



Blis Technologies Limited

Notice of Annual Meeting

Notice is hereby given that the annual meeting of shareholders of Blis Technologies Limited (“**Company**”) will be held at the Dunedin Public Art Gallery, 30 The Octagon, Dunedin on Friday, 28 July 2017 at 10.30am (registrations will open at 10.00am).

Business

The business of the meeting will be:

1 Financial Statements and Reports

To receive and consider the annual report including the financial statements and the audit report for the year ended 31 March 2017.

2 Re-election of Mrs Veronica Aris as a director (Resolution 1)

To consider, and if thought fit, to re-elect Mrs Veronica Aris as a director of the Company by passing the following Ordinary Resolution:

“That Mrs Veronica Aris be re-elected as a director of the Company.”

See Explanatory Notes

3 Re-election of Mr Graeme Boyd as a director (Resolution 2)

To consider, and if thought fit, to re-elect Mr Graeme Boyd as a director of the Company by passing the following Ordinary Resolution:

“That Mr Graeme Boyd be re-elected as a director of the Company.”

See Explanatory Notes

4 Auditors (Resolution 3)

To record that Deloitte are reappointed as auditors of the Company in accordance with section 207T of the Companies Act 1993 and if thought fit, to pass the following Ordinary Resolution:

“That the Directors be authorised to fix the remuneration of the auditors for the ensuing year.”

5 Directors' Remuneration (Resolution 4)

To consider, and if thought fit, to pass the following Ordinary Resolution:

“That pursuant to clause 14.1 of the Company's constitution and NZX Listing Rule 3.5.1, the maximum aggregate amount per annum payable by the Company to its Directors be increased from \$150,000 to \$265,000, with effect from quarter four of the current financial year.”

6 Other business

To consider any other ordinary business which may properly be brought before the meeting.

Proxies

All shareholders are entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in their place.

A proxy need not be a shareholder of the Company. **Enclosed** with this notice of meeting is a proxy/corporate representative form.

For the appointment of a proxy to be valid, the form must be lodged at Blis Technologies Limited, 81 Glasgow Street, South Dunedin, PO Box 5804, Dunedin 9058 (Attn: Pamela Bedford) or sent by email to pamela.bedford@blis.co.nz no later than 48 hours before the start of the meeting (that is, by **10:30am on Wednesday 26 July 2017**). Postal voting is not permitted.

The directors of the Company ("**Directors**") offer themselves as proxy to shareholders. However a Director may only vote in relation to Resolution 4 if instructed how to vote. The Directors cannot exercise their discretion on how to vote on Resolution 4 given it relates to approving Director remuneration. Any Director appointed as a proxy will vote in favour of all other resolutions put to the meeting unless otherwise directed.

Corporate Representatives

A corporation which is a shareholder may appoint a person to attend the meeting on its behalf in the same manner as that in which it could appoint a proxy. The form to appoint a proxy/corporate representative must be signed on behalf of the corporation by a person acting under the corporation's express or implied authority.

Requisite majorities and voting

The resolutions are all ordinary resolutions ("**Ordinary Resolutions**"). In order for them to be passed, they require the affirmative vote of a simple majority of more than 50% of the votes cast by those entitled to vote and who vote in person or by proxy.

By order of the Board of Directors

A handwritten signature in blue ink, appearing to read "P F Fennessy".

Peter F Fennessy

Chairman

Explanatory Notes

In these explanatory notes, references to 'Listing Rules' are to the NZX Main Board Listing Rules.

1 RESOLUTION 1 (BUSINESS ITEM 2) AND RESOLUTION 2 (BUSINESS ITEM 3)

Re-election of Mrs Veronica Aris and Mr Graeme Boyd

- 1.1 Mrs Aris and Mr Boyd are currently directors of the Company and retire by rotation in accordance with Listing Rule 3.3.11. Each director, being eligible, offers themselves for re-election.
- 1.2 Mrs Aris was first appointed as a director in July 2014. The Board considers that Ms Aris is an independent director.
- 1.3 Mr Boyd was first appointed as a director in July 2014. The Board considers that Mr Boyd is an independent director.
- 1.4 Further details in respect of Mrs Aris and Mr Boyd are set out below. These will also be available on the Blis Technologies website: www.blis.co.nz.

VERONICA ARIS

Veronica Aris has over 17 years of sales and marketing experience in senior management level positions across many sectors, including primary care consumables, pharmaceutical, natural health supplements, consumer products, DRTV and industrial products for companies such as Sanofi-Synthelabo, Pfizer, Abbott Laboratories, EBOS, Brand Developers and Wesfarmers, in the UK, Australia and New Zealand. Her expertise is in pharma product launches, brand management, marketing, sales and regulatory affairs, social media and web strategies. Veronica has been a director of Blis Technologies Limited since July 2014 and is Chair of the Remuneration Committee.

She is a Chartered Member of the Institute of Directors, and holds a number of board positions instilling robust governance practices to enable companies, community groups and sporting associations to achieve their long-term goals and vision. She is a Board Member of CASA (working with communities to help them best manage suicide risk) and the Northern Auckland Kindergarten Association, has Chartered Marketer status (Chartered Institute of Marketers) a BSc in Chemistry and French and a Post Graduate Diploma in Marketing.

GRAEME BOYD

Graeme Boyd joined ICI New Zealand Limited in 1971 and for over 26 years held a variety of positions across the business, including management of the Pharmaceuticals Division, culminating in the role of NZ General Manager from 1990 to 1997. He was appointed CEO of Comvita Limited ("**Comvita**") in 1998 and developed the company from a small privately-owned company to a publicly-listed company centred on marketing natural health products internationally. Graeme left Comvita in 2005 and formed a management consulting business specialising in company turnarounds, growth strategies and international marketing. Graeme has been a director of Blis Technologies Limited since July 2014. He is currently an independent director of Phytomed Medicinal Herbs Limited. Graeme is a professional director, a Chartered Member of the Institute of Directors and holds an MSc (Chemistry) from University of Canterbury.

2 RESOLUTION 4 (BUSINESS ITEM 5)

Directors' Remuneration

- 2.1 Under NZX Main Board Listing Rule 3.5.1 the maximum aggregate annual remuneration that can be paid to non-executive Directors must be approved by shareholders by way of an ordinary resolution.

- 2.2 The total quantum which is currently available to pay non-executive Director fees is NZ\$150,000. This amount was approved by shareholders in 2015. Since that time, the Company's business has grown significantly and the role of the Board has expanded. Accordingly, the current remuneration payable to non-executive Directors does not adequately compensate the non-executive Directors for the work undertaken. There is also the need to increase fees to attract new directors as the Board enters a new phase, with one of the long-standing directors recently exiting the Board.
- 2.3 The Board believes that the increase in the aggregate amount available to pay non-executive Directors from NZ\$150,000 to NZ\$265,000 will enhance the Board's ability to retain and attract Directors to help achieve the objectives of the Company.
- 2.4 The increase in the remuneration cap will also bring the non-executive Director remuneration for Directors closer to current market rates as recommended by Signium Executive Search International Limited ("**Signium**") in their Director Remuneration Report to the Company dated 6 June 2017. Signium is a long-standing executive search company that the Company considers is appropriately qualified and has the necessary experience to provide such advice. Signium is involved in a diverse range of areas including independent director appointments, evaluation of directors and the provision of consultancy in strategic governance.
- 2.5 The Board is also conscious that the non-executive Director remuneration contemplated below continues to be below market practice of listed entities with similar business structures.

	Current Fees	Proposed fees
Chair	\$40,000	\$66,000
Deputy Chair	\$25,000	\$45,000
Directors x 4	\$20,000	\$35,000
Audit Chair	\$5,000	\$10,000
Remuneration Chair	Nil	\$4,000
Total	\$150,000	\$265,000

- 2.6 The Company's move from a research and development focus to targeting market development and sales, along with the greater obligations and inherent risks of being publicly-listed, are factors that have influenced the Board's decision to seek an increase in the fee cap.
- 2.7 The Company is now entering a different phase in its life cycle which may require it to seek directors with different skills who can contribute to the achievement of the Company's strategic growth plan.

Recommendation

- 2.8 The Directors recommend that shareholders vote to adopt Resolution 4 to enable the Company to sustain the governance of a balanced Board and, when appropriate attract talented directors.
- 2.9 The Directors and their associates are prohibited from voting both in relation to their own shareholding votes and in relation to any discretionary proxy votes on Resolution 4, and any such votes will be disregarded by the Company.