

Noxopharm Limited

Level 5,
126 Philip Street
Sydney 2000

ACN: 608 966 123

www.noxopharm.com



Noxopharm Limited

Notice of 2019 Annual General Meeting

Explanatory Statement | Proxy Form

20 November 2019

2:00PM AEDT

Address

Museum of Sydney
Corner of Phillip and Bridge Street
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00PM AEDT on 20th November 2019 at Museum of Sydney, corner of Phillip and Bridge Streets, Sydney, NSW 2000.

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Noxopharm Limited ACN 608 966 123 will be held at 2:00PM AEDT on 20 November 2019 at Museum of Sydney, corner of Phillip and Bridge Streets, Sydney, NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm AEDT on 18 November 2019.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions

Remuneration Report

1. **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2019.”

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

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

Re-election of Directors

2. **Resolution 2 – Re-election of Peter Marks as Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Peter Marks, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”

ASX Listing Rule 7.1A (Additional 10% Capacity)

3. Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

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

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Renewal of Employee Incentive Plan

4. Resolution 4 – Renewal of Employee Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (exception 9(b)), sections 259(2) and 260C(4) of the Corporations Act, and for all other purposes, the Employee Incentive Plan is renewed for a period of three years from the date of this Meeting, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Changes to the Constitution

5. Resolution 5 – Adoption of New Constitution

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

“That, for the purposes of section 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chair for the purposes of identification, effective immediately.”

6. Resolution 6 – Adoption of Proportional Takeover Provisions

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

“That, subject to Resolution 5 being approved by Shareholders, for the purpose of section 648G of the Corporations Act and for all other purposes, the proportional takeover provisions in Article 28 of the New Constitution of the Company be adopted, effective immediately.”

BY ORDER OF THE BOARD



David Franks
Company Secretary

4 October 2019

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2:00PM AEDT on 20 November 2019 at Museum of Sydney, corner of Phillip and Bridge Streets, Sydney, NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://www.noxopharm.com/site/investors/annual-reports>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 13 November 2019.

Resolutions

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <https://www.noxopharm.com/site/investors/annual-reports>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2020 Annual General Meeting (**2020 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2020 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2020 AGM. All of the Directors who were in office when the 2020 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Re-election of Directors

Resolution 2 – Re-election of Peter Marks as Director

The Company's Constitution requires that that one third of the Directors (or if their number is not a multiple of three, then the number nearest one third) must retire at each Annual General Meeting. It also provides that a Director who retires under Article 59(3) is eligible for re-election. A Managing Director (if any) is exempt from this requirement.

ASX Listing Rule 14.5 also provides that an entity which has Directors must hold an election of Directors at each annual general meeting.

Peter Marks was appointed a Director of the Company on 15 March 2016 and was last re-elected by Shareholders at the 2017 AGM.

Under this Resolution, Peter Marks has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Peter brings 30 years' experience in corporate advisory, investment banking and director/advisory roles to the Board. With several leading firms, Peter's corporate skills lie in capital raising for pre-IPO and listed companies, cross border M&A transactions, corporate underwriting, and venture capital transactions for companies in Australia, US and Israel.

Peter holds a Bachelor of Economics, Bachelor of Laws and a graduate Diploma in Commercial Law from Monash University, Australia. He also holds an MBA from the University of Edinburgh, Scotland.

Directors' recommendation

The Directors (excluding Mr. Peter Marks) recommend that Shareholders vote for this Resolution.

ASX Listing Rule 7.1A

Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

ASX Listing Rule 7.1A enables eligible entities to seek Shareholder approval by Special Resolution passed at an annual general meeting to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further Shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

Approval under this Resolution is sought for the Company to issue equity securities under Listing Rule 7.1A.

If this Resolution is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) the date which is 12 months after the date of the 2019 Annual General Meeting; or
- (b) the date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Accordingly, the approval given if this Resolution is passed will cease to be valid on the earlier of 20 November 2020 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of the holders of ordinary securities under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval); and
 - (iv) less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of this Resolution will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at 3 October 2019, the Company has on issue 126,761,147 fully paid ordinary securities and therefore has capacity to issue:

- (a) 17,784,501 equity securities under Listing Rule 7.1; and
- (b) subject to Shareholder approval being sought under this Resolution, 12,569,186 equity securities under Listing Rule 7.1A.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities, the subject of this Resolution, will be issued is 75% of the volume weighted average market (closing) price (**VWAP**) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (a) the date on which the securities are issued.

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- (b) the equity securities issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

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

The table set out below shows the dilution of existing Shareholders on the basis of:

- The market price of the Company's ordinary shares and the number of ordinary shares as at close on 3 October 2019.
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by Shareholders.
- Two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the market price as at 3 October 2019.

Variable "A" ASX Listing Rule 7.1A.2 ***		Dilution		
		\$0.195 50% decrease in issue price	\$0.390 issue price **	\$0.780 100% increase in issue price
Current Variable "A"	10% voting dilution	12,569,187	12,569,187	12,569,187
	Funds raised	\$2,450,991	\$4,901,983	\$9,803,966
50% increase in current Variable "A"	10% voting dilution	18,853,780	18,853,780	18,853,780
	Funds raised	\$3,676,487	\$7,352,974	\$14,705,949
100% increase in current Variable "A"	10% voting dilution	25,138,374	25,138,374	25,138,374
	Funds raised	\$4,901,983	\$9,803,966	\$19,607,931

Notes:

There are currently 126,761,147 Shares on issue as at the date of this Notice of Meeting.

- (i) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
- (ii) The table assumes that no options or convertible notes are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the Variable 'A' calculated as at the date of this Notice of Meeting, which reflects the data shown in the Appendix 3B released to the ASX on 26 September 2019, being 125,691,868 shares. This is why the voting dilution is shown in each example as 10% of this number;
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (v) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes Options and/or Performance Rights, it is assumed that those Options and/or Performance Rights are exercised (or converted) into ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.

- * Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require Shareholder approval.
- ** Based on the closing price of the Company's Shares on ASX on 3 October 2019.
- *** Based on the Company's Share structure as at 3 October 2019, and specifically the Variable 'A' calculated as at the date of this Notice of Meeting, which reflects the data shown in the Appendix 3B released to the ASX on 26 September 2019, being 125,691,868 shares.

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances, the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- (a) raising funds to further develop the Company's business;
- (b) raising funds to be applied to the Company's working capital requirements;
- (c) acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets; and
- (d) paying service providers or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- (a) the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- (b) the potential effect on the control of the Company;
- (c) the Company's financial situation and the likely future capital requirements; and
- (d) advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

The allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, it is required by Listing Rule 7.3A.6 to provide details of all issues of equity securities in the 12 months preceding the date of the Meeting. The details of all issues of equity securities by the Company

during the 12 months preceding the date of the Meeting are detailed below:

Number/Class of equity securities issued	Terms of the securities issued	Price and discount to closing market price on the date of issue (if any)	Consideration details	Allottees of the Securities
<i>Issued on 21 December 2018</i>				
15,457 fully paid ordinary shares	<p>Issue of shares as consideration to ensure certainty over all existing and future IP.</p> <p>The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.</p>	<p>N/A – issued for nil consideration</p> <p>(The valuation of these fully paid ordinary shares based on the share price as at 11 October 2019 is \$0.40 per share, total value being \$6,182)</p>	N/A – issued for nil consideration	Kazia Therapeutics Limited
325,138 unlisted options	<p>Issue of options under the Company's Employee Equity Plan, approved by shareholders at the 2016 AGM.</p> <p>The options vest if employed at 21 November 2019, are exercisable at \$0.62 per option and expire on 21 November 2022.</p>	<p>N/A – issued for nil consideration</p> <p>(The independent valuation of these options using the Black Scholes Valuation Methodology is \$0.288 per option at the grant date, total face value being \$93,639)</p>	N/A – issued for nil consideration	Invited participants under the Company's Employee Equity Plan
325,138 unlisted options	<p>Issue of options under the Company's Employee Equity Plan, approved by shareholders at the 2016 AGM.</p> <p>The options vest if employed at 21 November 2020, are exercisable at \$0.62 per option and expire on 21 November 2022.</p>	<p>N/A – issued for nil consideration</p> <p>(The independent valuation of these options using the Black Scholes Valuation Methodology is \$0.288 per option at the grant date, total face value being \$93,639)</p>	N/A – issued for nil consideration	Invited participants under the Company's Employee Equity Plan
325,141 unlisted options	<p>Issue of options under the Company's Employee Equity Plan, approved by shareholders at the 2016 AGM.</p> <p>The options vest if employed at 21 November 2021, are</p>	<p>N/A – issued for nil consideration</p> <p>(The independent valuation of these options using the Black Scholes Valuation Methodology is \$0.288 per option at the grant date, total</p>	N/A – issued for nil consideration	Invited participants under the Company's Employee Equity Plan

	exercisable at \$0.62 per option and expire on 21 November 2022.	face value being \$93,640)		
<i>Issued on 25 March 2019</i>				
434,626 fully paid ordinary shares	Issue of shares as placement fee for share transaction. The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Issue price of \$0.39 per share. Share price on date of issue was \$0.40, which represents a discount of 2.5%.	Shares were issued as a placement fee for share transaction, and therefore no cash was received by the Company	Goodridge Nominees Pty Ltd <the Goodridge Family A/C> 414,626 shares Challand Holdings Pty Ltd 20,000 shares
<i>Issued on 23 July 2019</i>				
4,722,222 unlisted options	Issue of options to the investors pursuant to the Facility Agreements announced by the Company on 19 July 2019. The options are exercisable at \$0.58 per option and expire 48 months from the date of issue or 23 July 2023.	N/A – issued for nil consideration (The internal valuation of these options using the Black Scholes Valuation Methodology is \$0.296 per option at the grant date, total face value being \$1,397,777)	N/A – issued for nil consideration	Lind Global Macro Fund, LP, managed by the Lind Partners LLC and CST Investment Funds
3,000,000 fully paid ordinary shares	Issue of Shares as collateral to the investors pursuant to the Facility Agreements announced by the Company on 19 July 2019. The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	N/A – issued for nil consideration (The valuation of these fully paid ordinary shares based on the share price as at 11 October 2019 is \$0.40 per share, total value being \$1,200,000)	Shares were issued as collateral pursuant to the terms of the Facility Agreements, and therefore no cash was received by the Company.	Lind Global Macro Fund, LP, managed by the Lind Partners LLC and CST Investment Funds

<i>Issued on 25 July 2019</i>				
2 convertible notes (convertible to a maximum of 9,650,391 shares without shareholder approval being required)	<p>Issue of convertible notes to the investors pursuant to the Facility Agreements announced by the Company on 19 July 2019.</p> <p>The convertible notes each have a face value of \$2,280,000 with a term commencing from the date of the First Closing and ending on the later of the date that is 24 months from the date of the First Closing and the date which is 30 days after the date upon which the Company has satisfied all of its obligations under the agreement. The convertible notes are convertible up to a maximum of 9,650,391 shares.</p>	<p>Issue price of \$1,900,000 per note.</p> <p>Each note has a face value of \$2,280,000.</p>	<p>Cash consideration of \$3,800,000.</p> <p>As of the date of this Notice, \$3.8M has been spent on the use of funds as stated in the Company's announcement dated 19 July 2019. This is because the remaining funds from other sources were invested in term deposits which have not yet matured and therefore the Company spent the convertible note funding first.</p>	Lind Global Macro Fund, LP, managed by the Lind Partners LLC and CST Investment Funds
<i>Issued on 23 August 2019</i>				
540,558 fully paid ordinary shares	<p>Issue of First Tranche shares to the investors pursuant to the Facility Agreements announced by the Company on 19 July 2019.</p> <p>The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.</p>	<p>Issue price of \$0.37 per share.</p> <p>Share price on date of issue was \$0.41, which represents a discount of 9.76%.</p>	<p>Cash consideration of \$200,000.</p> <p>Funds have not yet been used by and will be used by the Company for general working capital purposes.</p>	Lind Global Macro Fund, LP, managed by the Lind Partners LLC and CST Investment Funds
<i>Issued on 26 September 2019</i>				
2 Replacement Convertible Notes (which could be converted to up to approximately 13,028,571 Shares at the price of \$0.35 per Share)	<p>Issue of convertible notes to the investors pursuant to the Facility Agreements to redeem the convertible notes previously issued on 25 July 2019.</p>	<p>Issued to redeem convertible notes issued by the Company on 25 July 2019.</p> <p>Each note has a face value of \$2,280,000.</p>	<p>The convertible notes were issued to redeem the convertible notes previously issued on 25 July 2019, and therefore no cash was received by the Company.</p>	Lind Global Macro Fund, LP, managed by the Lind Partners LLC and CST Investment Funds

	The convertible notes each have a face value of \$2,280,000 with a term commencing from the date of the First Closing and ending on the later of the date that is 24 months from the date of the First Closing and the date which is 30 days after the date upon which the Company has satisfied all of its obligations under the agreement. The convertible notes are convertible up to a maximum of 13,028,571 shares at \$0.35 per share.			
619,196 fully paid ordinary shares	Issue of Second Tranche shares to the investors pursuant to the Facility Agreements announced by the Company on 19 July 2019. The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Issue price of \$0.323 per share. Shares price on the date of issue was \$0.37, which represents a discount of 12.70%.	Cash consideration of \$200,000. Funds have not yet been used by and will be used by the Company for general working capital purposes.	Lind Global Macro Fund, LP, managed by the Lind Partners and LLC and CST Investment Funds

Total equity securities issued in previous 12 months* ("A")	23,336,047
Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12-month period	13.69%

*Based on Company's fully diluted capital structure as at the date of the Company's 2018 Annual General Meeting, and the assumption that the Replacement Convertible Notes have converted at \$0.35 (which it has not).

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

Renewal of Employee Incentive Plan

Resolution 4 – Adoption of Employee Incentive Plan

Background

The Noxopharm Limited Employee Equity Plan (**Incentive Plan**) was last approved by Shareholders of the Company on 23 November 2016. Shortly after the date of this Meeting, more than three years would have lapsed since this date, accordingly, the Company seeks Shareholder approval to re-adopt/renew the Incentive Plan for the purposes set out in this Explanatory Statement.

A summary of the key terms of the Incentive Plan is set out in Annexure A, and a copy of the rules of the Incentive Plan is available upon request from the Company.

ASX Listing Rules

If this Resolution is approved by Shareholders for all purposes under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 7.2 (exception 9(b)), it will have the effect of enabling the securities issued by the Company under the Incentive Plan to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period using Listing Rule 7.1 (15% capacity) during the next three year period.

Since the Incentive Plan was last approved by Shareholders on 23 November 2016, the Company advises that it has issued the following securities:

Issue Date	Type of Security	Key Terms
8 December 2017	263,158 Unlisted Options	Vested 1 December 2018, Exercise price \$1.08, expiry 30 November 2021
8 December 2017	263,158 Unlisted Options	Vesting 1 December 2019, Exercise price \$1.08, expiry 30 November 2021
8 December 2017	263,154 Unlisted Options	Vesting 1 December 2020, Exercise price \$1.08, expiry 30 November 2021
17 December 2018	325,138 Unlisted Options	Vesting 21 November 2019, Exercise price \$0.62, Expiry 21 November 2022
17 December 2018	325,138 Unlisted Options	Vesting 21 November 2020, Exercise price \$0.62, Expiry 21 November 2022
17 December 2018	325,141 Unlisted Options	Vesting 21 November 2021, Exercise price \$0.62, Expiry 21 November 2022

Shareholder loans

The Board may, in its discretion, also determine that the Company will provide limited recourse loans to participants to use to pay the subscription price for the purchase of securities under the Incentive Plan.

Permit the Company to take security over its own Shares

Section 259B(1) of the Corporations Act prohibits a company taking security over shares in itself or in a company that controls it, unless one of the exceptions in subsections 259B(2) or 259(3) applies. Section 259(2) of the Corporations Act permits the taking of security by a Company over its own Shares, if the security is taken over shares issued under an employee share scheme approved at a meeting of shareholders via an Ordinary Resolution.

Employee share scheme is defined widely by the Corporations Act and includes the Incentive Plan.

Accordingly, Shareholder approval is being sought under this Resolution to approve the Incentive Plan in order for the Company to take security over its own Shares issued under the Incentive Plan if required to do so.

Exemption for financial assistance

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving of the assistance does not materially prejudice the interests of the company or its shareholders, or the company's ability to pay its creditors;
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act provides an exemption to financial assistance, if the financial assistance is given under an employee share scheme approved at a meeting of shareholders via an Ordinary Resolution.

As noted above and set out in Annexure A, the terms of the Incentive Plan envisages the giving of financial assistance by the Company to eligible and invited participants in the form of interest free, limited recourse loans to acquire Loan Funded Shares in the Company.

Although the Board does not consider that the giving of financial benefit under the Incentive Plan will materially prejudice the interests of the company or its shareholders, or the company's ability to pay its creditors, Shareholder approval is being sought under this Resolution to enable the Company to qualify for the special exemption offered by section 260C(4) of the Corporations Act.

Directors Recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

Changes to the Constitution

Resolution 5 – Adoption of New Constitution

The Company's current constitution was adopted by the Company on 9 March 2016.

Effective 1 December 2019 the ASX propose to implement changes to their escrow regime. In accordance with those changes there will be an update to ASX Listing Rule 15.12 which requires a listed entity's constitution to contain certain provisions for so long as an entity has "restricted securities" (as defined by the Listing Rules) are on issue. These amendments (if approved) provide the constitutional underpinning for ASX's modified escrow regime.

In addition, other changes are proposed to reflect other Listing Rule amendments.

Accordingly, the Company has prepared an updated Constitution (**New Constitution**) which incorporates the following key amendments:

- (a) **Restricted securities:** The Company shall comply in all respects with the requirements of the Listing Rules with respect to "restricted securities". Without limiting the generality of the above:

- (i) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (ii) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity's issuer sponsored sub register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
 - (iii) the entity will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
 - (iv) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
 - (v) if a holder of restricted securities breaches a restriction deed or a provision of the entity's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.
- (b) **Transfer procedure for securities:** Subject to compliance with the Listing Rules, a reasonable fee may be charged on the registration of transfer of Shares or other securities.

Separately, if this Resolution is approved, the New Constitution will also have the effect of the 'proportional takeover provisions' (for the purposes of section 648G of the Corporations Act) being re-adopted by the Company. This is considered in Resolution 6 of this Notice.

Prior to the Meeting, a copy of the New Constitution is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Assistant Company Secretary on chelsea.sheridan@automicgroup.com.au

A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

Directors' Recommendation

The Board of Directors recommend Shareholders vote for this Resolution.

Resolution 6 – Adoption of Proportional Takeover Provisions

The Corporations Act permits a company's Constitution to include a provision that enables it to refuse to register shares acquired under a 'proportional takeover bid' (i.e. a bid whereby the bidder offers buy only a proportion of each shareholders' shares, being less than 100%) unless shareholders have approved the bid. This rule is referred to as a 'proportional takeover provision'.

The Corporations Act requires provisions of this kind to be approved by shareholders initially and re-approved by shareholders every three years in order for them to remain effective.

The Corporations Act sets out the terms of the relevant provisions to be included in the constitution. The Corporations Act also requires that shareholders be provided with sufficient information to make an informed decision on whether to support or oppose the resolution.

New Constitution

Shareholder approval is being sought under Resolution 5 of the Notice to adopt the New Constitution.

The New Constitution contains Article 28 concerning "Proportional Takeover Bid" approval (**Proportional Takeover Provisions**), which is identical to the provisions that existed in the Company's current Constitution (but the provisions have since ceased to have effect). The Proportional Takeover Provisions provide that the Company can refuse to register Shares acquired under a proportional takeover bid unless an approving resolution is passed by Shareholders.

Section 648G(1) of the Corporations Act provides that a company's proportional takeover provisions will cease to have effect at the end of three years from the date of adoption (or re-insertion / renewal, as the case may be). The Company accordingly seeks the Shareholder approval of this Resolution for the adoption of the Proportional Takeover Provisions as set out in the New Constitution.

As at the date of this Notice of Meeting, there had been no notification of any proportional takeover bids.

The following information is provided for the purposes of Section 648G of the Corporations Act.

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of the Shareholder's Shares. If a Shareholder accepts, in full, an offer under a proportional takeover bid, the Shareholder will only dispose of a specified portion of their Shares in the Company and retain the balance of the Shares.

The Proportional Takeover Provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company by providing, in the Constitution, that:

- (a) in the event of a proportional takeover bid being made for Shares in the Company, Shareholders are required to vote and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the Company's members will be binding on all Shareholders.

Effect of the proposed provisions

Where offers have been made under a proportional takeover bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance

of an offer made under such a proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed by Shareholders or otherwise, as pursuant to the terms of the Proportional Takeover Provisions.

In more detail, the effect of the Proportional Takeover Provisions is as follows:

- (a) if a proportional takeover bid is made for Securities of the Company, the Directors must ensure that a meeting of Shareholders is convened to vote on a resolution to approve that bid;
- (b) the bidder and persons associated with the bidder may not vote;
- (c) approval of the bid will require a simple majority of the votes cast;
- (d) the meeting must take place more than 14 days before the last day of the bid period (**Resolution Deadline**);
- (e) if the resolution is rejected before the Resolution Deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered;
- (f) the bid will be taken to have been approved if, as at the end of the day before the Resolution Deadline, the resolution has not been voted on;
- (g) if the resolution is approved, the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution); and
- (h) the Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. However, the bid will still be taken to have been approved if it is not voted on within the Resolution Deadline.

The Proportional Takeover Provisions do not apply to full takeover bids. If the Proportional Takeover Provisions are adopted, they will cease to apply at the end of three years after adoption unless renewed by a Special Resolution of Shareholders.

Reasons for the proposed provisions

In the absence of the Proportional Takeover Provisions, a proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders could be exposed to the risks of passing control to the bidder without payment of an adequate control premium for all their Shares and being left with a minority interest in the Company. Such Shareholders could suffer potential further loss if the takeover bid were to cause a decrease in the Share price or otherwise make the Shares less attractive and, therefore, more difficult to sell.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal to acquire, or to increase the extent of, a substantial interest in the Company.

Advantages and disadvantages during the period in which they have been in effect

The Directors consider that the Proportional Takeover Provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the Proportional Takeover Provisions for Shareholders include those set out below, which were applicable during the period in which they have been in effect.

Potential advantages and disadvantages

The adoption of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of the Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the Proportional Takeover Provisions for Shareholders include:

- (a) providing the right to discuss, in a meeting called specifically for that purpose, and then decide, by majority vote, whether an offer under a proportional takeover bid should proceed;
- (b) assisting the prevention of Shareholders being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced;
- (d) potentially increasing the likelihood of a full takeover bid rather than a proportional takeover bid; and/or
- (e) enabling individual Shareholders to better assess the likely outcome of the proportional takeover bid, by knowing the view of the majority of Shareholders, which may assist in deciding whether to accept or reject an offer under the bid;

The potential disadvantages of the Proportional Takeover Provisions for Shareholders include:

- (a) imposing a hurdle to, and potentially discouraging the making of, provisional takeover bids which, in turn, may reduce any takeover speculation element in the price of Shares;
- (b) potentially reducing the likelihood of success of a proportional takeover bid;
- (c) possible reduction or loss of opportunities for Shareholders to sell some or all of their Shares at a premium; and/or
- (d) potentially causing some Shareholders to form the view that the Proportional Takeover Provisions impose an unreasonable restriction on their ability to freely deal with their Shares.

This Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor

Director's recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8098 1169 if they have any queries in respect of the matters set out in these documents.

Glossary

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2019 Annual Report to Shareholders for the period ended 30 June 2019 as lodged by the Company with ASX on 26 September 2019.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of William Buck Audit (Vic) Pty Ltd dated 29 August 2019 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (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 Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Noxopharm Limited ACN 608 966 123.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "**\$**" means Australian dollars.

Employee Equity Plan means the employee incentive scheme entitled "Employee Equity Plan" for which Shareholder approval is being sought for the adoption of under Resolution 4 of this Notice of Meeting.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Incentive Securities means the Securities that may be granted by the Company pursuant to the terms of the Employee Equity Plan

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 4 October 2019 including the Explanatory Statement.

Option means an option which, subject to its terms, could be exercised into a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Performance Right means a performance right which, subject to its terms, could convert to a Share.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Spill Meeting means the meeting that will be convened within 90 days of the 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respects to the price of Shares.

Annexure A – Key Terms of the Incentive Plan

Intended Participants

Issues under the Plan are by invitation at the discretion of the Board.

The Plan is to provide Performance or Remuneration Rights (**Rights**) to fully paid ordinary NOX shares (**Shares**) or options to acquire a fully paid ordinary NOX Share (**Options**) to employees of the Company such as senior research employees or other employees or employee like persons such as contractors or directors at the discretion of the Board.

Key terms of issue

Rights and Options issued under the Plan will be for no more than 5% of the issued capital of the Company on a fully diluted basis as at the date of issue of the Rights or Options during the 3 years after the date of approval of the Plan. Who participates and the number of Rights or Options issued to participants will be at the discretion of the Board.

Rights and Options issued may be issued in tranches with vesting at different dates at the discretion of the Board.

Options may be issued for nil cash consideration or the Company at its discretion may offer the Options at a purchase price. The exercise price will be for no less than the current market value of a Share at the date the Options are issued, but may be more than that (at a premium). The exercise period for Options will be no less than 3 years from date of issue of options, but may be up to 12 years from date of issue of options. The Company generally intends to satisfy the exercise of options by the issue of unissued shares but will have the discretion to purchase shares on the ASX for this purpose.

At the discretion of the Board, the Options will be able to be wholly or partially exercised after vesting.

The Company will have the discretion to choose any time after the vesting date of the Options and before exercise or on exercise of the Options to buy-out the Options at the difference between market value of the Shares and the exercise price.

Performance Rights

At the discretion of the Board, Rights and Options may be issued with attached performance measures. If Rights and Options are issued with performance measures, these performance measures will be required to be satisfied for the Options and Rights to vest. The performance measures will be determined at the discretion of the Board and will potentially include revenue targets, EBITDA targets, satisfactory completion of contractual obligations and conclusion of 'merger and acquisition' transactions. Options will not vest (become exercisable) until performance measures are met.

Trading Restrictions

Options issued will not be listed on the ASX and will not be able to be disposed of. On exercise of the Options, Shares will be issued to the participant without further risk of forfeiture or disposal restrictions, apart from any generally applicable trading restrictions for employees and where applicable directors of the Company.

Rights issued will be listed on the ASX and will not be able to be disposed of until any generally applicable trading restrictions have ceased (performance conditions met).

Treatment of Cessation of Employment

Generally, subject to the discretion of the Board, if an employee/director voluntarily ceases employment or is terminated due to fraud or criminal act, before vesting of the Rights or Options, unvested Rights or Options will be forfeited. Generally, subject to the discretion of the Board, if employment is otherwise terminated, such as on death, disability or on termination by the Company otherwise than due to fraud, unvested Rights or Options will not be forfeited.

Change of Control

If there is an offer made which will result in a change in control of the Company, all unvested Rights or Options may, at the discretion of the Board, become vested and exercisable within an exercise period as determined by the Board.

Loans to participants and cashless exercise

The Company will have the discretion whether to offer loans to participants in connection with the Plan. The loan terms will be at the discretion of the Board and may be interest free and limited recourse (limited to recourse to the Shares subject to the loan only). At the Company's discretion, Shares subject to a loan from the Company will be issued to a nominee chosen by the Company until the loan is repaid in full. If Shares are to be returned to the Company in satisfaction of a limited recourse loan, there will be an employee share scheme buy-back (within the meaning of the Corporations Act) mechanism to facilitate this.

If the exercise price is satisfied by an employer loan, the Board at its discretion can require dividends to be withheld in whole or part and applied towards repayment of the loan.

As an alternative to loan funding, the Board may also have the discretion to offer cashless exercise of Options. Cashless exercise will mean an appropriate number of the shares will be sold to fund the exercise price overall.

The Board may determine (in its discretion) and specify in an Invitation that a participant in the Plan may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the exercise price has been set off. If a Participant elects to use the Cashless Exercise Facility, the Participant will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options.

O = Number of Options.

MSP = Market value of the Shares.

EP = Option exercise price.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Vote by Proxy: NOX

Your proxy voting instruction must be received by **2:00pm (AEDT) on Monday, 18 November 2019**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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 dispatched 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



