The Chairperson intends to exercise all available proxies in favour of Resolution 3.

Glossary

In the Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Annual General Meeting	means the meeting convened by this Notice of Annual General Meeting.
ASX	means ASX Limited (ACN 008 624 691).
Board	means the Board of Directors of the Company.
Bylaws	means the Company's Amended and Restated Bylaws, dated June 2022.
CDI	means a Chess Depositary Interest.
CDI Holder	means a registered holder of a CDI.
CDI Voting Form	means the voting form for CDI Holders accompanying this Notice.
Chairperson	means the Chairperson of the Meeting
Company or Nightingale	means Nightingale Intelligent Systems, Inc (ARBN 659 369 221).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a Director of the Company.
Options	means the options to be issued to CEO and Executive Director, Jack Wu under the Nightingale Equity Plan in lieu of a portion of his annual salary, as described in the Explanatory Statement.
Equity Security	has the meaning given in the ASX Listing Rules.
Explanatory Statement	means the Explanatory Statement accompanying this Notice of Annual General Meeting.
ASX Listing Rules	means the listing rules of ASX.
Meeting	means the Annual General Meeting.
Nightingale Equity Plan	means the Company's Amended and Restated 2014 Equity Incentive Plan dated 23 November 2014.
Notice	means this Notice of Annual General Meeting accompanying the Explanatory Statement.
Proxy Card	means the proxy form for Stockholders accompanying the Notice.
Securityholder	means a Stockholder or CDI Holder.
Share(s)	means fully paid shares of common stock in the capital of the Company.
Stockholder	means a registered holder of a Share.

Summary of the Nightingale Equity Plan

The Nightingale Equity Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, other stock-based awards and cash awards. Any of these awards may, but need not, be made as performance incentives to reward attainment of performance goals. Stock options granted under the Nightingale Equity Plan may be non-qualified stock options or incentive stock options.

The total number of Shares reserved for issuance under the Nightingale Equity Plan shall not exceed 25,000,000 Shares.

The Nightingale Equity Plan is administered by the Board, who have the power and authority to delegate its responsibilities to the Remuneration and Nomination Committee, provided that, the Board shall retain the right to exercise authority of the Remuneration and Nomination Committee to the extent consistent with applicable law and the applicable requirements of any securities exchange on which the Common Stock or CDIs may then be listed. Subject to the provisions of the Nightingale Equity Plan and the ASX Listing Rules, the Board shall have the full and final authority to, among other things, designate grantees; determine the type or types of awards to be made to a grantee; determine the number of shares of stock to be subject to an award; establish the terms and conditions of each award; prescribe the form of each award agreement; and to amend, modify or supplement the terms of any outstanding award.

In the event of certain corporate events or changes in the Company's capitalization, the administrator will make adjustments to the number and kinds of Shares reserved for issuance under the Nightingale Equity Plan, the exercise prices of and the number of Shares subject to outstanding options and stock appreciation rights, and the purchase prices of and/or number of Shares subject to other outstanding awards, subject to compliance with applicable rules and regulations, including the ASX Listing Rules.

Subject to compliance with applicable law, including the ASX Listing Rules, the Board has the authority to amend, suspend or terminate the Nightingale Equity Plan at any time as to any Awards which have not been made. An amendment shall be contingent on approval of the Company's Stockholders to the extent stated by the Board, required by applicable law or required by applicable stock exchange listing requirements (including the ASX Listing Rules). The applicable terms of the Nightingale Equity Plan, and any terms and conditions applicable to Awards granted prior to the Termination Date shall survive the termination of the Nightingale Equity Plan and continue to apply to such Awards. No amendment, suspension, or termination of the Nightingale Equity Plan shall, without the consent of the grantee, materially impair rights or obligations under any Award that has been awarded.

Unless earlier terminated, the Nightingale Equity Plan will terminate in 2032.