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# Arovella Therapeutics Limited

## ACN 090 987 250

## Notice of Annual General Meeting

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**Date** Friday 10 November 2023

**Time** 11:00 am AEDT  
Registration starts from 10:30 AEDT

**Location** Virtual meeting by webinar

To register for the meeting, please click this link: <https://bit.ly/3ESHY6f>.

When you log onto the online platform to register to attend the Meeting, you will need to provide your details (including SRN or HIN) to be verified as a Shareholder.

After registering, you will receive a confirmation email containing information about joining the Meeting.

You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress. Further information on how to participate in the Meeting is provided in the online meeting guide, available at <http://bit.ly/3L79FD8>.

If Shareholders are unable to attend the Meeting, they are encouraged to return the Proxy Form to the Company in accordance with the instructions on the form. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting, should they elect to do so.

### **IMPORTANT INFORMATION**

#### **Questions from Shareholders**

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In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company. Please send your questions via email to:

The Company Secretary  
Phillip Hains  
[investor@arovella.com](mailto:investor@arovella.com)

Written questions must be received by no later than **5:00 pm AEDT** on Wednesday **8 November 2023**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

The Chair of the Meeting will endeavour to address as many Shareholder questions and comments as possible during the course of the Meeting. However, there may not be sufficient time available at the meeting to address all of the questions and comments raised. Please note that individual responses may be sent to the enquiring party only, and may not be sent to all Shareholders.

## Voting information

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### Entitlement to vote at the Annual General Meeting

A determination has been made by the Board under regulation 7.11.37 of the *Corporations Regulations 2001* that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company as at **7:00 pm AEDT** on Wednesday **8 November 2023**, subject to any applicable voting exclusion.

Voting on all items of business will be conducted on a poll.

### Voting by proxy

- (c) A Shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the Shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the Shareholder.
- (d) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the Meeting.
- (e) A proxy need not be a Shareholder of the Company.
- (f) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.
- (g) A proxy form accompanies this Notice. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this Notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by 11:00 am AEDT on Wednesday 8 November 2023, at the share registry, being Automic Registry Services as follows:

**Online** <https://investor.automic.com.au>

**By post** Automic Registry Services  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
GPO Box 5193, Sydney 2000

**By email** [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

### **Proxy voting by the Chair**

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

The Chair of the Meeting intends to vote all available undirected proxies in favour of each item of business.

If you complete a Proxy Form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1, Resolutions 3A – 3D (inclusive) and Resolutions 4 and 5.

In accordance with this express authority provided by you, the Chair will vote in favour of Resolutions 1, Resolutions 3A – 3D (inclusive) and Resolutions 4 and 5. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the Proxy Form.

If you appoint as your proxy any Director of the Company, except the Chair, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1, Resolutions 3A – 3D (inclusive) and Resolutions 4 and 5, he or she will not vote your proxy on those resolutions.

# Business of the Meeting Agenda

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## Financial statements and related report

To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2023.

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## Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, pass with or without amendment the following resolution as a **non-binding ordinary resolution**:

*'That the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2023 be adopted.'*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

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

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## Resolution 2 - Election of Dr Thomas Duthy as Director

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

*'That Dr Thomas Duthy, who, having been appointed as a Director on 13 March 2023 and who retires in accordance with ASX Listing Rule 14.4 and rule 12.7(b) of the Company's Constitution and, having consented to act and being eligible, be elected as Director of the Company.'*

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## Resolution 3A – Approval for issue of Director Options to Mr Gary Phillips

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

*'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Director Options to Mr Gary Phillips and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.'*

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

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## Resolution 3B – Approval for issue of Director Options to Dr Debora Barton

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

*'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Director Options to Dr Debora Barton and/or her nominee(s), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.'*

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

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### **Resolution 3C – Approval for issue of Director Options to Dr Elizabeth Stoner**

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

*'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Director Options to Dr Elizabeth Stoner and/or her nominee(s), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.'*

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

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### **Resolution 3D – Approval for issue of Director Options to Dr Thomas Duthy**

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

*'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Director Options to Dr Thomas Duthy and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.'*

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

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### **Resolution 4 – Approval for issue of Incentive Options to Dr Michael Baker under LTIP**

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

*'That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 2,178,531 Incentive Options to Dr Michael Baker and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.'*

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

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### **Resolution 5 – Approval of Long Term Incentive Plan**

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

*'That, for the purposes of Exception 13 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act, and for all other purposes, Shareholders approve the Long Term Incentive Plan and the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.'*

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

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## Resolution 6 – Approval of 10% Placement Capacity

To consider and, if thought fit, 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, approval is given for the Company to issue up to an additional 10% of its issued Equity Securities by way of placements over a 12-month period, on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice.'*

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Dated: 12 October 2023

By order of the Board

Phillip Hains  
Company Secretary

## Voting Exclusion Statements

### **Resolution 1 - Adoption of Remuneration Report**

The Company will disregard any votes cast on this resolution:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2023, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast; or
- (b) as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### **Resolution 3A – Approval for issue of Director Options to Mr Gary Phillips**

The Company will disregard any votes cast:

- (a) in favour of the resolution by or on behalf of Mr Gary Phillips, and any person who will obtain a material benefit as a result of the proposed issue of Director Options to Mr Phillips (except a benefit solely by reason of being a holder of Shares in the Company); or any of their Associates; and
- (b) on the resolution as a proxy by a member of the KMP at the date of the Meeting, or that KMP's Closely Related Party.

### **Resolution 3B – Approval for issue of Director Options to Dr Debora Barton**

The Company will disregard any votes cast:

- (a) in favour of the resolution by or on behalf of Dr Debora Barton, and any person who will obtain a material benefit as a result of the proposed issue of Director Options to Dr Barton (except a benefit solely by reason of being a holder of Shares in the Company), or any of their Associates; and
- (b) on the resolution as a proxy by a member of the KMP at the date of the Meeting, or that KMP's Closely Related Party.

### **Resolution 3C – Approval for issue of Director Options to Dr Elizabeth Stoner**

The Company will disregard any votes cast:

- (a) in favour of the resolution by or on behalf of Dr Elizabeth Stoner, and any person who will obtain a material benefit as a result of, the proposed issue of Director Options to Dr Stoner (except a benefit solely by reason of being a holder of Shares in the Company); or any of their Associates; and
- (b) on the resolution as a proxy by a member of the KMP at the date of the Meeting, or that KMP's Closely Related Party.

## Voting Exclusion Statements

<b>Resolution 3D – Approval for issue of Director Options to Dr Thomas Duthy</b>	<p>The Company will disregard any votes cast:</p> <ul style="list-style-type: none"> <li>(a) in favour of the resolution by or on behalf of Dr Thomas Duthy, and any person who will obtain a material benefit as a result of, the proposed issue of Director Options to Dr Duthy (except a benefit solely by reason of being a holder of Shares in the Company); or any of their Associates; and</li> <li>(b) on the resolution as a proxy by a member of the KMP at the date of the Meeting, or that KMP's Closely Related Party.</li> </ul>
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<b>Resolution 4 – Approval for issue of Incentive Options to Dr Michael Baker under LTIP</b>	<p>The Company will disregard any votes cast:</p> <ul style="list-style-type: none"> <li>(a) in favour of the resolution by or on behalf a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP, or any of their Associates; and</li> <li>(b) on the resolution as a proxy by a member of the KMP at the date of the Meeting, or that KMP's Closely Related Party.</li> </ul>
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<b>Resolution 5 – Approval of Long Term Incentive Plan</b>	<p>The Company will disregard any votes cast:</p> <ul style="list-style-type: none"> <li>(a) in favour of this resolution by or on behalf of any person who is eligible to participate in the LTIP, and any Associates of those persons; and</li> <li>(b) on the resolution as a proxy by a member of the KMP at the date of the Meeting, or that KMP's Closely Related Party.</li> </ul>
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<b>Resolution 6 – Approval of 10% Placement ASX Capacity</b>	<p>Not applicable. As at the date of this Notice, the Company has no plans to issue Equity Securities under ASX Listing Rule 7.1A.</p>
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The above voting exclusions do not apply to a vote cast on the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (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.



# Explanatory memorandum

Arovella Therapeutics Limited ACN 090 987 250

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This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at 11:00 am AEDT on Friday, 10 November 2023.

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

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## Financial statements and related reports

- 1 Section 317 of the Corporations Act requires the Company's financial report, Directors' report and auditor's report for the financial year ended 30 June 2023 to be laid before the Company's 2023 Annual General Meeting. There is no requirement for a formal resolution on this item. The financial report contains the financial statements of the consolidated entity consisting of Arovella Therapeutics Limited and its controlled entities.
- 2 As permitted by the Corporations Act, a printed copy of the Company's 2023 Annual Report has been sent only to those Shareholders who have elected to receive a printed copy. A copy of the 2023 Annual Report is available from the Company's website ([www.arovella.com](http://www.arovella.com)).
- 3 The Chair of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2023, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of HLB Mann Judd in relation to the conduct of the audit.

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## Resolution 1 - Adoption of Remuneration Report

- 4 Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2023 Annual Report and is available from the Company's website ([www.arovella.com](http://www.arovella.com)). The Remuneration Report:
  - (a) describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
  - (b) sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
  - (c) explains the differences between the basis for remunerating Non-Executive Directors and senior executives, including the Non-Executive Chair.
- 5 The vote on this item is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.

### **Voting Exclusion**

- 6 A voting exclusion statement applies to this resolution, as set out in the Notice.

### **Board Recommendation**

- 7 The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report.

### **Chairman's available proxies**

- 8 The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

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## **Resolution 2 - Election of Dr Thomas Duthy as Director**

### **Explanation**

- 9 Dr Thomas Duthy was appointed by the Board as a Non-Executive Chair of the Company on 13 March 2023. In accordance with rule 12.7(b) of the Company's Constitution, a Director appointed by the Board holds office until the conclusion of the next annual general meeting of the Company, but is eligible for election at that meeting.
- 10 Dr Duthy retires as Director in accordance with rule 12.7(b) of the Company's Constitution and Listing Rule 14.4, and, being eligible, stands for re-election.

### **About Dr Thomas Duthy**

- 11 Dr Duthy has over 18 years of direct financial market and executive-level / Board experience with ASX listed companies. He is a Director and Founder of Nemean Group, which provides corporate advisory and investor relations (IR) services in the Life Sciences and Technology sectors. This included an IR/Corporate Development consultancy role with Nova Eye Medical (ASX:EYE), during which time a \$100 million all-cash sale of their Lasers & Ultrasound business to Lumibird Group was completed (2020) and as an IR consultant to Limeade (ASX:LME), successfully concluded LME's acquisition by WebMD Health Services in August 2023 for \$112 million in cash.
- 12 Dr Duthy was the former Head of Corporate Development and IR at Sirtex Medical (ASX:SRX), which was acquired for \$1.9 billion in cash in September 2018 and remains the largest medical device acquisition in Australian corporate history. Dr Duthy spent ten years as a leading sell-side Healthcare & Biotechnology analyst at Taylor Collison Limited, focused mainly on small cap companies. Dr Duthy is currently an Executive Director of Invex Therapeutics Ltd (ASX:IXC) and Neurotech International Ltd (ASX:NTI).
- 13 Dr Duthy holds a PhD in Molecular Microbiology from the University of Adelaide and an MBA from Deakin University.
- 14 Dr Duthy is considered by the Board to be an independent Non-Executive Director.

### **Board Recommendation**

- 15 The Board, with Dr Duthy abstaining on making a recommendation, recommends that Shareholders vote in favour of Resolution 2.

**Chairman’s available proxies**

16 The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

**Resolutions 3A to 3D – Approval for issue of Director Options to Non-Executive Directors**

**Explanation**

- 17 The Company proposes to issue Options to the Non-Executive Directors Mr Gary Phillips, Dr Debora Barton, Dr Elizabeth Stoner and Dr Thomas Duthy, in lieu of a proportion of Directors’ fees payable to them, in respect of the 2024 financial year (**FY24**) (**Director Options**).
- 18 Consistent with the 2022 Annual General Meeting, the Company is seeking to preserve cash resources to be directed into the growth of the Company’s business. Each Non-Executive Director has agreed to forego cash payment of a proportion of their FY24 Directors’ fees, and to be issued Director Options instead.
- 19 An alternative to the issue of the Director Options to the Non-Executive Directors, would be to remunerate them in cash only. Whilst the Board remains mindful of the need to minimise dilution to Shareholders, the Board considers that the issue of Director Options to the Non-Executive Directors in lieu of part of their remuneration is an appropriate and responsible cash-free method of reducing corporate overhead expenditure, whilst concurrently aligning the interests of the Directors with that of Shareholders.
- 20 The number of Director Options to be issued to each Non-Executive Director will be determined in accordance with the following formula:

**No. of Director Options** = *Relevant Proportion of FY24 fees / Fair Value of Director Option, (rounded to the nearest 1,000 Director Options)*

where:

- (a) **Fair Value:** the ‘Fair Value’ of each Director Option will be determined on the basis of the Black Scholes valuation model, which takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. At the time of preparing this Notice, the fair value of each Director Option is A\$0.042.
- (b) **Relevant Proportion:**

Director	FY24		
	Cash fees	Director Options	Total fees <sup>1</sup>
Mr Gary Phillips	A\$40,000	A\$40,000	A\$80,000
Dr Debora Barton	USD\$40,000	A\$40,000	A\$102,500
Dr Elizabeth Stoner	USD\$40,000	A\$40,000	A\$102,500
Dr Thomas Duthy	A\$90,000	A\$70,000	A\$160,000

<sup>1</sup> Australian equivalent calculated at 0.64 AUD/USD at the time of preparing this Notice

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	Dr Duthy's fees paid in shares and options to 13 March 2024 as approved by Shareholders at EGM held 23 August 2023. Options to be issued under this resolution relate to the period 14 March to 30 June 2024.
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If the 30-day the volume weighted average price of the Company's Shares (**VWAP**) changes prior to the Director Options being issued, the fair value of those Director Options (and therefore the number of Director Options issued) will also change. The fair value of each Director Option at differing 30-day VWAP values, and the total number of Director Options that each Non-Executive Director would receive as a result, is outlined in the table below.

Prevailing 30-day VWAP (\$)	0.03	0.06	0.09
Exercise price (\$)	0.045	0.09	0.135
Fair value of Director Option (\$)	0.021	0.042	0.064
Options issued to Mr Gary Phillips	1,904,762	952,381	625,000
Options issued to Dr Debora Barton	1,904,762	952,381	625,000
Options issued to Dr Elizabeth Stoner	1,904,762	952,381	625,000
Options issued to Dr Thomas Duthy	992,714	496,357	325,734

**Listing Rule 10.11**

- 21 Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue, or agree to issue, equity securities to:
- (a) a related party;
  - (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
  - (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holding in the entity and who has nominated a director to the board pursuant to a relevant agreement which gives them the right or expectation to do so;
  - (d) an Associate of a person referred to in paragraphs (a), (b), or (c) above; or
  - (e) a person whose relationship with the entity or a person referred to in any of paragraphs (a) to (d) above is such that, in ASX's opinion the issue or agreement should be approved by security holders,
- unless it obtains the approval of its ordinary security holders.
- 22 As Directors of the Company, Mr Gary Phillips, Dr Debora Barton, Dr Elizabeth Stoner and Dr Thomas Duthy are related parties of the Company for the purposes of Listing Rule 10.11.1. Accordingly, Resolutions 3A–3D seek the Shareholder approval required by Listing Rule 10.11 to allow the issue of Director Options to the Non-Executive Directors.
- 23 If Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1, and the securities issued under Resolutions 3A–3D will not deplete the Company's 15% Placement Capacity.

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**Approval not sought under Chapter 2E of the Corporations Act**

- 24 As noted above, the Directors are each a related party of the Company, and accordingly the giving of a financial benefit to them by the Company would ordinarily be prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of Shareholders or where an exception applies.
- 25 A “financial benefit” is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of Shareholders or where an exception applies. One exception to the general rule is where the benefit constitutes “reasonable remuneration” in respect of the duties and responsibilities of the related party in the management of the public company.
- 26 In the view of the Board, the issue of the Director Options to Non-Executive Directors in lieu of their foregone cash fees constitutes “reasonable remuneration” to each of those Directors, given the Company’s circumstances and the responsibilities involved in their respective roles within the Company. As the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek Shareholder approval under Chapter 2E of the Corporations Act in order to give the Directors the financial benefit that is inherent in the issue to them of the Director Options.

**Specific information required under Listing Rule 10.13**

- 27 In accordance with Listing Rule 10.13, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11, the following information is provided to Shareholders:

<b>Identification of recipients of securities</b>	Resolution 3A: Mr Gary Phillips and/or his nominee(s) Resolution 3B: Dr Debora Barton and/or her nominee(s) Resolution 3C: Dr Elizabeth Stoner and/or her nominee(s) Resolution 3D: Dr Thomas Duthy and/or his nominee(s)
<b>Category in Listing Rules 10.11.1 – 10.11.5</b>	As Directors, Mr Gary Phillips, Dr Debora Barton, Dr Elizabeth Stoner and Dr Thomas Duthy are related parties of the Company under Listing Rule 10.11.1.
<b>Number and class of securities to be issued</b>	The Company proposes to issue Director Options to the Non-Executive Directors under Resolutions 3A - 3D.  The number of Director Options to be issued to each Non-Executive Director will be determined in accordance with the formula outlined in paragraph 20 above.

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**Terms of securities** Each Director Option will entitle its holder to acquire one Share in the Company.

Each Director Option will be exercisable into a Share at an exercise price equal to 150% of the VWAP over the 30 days ending on the date that the Director Options are issued. As at the time of preparing this notice, the Exercise price would be \$0.09 based on a 30-day VWAP of \$0.06.

The Director Options will expire 60 months from the date of issue.

At the time of exercise of the Director Options, subject to Board approval at that time, the holder may elect not to be required to provide payment of the exercise price for the number of Director Options being exercised, but that on exercise of those Director Options the Company will transfer or allot to the holder that number of Shares determined in accordance with the following formula:

$$A = \frac{B(C - D)}{C}$$

*Where:*

*A = number of Shares to be issued on exercise of the Director Options (rounded down to the nearest whole Share)*

*B = number of Director Options being exercised*

*C = market value of the Shares at the time of exercise*

*D = exercise price*

The underlying Shares issued upon the exercise of the Director Options will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.

The Director Options will not be quoted on the ASX and will vest over the period until 30 June 2024.

**Date for issue and allotment of securities** Subject to Shareholder approval being obtained, the Company will issue the Director Options as soon as is practicable after the Meeting, or in any event no later than 1 month after the date of the Meeting.

**Purpose of issue/price received for issue** The Director Options will be issued for nil cash consideration, in lieu of the Respective Proportion of fees payable to each relevant Non-Executive Director in respect of the 2024 financial year.

**Use of funds raised** No funds will be raised by the issue of Director Options to the Non-Executive Directors, although the Company's liability to the Non-Executive Directors in relation to payment of the Respective Proportions of their fees in cash will be satisfied by the issue of the Director Options, thus preserving the Company's cash to that extent.

In the event that any funds are raised by the exercise of the Director Options prior to their expiry date, the Company expects that it will apply such funds towards its general working capital requirements.

**Details of Director remuneration packages**

The details of each Non-Executive Director’s current total remuneration package is as follows:

- (a) Mr Gary Phillips (Non-Executive Director): A\$40,000 in cash and A\$40,000 in equity (equity subject to shareholder approval) p.a.;
- (b) Dr Debora Barton (Non-Executive Director): US\$40,000 in cash and A\$40,000 in equity (equity subject to shareholder approval) p.a. (total equivalent to ~A\$102,500 at the time of preparing this Notice);
- (c) Dr Elizabeth Stoner (Non-Executive Director): US\$40,000 in cash and A\$40,000 in equity (equity subject to shareholder approval) p.a. (total equivalent to ~A\$102,500 at the time of preparing this Notice); and
- (d) Dr Thomas Duthy (Non-Executive Chair): A\$90,000 in cash and A\$70,000 in equity (equity subject to shareholder approval) p.a. The Director Options proposed to be issued to Dr Duthy under this resolution are pro-rata for the period 14 March to 30 June 2024 as, following shareholder approval at the Extraordinary General Meeting held on 23 August 2023, on 24 August 2023 Dr Duthy was issued with securities in lieu of cash fees for the period to 13 March 2024.

**Voting Exclusion Statement**

A voting exclusion statement applies to each of Resolutions 3A, 3B, 3C and 3D, as set out in the Notice.

**What will happen if Shareholders give, or do not give, approval?**

- 29 If Resolutions 3A - 3D are approved by Shareholders, the Director Options will be issued to Non-Executive Directors (and/or their respective nominee(s)) in accordance with the formula outlined in paragraph 17, and those securities will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby not depleting the Company’s 15% Placement Capacity.
- 30 If any of Resolutions 3A – 3D are not passed, the Non-Executive Director(s) will receive 100% of their remuneration for the 2024 financial year in cash, instead of being issued Director Options in lieu of the Respective Proportions of their remuneration for the 2024 financial year.

**Board Recommendation**

- 31 The Board, with Mr Phillips, Dr Barton, Dr Stoner, and Dr Duthy abstaining from making a recommendation on Resolutions 3A, 3B, 3C, and 3D respectively, recommends that Shareholders vote in favour of Resolutions 3A, 3B, 3C, and 3D.

**Chairman’s available proxies**

- 32 The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## Resolution 4 – Approval for issue of Incentive Options to Dr Michael Baker under LTIP

### Background

- 33 The Company also proposes to issue 2,178,531 Options to Managing Director, Dr Michael Baker, as long-term incentive which Dr Baker is entitled to receive in respect of the financial year ended 30 June 2023 (**Incentive Options**). The Incentive Options will be issued pursuant to the Company’s Long Term Incentive Plan.
- 34 The number of Incentive Options to be issued to Dr Baker has been determined in accordance with the following formula:

**No. of Incentive Options** = *Amount of Long-Term Incentive / Fair Value of each Incentive Option*

where:

(a) **Amount of Long-Term Incentive:** \$69,713

(b) **Fair Value:** the ‘Fair Value’ of each Incentive Option has been determined as A\$0.032 per Incentive Option at 30 June 2023 (being the end of the final period the Incentive Options relate to), on the basis of the Black Scholes valuation model.

### Listing Rule 10.14

- 35 Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:
- (a) a Director of the entity;
  - (b) an Associate of a person referred to in paragraph (a);
  - (c) a person whose relationship with the entity or a person referred to in paragraphs (a) or (b) is such that, in ASX’s opinion, the acquisition should be approved by security holders.
- 36 In accordance with Listing Rule 10.14, Shareholders are being asked under Resolution 4 to approve the grant of Incentive Options to Dr Baker under the LTIP.
- 37 If Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1, and the securities issued under Resolutions 3A–3D will not deplete the Company’s 15% Placement Capacity.

### Approval not sought under Chapter 2E of the Corporations Act

- 38 For the purposes of Chapter 2E of the Corporations Act, Dr Baker is a related party of the Company, and the issue of Incentive Options to him constitutes the provision of a “financial benefit” by the Company.
- 39 The giving of a financial benefit to a related party of a public company is prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of shareholders or where an exception applies. One exception to the general rule is where the benefit constitutes



“reasonable remuneration” in respect of the duties and responsibilities of the related party in the management of the public company.

- 40 The Board considers that the granting of the Incentive Options to Dr Baker constitutes reasonable remuneration, given both the Company’s circumstances and the responsibilities involved in their roles within the organisation. On this basis, as the provision of such a benefit is expressly permitted by section 211(1) of the Corporations Act, the Directors do not consider the Company is required to seek shareholder approval for the purposes of Chapter 2E of the Corporations Act in order to give each Director the financial benefit that is inherent in the issue of the Incentive Options.

**Specific information required under Listing Rule 10.15**

- 41 In accordance with Listing Rule 10.15, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11, the following information is provided to Shareholders:

<b>Identification of recipient of securities</b>	Dr Michael Baker and/or his nominee(s)
<b>Category in Listing Rules 10.14.1 – 10.14.3</b>	Dr Michael Baker is a Director of the Company under Listing Rule 10.14.1.
<b>Maximum number and class of securities to be issued</b>	The Company proposes to issue 2,178,531 Incentive Options to Dr Baker under Resolution 4.
<b>Details of Director remuneration package</b>	As Managing Director, Dr Baker is currently entitled to receive total fixed remuneration of A\$340,000 p.a. plus superannuation.
<b>Number of securities previously issued to Director under LTIP</b>	Dr Baker has not previously been issued any securities under the LTIP.
<b>Material terms of securities</b>	<p>Each Incentive Option will entitle its holder to acquire one Share in the Company.</p> <p>Each Incentive Option is exercisable at \$0.075, being 150% of the volume weighted average share price (<b>VWAP</b>) over the 5 days ending on 30 June 2023, being the end of the financial year the Incentive Options relate to.</p> <p>The Incentive Options expire on 30 June 2027.</p> <p>The underlying Shares issued upon the exercise of the Incentive Options will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</p> <p>The Incentive Options will not be quoted on the ASX and will automatically vest in equal one-third tranches upon each of 30 June 2024, 30 June 2025 and 30 June 2026.</p> <p>The Incentive Options are otherwise governed by the terms of the LTIP.</p>

<b>Reason why Options have been selected</b>	<p>The Company has chosen to issue Incentive Options to Dr Baker for the following reasons:</p> <ul style="list-style-type: none"> <li>(a) the issue of Incentive Options will align the interests of Dr Baker with those of Shareholders;</li> <li>(b) whilst the Board remains mindful of the need to minimise dilution to Shareholders, the Board considers that the issue of Incentive Options to Dr Baker an appropriate and responsible cash-free way to incentivise Dr Baker, whilst reducing corporate overhead expenditure;</li> <li>(c) the Incentive Options are unquoted, therefore the issue of Incentive Options has no immediate dilutionary impact on Shareholders; and</li> <li>(d) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed.</li> </ul>
<b>Value attributed to securities</b>	The fair value attributed to each Incentive Option is A\$0.032 at 30 June 2023 (being the end of the final period the Incentive Options relate to), on the basis of the Black Scholes valuation model.
<b>Date for issue and allotment of securities</b>	Subject to Shareholder approval being obtained, the Company will issue the Incentive Options as soon as is practicable after the Meeting, or in any event no later than 3 years after the date of the Meeting.
<b>Issue price per security</b>	The Incentive Options will be issued for nil cash consideration.
<b>Summary of material terms of LTIP</b>	A summary of the material terms of the LTIP is set out in Annexure A.
<b>Summary of material terms of loan</b>	No loan has been provided to Dr Baker in relation to the acquisition of Incentive Options.
<b>Voting Exclusion Statement</b>	A voting exclusion statement applies to Resolution 4, as set out in the Notice.

Details of any securities issued under the LTIP 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 Listing Rule 10.14.

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

**What will happen if Shareholders give, or do not give, approval?**

- 42 If Resolution 4 is approved by Shareholders, 2,178,531 Incentive Options will be issued to Dr Baker (and/or his nominee(s)), and those securities will be treated as having been made with

approval for the purpose of Listing Rule 7.1, thereby not depleting the Company's 15% Placement Capacity.

- 43 If Resolution 4 is not approved by Shareholders, Dr Baker will receive his \$69,713 incentive payment for the 2023 financial year in cash, instead of being issued Incentive Options as his long-term incentive in lieu of his cash bonus.

**Board recommendation**

- 44 The Board, with Dr Baker abstaining from making a recommendation recommends that Shareholders vote in favour of Resolution 4.

**Chairman's available proxies**

- 45 The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

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**Resolution 5 –Approval of Long Term Incentive Plan**

**Explanation**

- 46 Shareholder approval is sought for the Company's Long Term Incentive Plan (**LTIP**), and the issue of securities under the LTIP, for the purposes of the Listing Rules and the Corporations Act.

**ASX Listing Rules**

- 47 As noted above in this Explanatory Memorandum, Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12 month period exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.
- 48 Listing Rule 7.2 contains a number of exceptions to the prohibition contained in Listing Rule 7.1. In particular, under Exception 13 in Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within 3 years of the date on which shareholders approve the issue of Equity Securities under that scheme are not counted for the purposes of Listing Rule 7.1. Resolution 5 is designed to satisfy the requirements of Listing Rule 7.2.

**Corporations Act**

- 49 Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.
- 50 Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by section 260(C). Section 260(C)(4) provides for special exemption for approved employee shares schemes and states that financial assistance is exempted from section 260(A) if a resolution is passed at a general meeting of the company.
- 51 The Company has no present intention to provide participants with financial assistance in the acquisition of Shares in the Company. However, there may be future instances where the Company may elect to provide employee assistance in the acquisition of Shares in itself, such as by providing a loan for the payment of the purchase price of a Share to be issued under the LTIP, and taking security over its own Shares for repayment of the loan.

- 52 Accordingly, to provide for maximum flexibility under the LTIP, the Company has determined to seek shareholder approval under Resolution 5 for the purposes of sections 259B(2) and 260C(4) of the Corporations Act.

### **Purpose of LTIP**

- 53 The purpose of the LTIP is to provide incentives to management and Directors of the Company who are integral to the operations and ongoing success of the Company. These incentives are designed to encourage greater productivity from Directors and management and to better enable the Company to retain its management personnel in a highly competitive industry.
- 54 A summary of the LTIP is provided in Annexure A.

### **Securities issued under the LTIP**

- 55 The LTIP has not been approved by Shareholders at a general meeting, and no securities have been issued under the LTIP.
- 56 The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 is 45,098,240 (**ASX Limit**), representing 5% of the Company's issued capital on a post-AGM basis. This maximum is not intended to be a prediction of the actual number of securities to be issued under the LTIP, but is specified for the purposes of setting a ceiling on the number of securities approved to be issued for the purposes of Listing Rule 7.2 Exception 13. Once that number is reached, any additional issues of securities under the LTIP will not have the benefit of Exception 13 without a fresh shareholder approval, and will only be able to be made without shareholder approval under Listing Rule 7.1 if the Company has sufficient placement capacity available at the time under Listing Rule 7.1.
- 57 This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.
- 58 The Company will require prior Shareholder approval for the issue of securities under the Plan to Directors, their associates, and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

### **What will happen if Shareholders give, or do not give, approval?**

- 59 If Resolution 5 is approved by Shareholders, the Company will be able to issue securities under the LTIP (up to the ASX Limit) without depleting the Company's placement capacity pursuant to Listing Rule 7.1.
- 60 If Resolution 5 is not approved by Shareholders, the Company will not be able to rely on Exception 13 of Listing Rule 7.1 when issuing securities under the LTIP. This means that any new issue of securities under the LTIP will be deducted from the Company's placement capacity pursuant to Listing Rule 7.1.

### **Voting Exclusion**

- 61 A voting exclusion statement applies to this item of business, as set out in the Notice.

### Board Recommendation

- 62 As the Directors are eligible to participate in the LTIP, the Directors do not make any recommendation to Shareholders in relation to this Resolution.

### Chairman's available proxies

- 63 The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

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## Resolution 6 – Approval of 10% Placement Capacity

### General

- 64 Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company 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 (**15% Placement Capacity**).
- 65 Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital (**10% Placement Capacity**), by way of placements over a 12 month period, in addition to their ability to issue securities under Listing Rule 7.1 (**7.1A Mandate**).
- 66 An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. As at the date of this Notice, the Company is an 'eligible entity', as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$64.9 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 28 September 2023).
- 67 Resolution 7 seeks Shareholder approval for the Company to have the additional 10% Placement Capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval. Resolution 7 is a **special resolution**, and accordingly, at least 75% of votes cast by Shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.
- 68 If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.
- 69 If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### Technical information required by Listing Rule 7.1A

- 70 Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 6:

(A) **Period for which the 7.1A Mandate is valid**

- 71 In the event that the Company obtains Shareholder approval of Resolution 6, the 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following (**Placement Period**):

- (A) the date that is 12 months after the date of this Meeting;
- (B) the time and date of the Company's next annual general meeting; and
- (C) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking),

(B) **Minimum price**

72 Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average market price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (I) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (II) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i) above, the date on which the Equity Securities are issued.

(C) **Purpose for which funds raised under the 7.1A Mandate may be used**

73 The Company may seek to issue the Equity Securities under the 7.1A Mandate for cash consideration, the proceeds of which may be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of Shares under Listing Rule 7.1.A and/or for general working capital.

74 The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(D) **Risk of Economic and Voting Dilution**

75 If Resolution 6 is approved by Shareholders, any issue of Equity Securities under the 7.1A Mandate may present a risk of economic and voting dilution of existing Shareholders, including the risk that:

- (A) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (B) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

76 The table below shows the potential dilution of existing Shareholders under various scenarios on the basis of:

- (A) an issue price of \$0.072 per Share, which was the closing price of the Company's Shares on the ASX on 28 September 2023; and
- (B) the variable 'A' being calculated as the number of fully paid ordinary Shares on issue as at 28 September 2023, being 901,964,803.

77 The table also shows:

- (A) two examples where variable 'A' has increased by 50% and 100%; and

- (B) two examples of where the issue price of Shares has decreased by 50% and increased by 100%.

Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A.2)*		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.036	\$0.072	\$0.108
			50% decrease	Issue Price	50% increase
		Funds Raised			
<b>Current</b>	901,964,803	90,196,480	\$ 3,247,073	\$ 6,494,147	\$ 9,741,220
<b>50% increase</b>	1,352,947,205	135,294,720	\$ 4,870,610	\$ 9,741,220	\$ 14,611,830
<b>100% increase</b>	1,803,929,606	180,392,961	\$ 6,494,147	\$12,988,293	\$ 19,482,440

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issues or scrip issues under a takeover offer), or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. the Company issues the maximum number of Shares available under its 10% Placement Capacity;
2. no Options to acquire Shares on issue in the Company are exercised;
3. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
4. the table does not show an example of dilution that may be caused to a particular Shareholder as a result of placements under the 10% Placement Capacity based on that Shareholder's holding at the date of the Meeting;
5. the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1;
6. the issue of Equity Securities under the 10% Placement Capacity consists only of Shares; and
7. the issue price is \$0.072, being the closing price of the Company's Shares on the ASX on 28 September 2023.

(E) **Allocation policy under the 7.1A Mandate**

- 78 The Company may not issue any or all of the Equity Securities for which approval is given and may issue the Equity Securities progressively as the Company places the Equity Securities with investors.
- 79 The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 7.1A Mandate. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to factors such as:

- (I) the purpose of the issue;

- (II) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (III) the effect of the issue of the Equity Securities on the control of the Company;
- (IV) the circumstances of the Company, including, but not limited to, the financial position of the Company and the urgency of the requirement for funds; and
- (V) advice from corporate, financial, legal and broking advisers (if applicable).

(F) **Securities issued in previous 12 months**

80 The Company has issued or agreed to issue a total of 142,699,376 Shares under its 10% Placement Capacity in the 12 months preceding the date of the Meeting. These Shares represent 21% of the total number of Shares on issue at the commencement of the 12 month period.

81 In accordance with Listing Rule 7.3A.6(b), the Company provides the following details of the issues of Shares under Listing Rule 7.1A in the 12 months preceding the date of the Meeting:

<b>Names of recipients and basis on which they were identified</b>	<b>No. and class of securities issued</b>	<b>Price of securities issued</b>	<b>Discount that the issue price represented to the closing market price on the date of the issue</b>	<b>Total cash consideration received by the Company</b>	<b>Amount of cash spent, what it was spent on, and intended use for remaining cash (if any)</b>
Institutional and sophisticated investors	67,180,607	\$0.02	20%	\$ 1,343,612	\$ 1,343,612, funds were used to progress development of the Company's iNKT cell therapy platform.
Institutional and sophisticated investors	75,518,769	\$0.045	-2%	\$ 3,398,345	\$ 3,398,345 of these funds are intended to be used to progress development of the Company's iNKT cell therapy platform.

The above shares, having initially been issued under Listing Rule 7.1A, were subsequently approved by shareholders under Listing Rule 7.4.

**Voting Exclusion**

82 A voting exclusion statement applies to this item of business, as set out in the Notice.

**Board Recommendation**

83 The Board recommends that Shareholders vote in favour of Resolution 6.

**Chairman's available proxies**

84 The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.



## Glossary

Arovella Therapeutics Limited ACN 090 987 250

<b>10% Placement Capacity</b>	means the Company's capacity to issue Shares under ASX Listing Rule 7.1A.
<b>15% Placement Capacity</b>	means the Company's capacity to issue Shares under ASX Listing Rule 7.1.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given to that term in the ASX Listing Rules.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of directors of the Company.
<b>Closely Related Party</b>	has the definition given to it by section 9 of the Corporations Act, and means: (a) a spouse or child of the member; or (b) a child of the member's spouse; or (c) a dependant of the member or of the member's spouse; or (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or (e) a company the member controls; or (f) a person prescribed by the regulations for the purposes of this definition.
<b>Company or Arovella</b>	means Arovella Therapeutics Limited (ACN 090 987 250).
<b>Constitution</b>	means the constitution of the Company, as amended or varied from time to time.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Director Options</b>	Means the unlisted Options to be issued to Non-Executive Directors in lieu of cash remuneration, as further detailed under Resolutions 3A to 3D in the Explanatory Memorandum.
<b>Equity Security</b>	means: (a) a share; (b) a right to a share or option; (c) an option over an issued or unissued security; (d) a convertible security; or (e) any security that ASX decides to classify as an equity security.
<b>Explanatory Memorandum</b>	means the explanatory memorandum attached to the Notice of Meeting.
<b>General Meeting</b>	means the Company's annual general meeting the subject of this Notice of Meeting.

<b>Incentive Options</b>	means the unlisted Options proposed to be issued to the Managing Director in lieu of cash incentive, as further detailed under Resolution 4 of the Explanatory Memorandum.
<b>Key Management Personnel</b> or <b>KMP</b>	means those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Long Term Incentive Plan</b> or <b>LTIP</b> or <b>Plan</b>	means the Company's Long Term Incentive Plan, as summarised in Annexure A to this Notice.
<b>Meeting</b>	means the Annual General Meeting of the Company to be held at 11:00 am AEDT on 10 November 2023.
<b>Notice or Notice of Meeting</b>	means this notice of meeting and includes the Explanatory Memorandum.
<b>Option</b>	means an option to acquire a Share.
<b>Shares</b>	means the existing fully paid ordinary shares in the Company.
<b>Shareholder</b>	means a person who is the registered holder of Shares.
<b>VWAP</b>	means the volume weighted average price of the Company's Shares

# Annexure A

## Summary of Long Term Incentive Plan

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The full terms of the Long Term Incentive Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below. It is intended that both the Executive and Non-Executive Directors will participate in the Plan. Resolution 4 seeks approval for Dr Michael Baker to be granted securities under the Plan.

- (a) **(Eligible Participant):** "Eligible Participant" means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an "ESS participant" (as that term is defined in Division 1A of Part 7.12 of the Corporations Act (**Division 1A**)) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation):** The Company must not make an offer of securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where the total number of Plan Shares (as defined in paragraph (n) below) that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.
- (c) **(Purpose):** The purpose of the Plan is to assist in the reward, retention and motivation of Eligible Participants, and align the interests of Eligible Participants with shareholders of the Group, by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities.
- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A. On receipt of an invitation, an Eligible Participant may apply for the securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation. A waiting period of at least 14 days will apply

to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities)**: The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities)**: Each '**Convertible Security**' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (h) **(Vesting of Convertible Securities)**: Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise)**: To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (j) **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Malus, clawback, adjustments)**: In any circumstance the Board considers appropriate, including where the Board, in its absolute discretion determines that there has been a material misstatement in the Company's financial statements; or some other event (or series of events) or circumstances have occurred, arisen or come to light, such that any vesting condition in respect of a vested Convertible Security was not, or should not have been determined to have been, satisfied,

then the relevant Participant will cease to be entitled to that vested Convertible Security (**Affected Convertible Security**) and the Board may take any of the following actions:

- (i) forfeiting or cancelling any Affected Convertible Securities for no consideration;
  - (ii) requiring that the Participant repay to a Group entity the Market Value of the Affected Convertible Securities which have been exercised into Shares, within 30 business days;
  - (iii) adjusting the participant's incentive entitlements, fixed remuneration entitlements or participation in the Plan in the current year or any future year.
- (l) (**Forfeiture of Convertible Securities**): Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules: any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

- (m) (**Change of control**): If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (n) (**Rights attaching to Plan Shares**): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (o) (**Disposal restrictions on Securities**): If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (p) (**Adjustment of Convertible Securities**): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (q) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (r) **(Amendment of Plan)**: Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (s) **(Plan duration)**: The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.
- (t) **(Employee Share Trust)**: The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of options or performance rights.
- (u) **(Cancellation)**: If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Arovella Therapeutics Limited | ABN 35 090 987 250

Your proxy voting instruction must be received by **11.00am (AEDT) on Wednesday, 08 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

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#### BY EMAIL:

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#### BY FACSIMILE:

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