

# HEXIMA LIMITED

# ASX ANNOUNCEMENT



01 November 2021

## 2021 ANNUAL GENERAL MEETING – NOTICE OF MEETING

MELBOURNE, AUSTRALIA (1 November 2021): Attached is the Notice of Meeting and Proxy Form in respect of the 2021 Annual General Meeting (**AGM**) for Hexima Limited (ASX:HXL) which is being held as a virtual event on Thursday 2 December 2021 at 11.00am AEDT.

Details on how to participate in the AGM are outlined in the Notice of Meeting and the Online Meeting Guide. These documents are available at <https://hexima.com.au/agm>.

The Annual Report for the year ended 30 June 2021 is available at <https://investors.hexima.com.au/investor-centre/?page=annual-and-interim-reports>.

**This announcement is authorised for release to ASX by Leanne Ralph, Company Secretary.**

***Enquiries:***

Dr Nicole van der Weerden  
Chief Operating Officer  
[n.vanderweerden@hexima.com.au](mailto:n.vanderweerden@hexima.com.au)

***To join our email database and receive company announcements please [click here](#)***

### **ABOUT HEXIMA**

Hexima (ASX:HXL) is a clinical stage, anti-infectives focused biotechnology company engaged in the research and development of defensin peptides for applications as human therapeutics. Our lead product candidate, pezadeftide (HXP124) applied in a topical formulation, is a potential new prescription treatment for toenail fungal infections (or onychomycosis). Hexima is currently conducting an Australian phase IIb clinical trial testing pezadeftide for the treatment of onychomycosis. Hexima holds granted, long-life patents protecting pezadeftide in major markets globally. For additional information please visit [www.hexima.com.au](http://www.hexima.com.au). You can also find us on [Twitter](#) and [LinkedIn](#) or email us at [info@hexima.com.au](mailto:info@hexima.com.au).

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**HEXIMA LIMITED**

**ACN 079 319 314**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held online at:

**TIME:** 11:00am (Melbourne time)

**DATE:** Thursday, 2 December 2021

**PLACE:** <https://meetings.linkgroup.com/HXL21>

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

***This Notice 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.***

***This Notice is governed by the laws in force in the State of Victoria.***

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## IMPORTANT INFORMATION

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### TIME AND PLACE

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Notice is hereby given that the Annual Meeting of Hexima Limited ACN 079 319 314 (**Company**) will be held at **11:00am (Melbourne time) on Thursday, 2 December 2021 (Meeting)**.

Due to Government restrictions and public health advice regarding public gatherings during the COVID-19 pandemic, the Company will hold a fully virtual meeting. Shareholders will not be able to attend the Meeting in person.

To participate in the Meeting you will need to visit: <https://meetings.linkgroup.com/HXL21> to access the online live video webcast.

More information about how to use this online platform (including how to vote and ask questions during the Meeting) is available in the Online Meeting Guide, which is available alongside the Notice of Annual Meeting (**Notice**) on the Hexima website (<https://hexima.com.au/agm>).

The online platform will allow you to vote and ask questions in real-time. A telephone line will also be available during the meeting for you to ask questions. Details of this line are also provided within the Online Meeting Guide. You will need a desktop or mobile/tablet device with internet access to be able to participate in the Meeting.

# Business of Meeting

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## Overview

Item 1 – Financial Statements and Reports

Item 2 – Remuneration Report

Resolution 1: Approval of the Remuneration Report

Item 3 – Re-election of Directors

Resolution 2: Re-election of Director, Dr Nicole van der Weerden

Resolution 3: Re-election of Director, Mr Justin Yap

Item 4 – Election of Director

Resolution 4: Election of Director, Mr Jason Nunn

Item 5 – Issue of Options to Non-Executive Directors

Resolution 5: Approval of the issue of Options to Professor Jonathan West

Resolution 6: Approval of the issue of Options to Mr Scott Robertson

Resolution 7: Approval of the issue of Options to Mr Justin Yap

Resolution 8: Approval of the issue of Options to Mr Jason Nunn

Item 6 – Issue of Options to Executive Directors

Resolution 9: Approval of the issue of Options to Mr Michael Aldridge

Resolution 10: Approval of the issue of Options to Dr Nicole van der Weerden

Resolution 11: Approval of the issue of Options to Professor Marilyn Anderson

Item 7 – Additional 10% Placement Capacity

Resolution 12: Approval of Additional 10% Placement Capacity

Item 8 – Capital Raising

Resolution 13: Approval and ratification of the issue of Shares under the First Tranche of the Placement

Resolution 14: Approval of issue of Shares under the Second Tranche of the Placement

Resolution 15: Approval of the issue of Shares to Dato Lim Sen Yap under the Placement

Resolution 16: Approval of the issue of Shares to Mr Nunn under the Placement

Resolution 17: Approval of the issue of Shares to Mr Skala or his nominee under the Placement

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## BUSINESS OF THE MEETING

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### AGENDA

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The following business is to be transacted at the Meeting.

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#### Item 1 - Financial Statements and Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2021.

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#### Item 2 – Remuneration Report

##### **Resolution 1: Approval of the Remuneration Report**

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

*“That the Remuneration Report of the Company for the year ended 30 June 2021 be adopted and approved.”*

Please note that:

- a vote on this Resolution is advisory only and does not bind the Directors or the Company; and
- a voting exclusion applies to this Resolution (see Explanatory Statement for details).

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#### Item 3 – Re-election of Directors

##### **Resolution 2 – Re-Election of Director – Dr Nicole Van Der Weerden**

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

*“That, Dr Nicole van der Weerden who retires in accordance with the Company's Constitution and being eligible, offers herself for re-election, be re-elected as a Director of the Company.”*

##### **Resolution 3 – Re-Election of Director – Mr Justin Yap**

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

*“That, Mr Justin Yap who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

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#### Item 4 - Election of Director

##### **Resolution 4 – Election of Director – Mr Jason Nunn**

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

*“That, Mr Jason (Jake) Nunn who retires in accordance with the Company's Constitution and being eligible, offers himself for election, be elected as a Director of the Company.”*

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#### Item 5 – Issue of Options to Non- Executive Directors

##### **Resolution 5 - Approval of the issue of Options to Professor Jonathan West**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 393,000 Options to Professor Jonathan West (or his nominee), under the Company's Long Term Incentive Plan, on the terms set out in the Explanatory Statement.”*

### **Resolution 6 – Issue of Options to Mr Scott Robertson**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 224,000 Options to Mr Scott Robertson (or his nominee), under the Company’s Long Term Incentive Plan, on the terms set out in the Explanatory Statement.”*

### **Resolution 7 – Issue of Options to Mr Justin Yap**

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

*“Subject to Resolution 3 being approved by Shareholders, that for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 224,000 Options to Mr Justin Yap (or his nominee), under the Company’s Long Term Incentive Plan, on the terms set out in the Explanatory Statement.”*

### **Resolution 8 – Issue of Options to Mr Jason Nunn**

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

*“Subject to Resolution 4 being approved by Shareholders, that for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 536,500 Options to Mr Jason (Jake) Nunn (or his nominee), under the Company’s Long Term Incentive Plan, on the terms set out in the Explanatory Statement.”*

Please note that a voting exclusion applies to each of Resolutions 5 - 8 (see Explanatory Statement for details).

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## **Item 6 - Issue of Options to Executive Directors**

### **Resolution 9 – Issue of Options to Mr Michael Aldridge**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 522,000 Options to Mr Michael Aldridge (or his nominee), under the Company’s Long Term Incentive Plan, on the terms set out in the Explanatory Statement.”*

### **Resolution 10 – Issue of Options to Dr Nicole Van Der Weerden**

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

*“Subject to Resolution 2 being approved by Shareholders, that for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 244,000 Options to Dr Nicole van der Weerden (or her nominee), under the Company’s Long Term Incentive Plan, on the terms set out in the Explanatory Statement.”*

### **Resolution 11 – Issue of Options to Professor Marilyn Anderson**

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

*“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 36,000 Options to Professor Marilyn Anderson (or her nominee), under the Company’s Long Term Incentive Plan, on the terms set out in the Explanatory Statement.”*

Please note that a voting exclusion applies to each of Resolutions 9 - 11 (see Explanatory Statement for details).

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## **Item 7 – Additional 10% Placement Capacity**

### **Resolution 12 – Additional 10% Placement Capacity**

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

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of equity securities of up to 10% of the Company’s share capital calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 on the terms and conditions set out in the Explanatory Statement.”*

Please note that a voting exclusion applies to this Resolution (see Explanatory Statement for details).

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## Item 8 – Capital Raising

### **Resolution 13 – Approval and Ratification of Prior Issue of Shares under the First Tranche of the Placement**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior allotment and issue of 19,600,000 Shares at an issue price of \$0.32 per Share under the first tranche of a placement to professional and sophisticated investors (Placement), on the terms set out in the Explanatory Statement.”*

### **Resolution 14 – Approval of issue of Shares under the Second Tranche of the Placement**

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

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 11,650,000 Shares at an issue price of \$0.32 per Share to raise up to \$3,728,000 under the second tranche of the Placement, on the terms set out in the Explanatory Statement.”*

### **Resolution 15 – Approval of the issue of Shares to Dato Lim Sen Yap under the Second Tranche of the Placement**

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

*“Subject to Shareholders approving Resolution 14, that for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 2,968,750 Shares at an issue price of \$0.32 per Share under the second tranche of the Placement to Dato Lim Sen Yap, a related party of the Company, on the terms set out in the Explanatory Statement.”*

### **Resolution 16 – Approval of the issue of Shares to Mr Jason Nunn under the Second Tranche of the Placement**

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

*“Subject to Shareholders approving Resolution 14, that for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 93,750 Shares at an issue price of \$0.32 per Share under the second tranche of the Placement to Mr Jason Nunn, on the terms set out in the Explanatory Statement.”*

### **Resolution 17 – Approval of the issue of Shares to Mr Steven Skala or his nominee under the Second Tranche of the Placement**

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

*“Subject to Shareholders approving Resolution 14, that for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 312,500 Shares at an issue price of \$0.32 per Share under the second tranche of the Placement to Mr Steven Skala (or his nominee), on the terms set out in the Explanatory Statement.”*

Please note that a voting exclusion applies to each of Resolutions 13-17 (see Explanatory Statement for details).

## **EXPLANATORY STATEMENT**

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The Explanatory Statement accompanying this Notice provides additional information on matters to be considered at the Meeting.

The Explanatory Statement, voting procedures and the Proxy Form comprise part of this Notice.

## **DEFINED TERMS**

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Defined terms used in this Notice have the meanings given to them in the Glossary accompanying this Notice, unless the context requires otherwise.

## **Eligibility to vote**

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The Company has determined that each person whose name appears on the Company's Share register as of 11:00am on Tuesday, 30 November 2021 (Melbourne time) will be entitled to vote on the Resolutions set out in this Notice (**Entitlement Time**). Accordingly, Shares registered after that time will be disregarded in determining entitlements to vote at the Meeting.

**Voting on all Resolutions will be conducted by a poll through the online platform. Each Shareholder will have one vote for each fully paid Share that Shareholder holds at the Entitlement Time.**

## **How to vote**

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Shareholders should read this Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

Once you have read this Notice and this Explanatory Statement in full, you may vote by participating in the Meeting via <https://meetings.linkgroup.com/HXL21>: personally;

- (a) if you are a corporate shareholder, by a representative; or
- (b) by proxy (see below on how to vote by proxy).

### Attorneys and Representatives

To vote at the Meeting, a Shareholder may appoint an attorney or, if the Shareholder is a corporation, appoint a representative. An attorney or representative need not be a Shareholder. The appointment of a representative must comply with section 250D of the Corporations Act. The attorney or representative must provide evidence of his or her appointment, including any authority under which it is signed.

Unless restricted by the terms of appointment or the Corporations Act, an attorney or representative may exercise the same powers on the Shareholder's behalf that the Shareholder could exercise at the Meeting or in voting on the Resolutions.

### Proxies

If you are unable to participate virtually and vote at the Meeting, you are entitled to appoint a proxy to attend virtually and vote on your behalf. A proxy may be an individual or a body corporate and need not be a Shareholder. A Shareholder entitled to one vote at the Meeting may appoint one proxy – a Shareholder entitled to more than one vote may appoint no more than two proxies. If two proxies are appointed, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the Proxy Form which accompanies this Notice, and return by the time and in accordance with the instructions set out on the Proxy Form.



If a proxy's appointment specifies the way in which that proxy must vote, the proxy must follow those instructions. Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed. If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines, subject to the specific proxy provisions outlined below in "Proxy voting by Chair".

**Proxies, corporate representatives and powers of attorney granted by Shareholders must be received by the Company by no later than 11:00am on Tuesday, 30 November 2021. Proxy forms received later than this time will be invalid.**

Proxies can be lodged online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Login to the Link website using the holding details as shown on your personalised Proxy Form. Select 'Voting' and follow the prompts to lodge your vote.

Proxy forms can also be lodged by mail by sending to Hexima Limited C/- Link Market Services Limited Locked Bag A14, Sydney South NSW 1235 Australia, by Fax to +61 2 9287 0309 or by hand delivering it to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000 during business hours (Monday to Friday, 9:00am–5:00pm).

**Shareholders are encouraged to cast their vote by proxy prior to the Meeting in accordance with the instructions set out above.**

#### Proxy voting by Chair

For Resolution 2 (Remuneration Report), Resolutions 5 to 8 (Issue of Options to Non-Executive Directors) and Resolutions 9 to 11 (Issue of Options to Executive Directors), where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Resolutions 2 and 5 to 11, the Shareholder is expressly authorising the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though Resolutions 2 and 5 to 11 are connected directly or indirectly with the remuneration of Key Management Personnel (**KMP**).

The Chair intends to vote all undirected proxies in favour of all the Resolutions in the Notice of Meeting, including Resolutions 2 and 5 to 11.

**Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary, Leanne Ralph, at [leanne.ralph@bellev.com.au](mailto:leanne.ralph@bellev.com.au).**

**By order of the Board**



**Leanne Ralph  
Company Secretary**

**01 November 2021**

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# EXPLANATORY STATEMENT

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## GENERAL

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually on an online platform on Thursday, 2 December 2021 at 11:00am (Melbourne time).

The purpose of this Explanatory Statement is to provide to Shareholders with information known to the Company that is material to a decision on how to vote on the Resolutions in the Notice.

The Notice and this Explanatory Statement should be read in their entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a professional adviser prior to voting.

Shareholders are encouraged to cast their vote by proxy prior to the Meeting in accordance with the instructions set out on pages 6 and 7 of this Notice.

The Chair of the meeting will vote undirected proxies in favour of each of the Resolutions.

Voting restrictions apply to certain Resolutions and these are detailed beneath the applicable Resolutions in the Notice and Explanatory Statement.

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## BUSINESS

### 1 Item 1 – Financial Reports

The Corporations Act requires the Financial Report (which includes the financial statements and Director's declaration), Directors' report and the Auditor's Report (collectively referred to as the "**Reports**") to be laid before the Meeting. However, there is no requirement either in the Corporations Act or under the Company's Constitution for Shareholders to approve such Reports.

The Reports relate to the Company's financial year ending 30 June 2021. These reports are available from the Company's website at [www.hexima.com.au](http://www.hexima.com.au).

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these Reports, and on the business and operations of the Company.

Shareholders will also be given reasonable opportunity at the Meeting to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, KPMG, questions about the Auditor's Report, the conduct of its audit of the Company for the financial year ending 30 June 2021, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in the preparation of the financial statements and the independence of KPMG in relation to the conduct of the audit.

### 2 Item 2 – Remuneration Report (Resolution 1)

As required by the Corporations Act, the Board is presenting Company's Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report (which is included in the Directors' Report) is set out on pages 22 to 27 of the Annual Report which is available from the Company's website ([www.hexima.com.au](http://www.hexima.com.au)).

The Remuneration Report among other things:

- describes the policies behind, and structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance;
- sets out the remuneration arrangements in place for the Non-Executive Directors, Executive Directors and for specified senior executives of the Company; and
- explains the difference between the basis for remunerating Non-Executive Directors and Executives, including Executive Directors.

An opportunity for discussion of the Remuneration Report will be provided at the Meeting.

In accordance with section 250R of the Corporations Act, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. Nevertheless, the outcome of the vote will be considered by the Remuneration Committee of the Board when evaluating the remuneration arrangements of the Company.

Shareholders will be given the opportunity to ask questions about, and to make comments on, the Remuneration Report at the Meeting.

#### ***Directors' recommendation for Resolution 1***

The Board recommends the adoption of the Remuneration Report.

#### ***Voting exclusion***

The Company will disregard any votes cast on this Resolution by or on behalf of a member or former member of the Company's KMP whose remuneration details are disclosed in the Company's Remuneration Report or their Closely Related Parties.

However, this does not apply to a vote cast by:

- a person as proxy for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy to vote on the Resolution in that way; or
- the Chair as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair which:
  - does not specify the way the proxy is to vote on this Resolution; and
  - expressly authorises the Chair to vote on this Resolution even though this Resolution is connected with the remuneration of the Company's KMP.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the Resolution 1. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Resolution 1 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Resolution 1 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

### **3 Item 3 – Re-election of Directors (Resolutions 2 and 3)**

#### **3.1 General**

The Company is seeking Shareholder approval under Resolutions 2 and 3 by ordinary resolution for the re-election of Dr Nicole van der Weerden and Mr Justin Yap.

#### **3.2 Background**

The Company's Constitution provides that Directors are prohibited from holding office past the third annual general meeting following their appointment or 3 years, whichever is longer, without submitting for re-election.

Accordingly, Dr Nicole van der Weerden and Mr Justin Yap each retire from the Board at the Meeting and, being eligible for re-election, seek re-election by the Shareholders.

#### **3.3 Dr Nicole van der Weerden – Qualifications and experience**

Dr Nicole van der Weerden has been a Director of the Company since 16 December 2014. She was Hexima's Chief Executive Officer from December 2015 until September 2020, taking on the Chief Operating Officer role since September 2020. Given her managerial role with the Company, Dr van der Weerden is not an independent director.

Dr van der Weerden completed her PhD in Biochemistry at La Trobe University in 2007. Her PhD research on the antifungal properties and mechanism of action of plant defensins led to the award of a prestigious Victoria Fellowship in 2006. Since completing her PhD, Dr van der Weerden has worked for Hexima and has led the gene discovery program for the Pioneer partnership on control of fungal diseases in corn. She led the Hexima team that identified the clinical opportunities for plant antifungal molecules and discovered and developed HXP124 for treatment of onychomycosis. Dr van der Weerden is an inventor on nine patent applications.

Dr van der Weerden completed a Master of Business Administration in 2013 at Melbourne Business School and is a graduate of the Australian Institute of Company Directors.

#### ***Directors' recommendation for Resolution 2***

The Board, other than Dr van der Weerden, recommends the re-election of Dr van der Weerden.

### **3.4 Mr Justin Yap – Qualifications and experience**

Mr Justin Yap has been a Director since 17 July 2018, and is not considered to be independent given a related party of Mr Yap is a substantial shareholder in the Company.

Mr Yap is a Non-Executive Director of CathRx Limited, an Australian medical device company commercialising cardiac electrophysiology catheters for the treatment of heart rhythm disorders. He is also a Non-Executive Director of Wilhelm Integrated Solutions Pty Ltd, a leading supplier of integrated OR solutions to hospitals around Australia.

Prior to this, he began his career in investment banking for Mosaic Risk Management Pty Ltd, a wholly owned subsidiary of Wilson HTM Limited specialising in derivatives risk management. He is a member of the Remuneration Committee and the Audit and Risk Management Committee.

#### ***Directors' recommendation for Resolution 3***

The Board, other than Mr Yap, recommends the re-election of Mr Yap.

## **4 Item 4 – Election of Mr Jason Nunn (Resolution 4)**

### **4.1 General**

The Company is seeking Shareholder approval under Resolution 4 by ordinary resolution for the election of Mr Jason (Jake) Nunn as a Director.

### **4.2 Background**

Under the Company's Constitution, an additional Director must not hold office (without election) past the next annual general meeting of the Company. Accordingly, Mr Nunn retires from the Board at the Meeting and, being eligible for election, seeks election by the Shareholders.

### **4.3 Mr Jason Nunn – Qualifications and experience**

Mr Nunn was appointed a non-executive Director of the Company on 1 September 2021, and is considered to be an independent director.

Mr Nunn has more than 25 years' experience in the life science industry as an investor, independent director, research analyst and investment banker.

Mr Nunn is currently an independent advisor to several life science companies and a venture advisor at New Enterprise Associates (**NEA**), where he was an investing partner from 2006 to 2018 focussed on the biopharmaceutical and medical technology sectors. Mr Nunn founded NEA's public market healthcare investing practice in 2006 and led NEA to becoming one of

the most active anchor investors in small-cap public bio-pharma special situations / PIPE investing over the last decade, investing in over US\$600 million.

Prior to NEA, Mr Nunn was a partner at MPM Capital.

Mr Nunn is a director of public companies Regulus Therapeutics Inc, Oventus Medical Ltd, Trevena Inc and Addex Therapeutics Ltd. He was also previously a director of several companies in the pharmaceutical sector including Dermira Inc. (acquired by Eli Lilly) and Hyperion Therapeutics (acquired by Horizon Pharma plc).

The Company confirms that it has undertaken appropriate checks into Mr Nunn's background and experience, and those checks did not reveal any information of concern.

#### ***Directors' recommendation for Resolution 4***

The Board, other than Mr Nunn, recommends the election of Mr Nunn.

## **5 Item 5 – Issue of Options to Non-Executive Directors under the LTIP (Resolutions 5 – 8)**

### **5.1 General**

Resolutions 5 to 8 seek Shareholder approval for the purposes of Listing Rule 10.14 and for all other purposes, for the issue of Options (including the issue of Shares on exercise of those Options) to each of the non-executive Directors under the Company's Long Term Incentive Plan (LTIP) on the terms set out below.

Resolution 7 (the issue of Options to Mr Justin Yap) is conditional on Resolution 3 (the re-election of Mr Justin Yap as a Director) passing and Resolution 8 (the issue of Options to Mr Jason Nunn) is conditional on Resolution 4 (the election of Mr Jason Nunn as a Director) passing.

### **5.2 Reason why Shareholder approval is being sought – Listing Rule 10.14**

Listing Rule 10.14 requires the Company to obtain Shareholder approval for the issue of equity securities, including Options, to non-executive Directors of the Company under the LTIP.

The Board has considered the application of Chapter 2E of the Corporations Act to the proposed issue of Options to the non-executive Directors and considers such issue constitutes reasonable remuneration to each of the non-executive Directors, given the circumstances of the Company.

Therefore the Company is not seeking Shareholder approval under Chapter 2E, in addition to the approval being sought under Listing Rule 10.14.

### **5.3 Background to Resolutions 5 to 8**

The Company is proposing to issue Options to the non-executive Directors under the LTIP as their remuneration, in order to keep cash payments to a minimum and to provide incentives for the non-executive Directors which are linked to the performance of the Company. The LTIP enables the Company to issue Options to non-executive Directors on the terms determined by the Board from time to time.

Currently none of the non-executive Directors are paid any cash for their services.<sup>1</sup> The options for which approval is being sought in Resolutions 5 to 8 is the only remuneration the non-executive Directors receive. In addition, there is no current plan to remunerate the non-executive Directors in cash. The estimated value of the Options referred to in Resolutions 5 to 8 are outlined on page 13 of this Notice.

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<sup>1</sup> Professor Jonathan West was paid a cash fee of \$100,000 in October 2020 for services rendered to the Company in connection with its \$5.7 million placement which was undertaken in September 2020. See the Company's annual report for the financial year 2021 for further details.

The value of the Options will produce a remuneration package that is intended to be market competitive and reasonable given the Company's circumstances.

In determining the terms of the Options, the Board has ensured that the terms do not cause conflict with their obligations to bring independent judgment to their role. Consistent with Principle 8 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the issue of Options will better align the interests of the non-executive Directors with the interests of Shareholders by creating an incentive to achieve Share price growth and providing an opportunity for Directors to acquire Shares in the Company. In accordance with these governance recommendations, the Options are not subject to performance-based vesting conditions.

#### 5.4 Details of the proposed issues

It was resolved by the Board:

- (a) on 27 July 2021, that Professor West, Mr Robertson and Mr Yap be granted Options; and
- (b) on 1 September 2021 (being the date Mr Nunn was appointed as Director), that Mr Nunn be granted Options,

on the terms set out in the table below. Each of the grants to the non-executive Directors is conditional on receiving Shareholder approval.

Director	Number of Options	Vesting Date	Exercise Price (AUD)	Expiry Date
Professor Jonathan West	393,000	27 July 2022	\$0.205	27 July 2031
Mr Scott Robertson	224,000	27 July 2022	\$0.205	27 July 2031
Mr Justin Yap	224,000	27 July 2022	\$0.205	27 July 2031
Mr Jason (Jake) Nunn	312,500	Monthly vesting in equal instalments from 1 September 2021 until 1 September 2024.	\$0.275	1 September 2031
	224,000	1 September 2022	\$0.275	1 September 2031

The Options will be issued for nil consideration and vesting will only be subject to the Director's continued engagement with the Company. On exercise of an Option, the holder must pay to the Company, the exercise price multiplied by the number of Options being exercised by the holder. The Company will issue the holder with a Share for each vested Option that the holder validly exercises.

The maximum number of Shares that may be issued to the non-executive Directors (or their nominees) on exercise of the Options, if Shareholder approval is given for Resolutions 5 – 8, is 1,377,500 Shares.

If Resolutions 5 – 8 are approved, the Options will be issued on or shortly after 2 December 2021, being the date of the Meeting, and in any case, no later than three years after the date of the Meeting.

#### 5.5 What is the value of the Options?

Based on a Black Scholes valuation and using the inputs in the table below, the Company estimates the fair value of the Options at date of grant as follows:

	Value of options granted 27 July 2021	Value of options granted 1 September 2021
<b>Exercise Price</b>	\$0.205	\$0.275
<b>Grant Date</b>	27 July 2021	1 September 2021
<b>Expiry Date</b>	27 July 2031	1 September 2031
<b>Market Price</b>	\$0.205	\$0.275
<b>Risk free interest rate</b>	1.25%	1.31%
<b>Annual Dividend Yield</b>	0%	0%
<b>Volatility</b>	90%	90%
<b>Option value (per value)</b>	\$0.175	\$0.235

Consequently, the estimated value of the Options to be issued to the non-executive Directors are as set out in the table below:

Director	Number of Options	Estimated value of Options
Professor Jonathan West	393,000	\$68,854 <sup>1</sup>
Mr Scott Robertson	224,000	\$39,245 <sup>1</sup>
Mr Justin Yap	224,000	\$39,245 <sup>1</sup>
Mr Jake Nunn	312,500	\$73,500 <sup>2</sup>
	224,000	\$52,685 <sup>2</sup>

**Notes:**

1. Value of Options as at 27 July 2021
2. Value of Options as at 1 September 2021

## 5.6 Additional information required by Listing Rule 10.15 in respect of Resolutions 5 to 8

Listing Rule 10.15 requires that the following additional information be provided to Shareholders in relation to the proposed issue of Options under Resolutions 5 to 8:

- (a) The details of the equity securities that have been issued to the non-executive Directors under the LTIP are set out below:

Director	Number of Options	Exercise Price	Estimated value of Options (as at 14 October 2020)
Professor Jonathan West	1,000,000	\$0.20	\$178,200
Mr Scott Robertson	312,500	\$0.20	\$55,687.50
Mr Justin Yap	312,500	\$0.20	\$55,687.50

These Options were issued to the non-executive Directors on 14 October 2020 prior to the listing of the Company on ASX.

- (b) If, and to the extent, that Shareholders approve Resolutions 5 to 8, the relevant Options will be issued on or shortly after 2 December 2021, being the date of the Meeting (and in any event within three years after the Meeting).
- (c) The material terms of the LTIP are summarised in Annexure A.
- (d) No non-executive Director will receive any loan from the Company in connection with the grant of the Options.
- (e) Details of any equity securities issued to a non-executive Director under the LTIP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that the approval for the issue was obtained under Listing Rule 10.14.

- (f) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of equity securities under the LTIP after Resolutions 5 to 8 are approved and who are not named in the Notice will not participate until Shareholder approval is obtained under Listing Rule 10.14.

#### **5.7 No additional approval under Listing Rule 7.1**

If Shareholders approve Resolutions 5 to 8, separate approval will not be required under Listing Rule 7.1 for the issue of Options (or the Shares on exercise of those Options).

#### **5.8 Consequences of Resolutions 5 to 8**

If Shareholders approve Resolutions 5 to 8, the issue of Options will not reduce the Company's capacity to issue equity securities under Listing Rules 7.1.

If approval is not provided then, subject to the Company's cash position, the additional Director's fees for the non-executive Directors may be paid in cash.

##### ***Directors' recommendation for Resolutions 5 to 8***

The Board, other than in respect of their own grant, recommends the approval of Resolutions 5 to 8.

##### ***Voting exclusion for Resolutions 5 to 8***

The Company will disregard any votes cast in favour of Resolutions 5 to 8 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP and any Associate of those Persons.

However, this does not apply to a vote cast by:

- a person acting as a proxy or attorney for a person who is entitled to vote on the relevant Resolution in accordance with the directions given to the proxy or attorney to vote on that Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with a direction given to the Chair to vote on that Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 relevant Resolution; and
  - the holder votes on the relevant Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Resolutions 5 to 8 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Resolutions 5 to 8.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Resolutions 5 to 8 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolutions are connected directly or indirectly with the remuneration of KMP of the Company.



## 6 Item 6 – Issue of Options to executive Directors under the LTIP (Resolutions 9 – 11)

### 6.1 General

Resolutions 9 to 11 seek Shareholder approval for the purposes of Listing Rule 10.14 and for all other purposes, for the issue of Options (including the issue of Shares on exercise of those Options) to each of the executive Directors under the LTIP on the terms set out below.

Resolution 10 (the issue of Options to Dr van der Weerden) is conditional on Resolution 2 passing (the re-election of Dr van der Weerden as a Director).

### 6.2 Reason why Shareholder approval is being sought – Listing Rule 10.14

Listing Rule 10.14 also requires the Company to obtain Shareholder approval for the issue of equity securities, including Options, to the executive Directors of the Company under the LTIP.

The Board has considered the application of Chapter 2E of the Corporations Act to the proposed issue of Options to the executive Directors and considers such grant constitutes reasonable remuneration to each of the executive Directors, given the circumstances of the Company, and their respective roles and responsibilities at the Company.

Therefore the Company is not seeking Shareholder approval under Chapter 2E, in addition to the approval being sought under Listing Rule 10.14.

### 6.3 Background to Resolutions 9 to 11

The Company is proposing to issue the Options to the executive Directors under the LTIP as their long term incentive in respect of the financial year ended 30 June 2021.

The issue of Options to the executive Directors allows the Company to reduce cash payments and provide incentives which are linked to the performance of the Company

The remuneration of each of the executive Directors also comprises a fixed cash payment and a short term incentive (**STI**) paid in cash. The STI is equal to a percentage of the relevant Director's fixed cash payment and the actual STI paid (if any) will depend on the extent to which specific corporate goals (linked to the Company's development plans) set at the beginning of the financial year (or shortly thereafter) are met.

The current annual remuneration of the executive Directors is set out in the table below.

Director	Fixed cash payment	STI (% of fixed cash payment)
Mr Michael Aldridge	\$610,200	Up to 50%
Dr Nicole van der Weerden	\$355,950	Up to 40%
Professor Marilyn Anderson	\$84,195	Up to 25%

### 6.4 Details of the proposed issues

It was resolved by the Board on 27 July 2021 that the executive Directors be granted Options on the terms set out in the table below. Each of the grants to the executive Directors is conditional on receiving Shareholder approval.

Director	Number of Options	Vesting Dates	Exercise Price (AUD)	Expiry Date
Mr Michael Aldridge	522,000	<ul style="list-style-type: none"><li>130,500 Options to vest on 27 July 2022.</li><li>10,875 Options to vest each month from 27 August 2022 until 27 July 2025.</li></ul>	\$0.205	27 July 2031

Dr Nicole van der Weerden	244,000	<ul style="list-style-type: none"> <li>• 61,012 Options to vest on 27 July 2022.</li> <li>• 5,083 Options to vest each month from 27 August 2022 until 27 July 2025.</li> </ul>	\$0.205	27 July 2031
Professor Marilyn Anderson	36,000	<ul style="list-style-type: none"> <li>• 900 Options to vest on 27 July 2022.</li> <li>• 975 Options to vest each month from 27 August 2022 until 27 July 2025.</li> </ul>	\$0.205	27 July 2031

The Options will be issued for nil consideration and vesting will only be subject to the Director's continued engagement with the Company (which in the case of Professor Anderson will only be in respect of her role as Chief Science Officer). On exercise of an Option, the holder must pay to the Company, the exercise price multiplied by the number of Options being exercised by the holder. The Company will issue the holder with a Share for each vested Option that the holder validly exercises.

The maximum number of Shares that may be issued to the executive Directors (or their nominees) on exercise of the Options, if Shareholder approval is given for Resolutions 9 – 11, is 802,000.

If Resolutions 9 – 11 are approved, the Options will be issued on or shortly after 2 December 2021, being the date of the Meeting, and in any case, no later than three years after the date of the Meeting.

## 6.5 What is the value of the Options?

Based on a Black Scholes valuation and using the inputs in the table below, the Company estimates the fair value of the Options as follows:

Value of options granted 27 July 2021	
<b>Exercise Price</b>	\$0.205
<b>Grant Date</b>	27 July 2021
<b>Expiry Date</b>	27 July 2031
<b>Market Price</b>	\$0.205
<b>Risk free interest rate</b>	1.25%
<b>Annual Dividend Yield</b>	0%
<b>Volatility</b>	90%
<b>Option value (per value)</b>	\$0.175

Consequently, the estimated value of the proposed grants of Options to the executive Directors are as set out in the table below:

Director	Number of Options	Estimated value of Options (as at 27 July 2021)
Mr Aldridge	522,000	\$91,454
Dr van der Weerden	244,000	\$42,749
Professor Anderson	36,000	\$6,307

## 6.6 Additional information required by Listing Rule 10.15 in respect of Resolutions 9 – 11

Listing Rule 10.15 requires that the following additional information be provided to Shareholders in relation to the proposed issue of Options under Resolutions 9 to 11:

- (a) The details of the equity securities that have been issued to the executive Directors under the LTIP are set out below:

Director	Number of Options	Exercise Price	Estimated value of Options (as at 14 October 2020)
Mr Michael Aldridge	2,750,000	\$0.20	\$490,050
Dr van der Weerden	1,150,000	\$0.20	\$204,930
Professor Anderson	125,000	\$0.20	\$22,275

These Options were issued to the executive Directors on 14 October 2020 prior to the listing of the Company on ASX.

- (b) If, and to the extent, that Shareholder approve Resolutions 9 to 11, the relevant Options will be issued on or shortly after 2 December 2021, being the date of the Meeting (and in any event within three years after the Meeting).
- (c) The material terms of the LTIP are summarised in Annexure A.
- (d) No executive Director will receive any loan from the Company in connection with the grant of the Options.
- (e) Details of any equity securities issued to the executive Directors under the LTIP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that the approval for the issue was obtained under Listing Rule 10.14.
- (f) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of equity securities under the LTIP after Resolutions 9 to 11 are approved and who are not named in the Notice will not participate until Shareholder approval is obtained under Listing Rule 10.14.

## 6.7 No additional approval under Listing Rule 7.1

If Shareholders approve Resolutions 9 to 11, separate approval will not be required under Listing Rule 7.1 for the issue of Options (or the Shares on exercise of those Options).

## 6.8 Consequences of Resolutions 9 to 11

If Shareholders approve Resolutions 9 to 11, the issue of Options will not reduce the Company's capacity to issue equity securities under Listing Rules 7.1.

If approval is not provided then, subject to the Company's cash position, the additional remuneration for the executive Directors may be paid in cash.

### ***Directors' recommendation for Resolutions 9 to 11***

The Board, other than in respect of their own grant, recommends the approval of Resolutions 9 to 11.

### ***Voting exclusion: Resolutions 9 to 11***

The Company will disregard any votes cast in favour of Resolutions 9 to 11 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP and any Associate of those Persons.

However, this does not apply to a vote cast by:

- a person acting as a proxy or attorney for a person who is entitled to vote on the relevant Resolution in accordance with the directions given to the proxy or attorney to vote on that Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with a direction given to the Chair to vote on that Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 relevant Resolution; and
  - the holder votes on the relevant Resolution in accordance with directions given by the beneficiary to the holder to vote in that way

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Resolutions 9 to 11 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Resolutions 9 to 11.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Resolutions 9 to 11 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolutions are connected directly or indirectly with the remuneration of KMP of the Company.

## **7 Item 7 – Approval of 10% Placement Capacity (Resolution 12)**

### **7.1 Introduction**

Listing Rule 7.1A enables an eligible entity which has obtained shareholder approval to issue up to an additional 10% of its issued share capital through placements over a 12-month period after its annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

If Shareholders approve Resolution 12, the number of equity securities the Company may issue under the 10% Placement Capacity will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (see Section 7.2.3 below).

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) must be in favour of the Resolution for it to be passed.

### **7.2 Listing Rule 7.1A**

#### **7.2.1 Eligible entity**

An entity is an eligible entity for the purposes of Listing Rule 7.1A if it is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

## 7.2.2 Equity securities

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company and must be issued for cash consideration.

## 7.2.3 Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period (defined below), a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- (a) plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (b) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities (including convertible notes and options) within Listing Rule 7.2 exception 9 where:
  - (i) the convertible securities were issued or agreed to be issued before the relevant period; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4,
- (c) plus the number of fully paid ordinary securities issued in the relevant period under an agreement within Listing Rule 7.2 exception 16, where:
  - (i) the agreement was entered into before the commencement of the 12 month period; or
  - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4,
- (d) plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval. This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 17, where the issue is subsequently approved under Listing Rule 7.1;
- (e) plus the number of partly paid ordinary securities that became fully paid in the relevant period; and
- (f) less the number of fully paid ordinary securities cancelled in the relevant period.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where this issue or agreement has not subsequently been approved by the holders of its ordinary securities under Listing Rule 7.4.

**relevant period** means:

- (a) the 12 month period immediately preceding the date of issue or agreement; or
- (b) in respect of an issue or agreement entered into within 12 months of the entity being admitted to the official list, the period from the date the entity was admitted to the official list, to the date immediately preceding the date of the issue or agreement.

#### **7.2.4 Specific information required by Listing Rule 7.3A**

The following information is provided in relation to the approval of the 10% Placement Capacity pursuant to and in accordance with Listing Rule 7.3A:

#### **7.2.5 10% Placement Period**

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained (i.e. the date of the Meeting) and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the next annual general meeting, if less than 12 months; or
- (c) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX,

**(10% Placement Period).**

The Company will only issue and allot the equity securities during the 10% Placement Period. In accordance with Listing Rule 7.1A, the approval under Resolution 7 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

#### **7.2.6 Minimum issue price**

The equity securities issued under Listing Rule 7.1A will be issued by the Company for cash consideration at an issue price which is not less than 75% of the volume weighted average market price of equity securities in the same class calculated over the 15 trading days on which trades in the relevant class were recorded immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient; or
- (b) if the equity securities are not issued within 10 trading days of the date mentioned in paragraph (a) above, the date on which the equity securities are issued.

## 7.2.7 Risk of economic and voting dilution

Any issue of Shares under the 10% Placement Capacity will dilute the interests of any Shareholders who do not receive any Shares under the issue.

If Resolution 12 is approved by Shareholders and the Company issues equity securities under the 10% Placement Capacity, the existing Shareholders' voting and economic interests in the Company will be diluted as shown in the table below.

The table below shows the dilution of existing Shareholders on the basis of the closing price of Shares on 22 October 2021 and the number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.<sup>2</sup>

The table also shows the voting dilution impact where the number of Shares on issue (variable "A" in the formula) has increased by 50% and by 100% and the economic dilution where the issue price of Shares issued under the 10% Placement Capacity is 50% less than the closing price of the Shares on 22 October 2021 and 100% greater than the closing price of the Shares on 22 October 2021.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.19 50% decrease in Issue Price	\$0.38 Issue Price	\$0.76 100% increase in Issue Price
Current Variable A 130,857,724	10% Voting Dilution	13,085,772	13,085,772	13,085,772
	Funds Raised	\$2,486,296	\$4,972,593	\$9,945,186
50% increase in current Variable A 196,286,586	10% Voting Dilution	19,628,658	19,628,658	19,628,658
	Funds Raised	\$3,729,445	\$7,458,890	\$14,917,780
100% increase in current Variable A 261,715,448	10% Voting Dilution	26,171,544	26,171,544	26,171,544
	Funds Raised	\$4,972,593	\$9,945,186	\$19,890,373

The table has been prepared on the following assumptions:

- The Issue Price set out in the table is the closing price of the Company's Shares on the ASX on 22 October 2021.
- The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- There are 130,857,724 Shares on issue, being the number of Shares on issue as at 22 October 2021.
- No rights convertible into Shares are exercised into Shares before the date of the issue of the equity securities under Listing Rule 7.1A.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

<sup>2</sup> Does not include Shares to be issued under the Placement.

- (f) The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1 or any issues otherwise permitted under the Listing Rules.
- (g) The issue of equity securities under the 10% Placement Capacity consists only of Shares.
- (h) The Company has not issued any equity securities in the 12 months prior to the date of the Meeting that were not issued under an exception in Listing Rule 7.2 or which were not approved under Listing Rule 7.1 or 7.4.

Shareholders should note that there is a risk that:

- (a) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date Shareholders provide their approval at the Meeting; and
- (b) the equity securities may be issued at a price that is at a discount 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 of the equity securities.

Shareholders should also note that the calculations in the table do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

#### **7.2.8 Purpose of issues under the 10% Placement Capacity**

The Company may issue equity securities under the 10% Placement Capacity for the purpose of raising funds to use towards general working capital requirements, ongoing business development activities and/or the acquisition of new business assets or investments (including expenses associated with such acquisition).

#### **7.2.9 Allocation under the 10% Placement Capacity**

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity.

The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (a) the purpose of the issue;
- (b) any alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the equity securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) the prevailing market conditions; and
- (f) any advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing Shareholders and/or new investors who are not Related Parties of the Company (or their Associates).



### 7.2.10 Previous approval under Listing Rule 7.1A

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

#### ***Directors' recommendation for Resolution 12***

The Board recommends the approval of Resolution 12.

#### ***Voting exclusion***

At the time of dispatching this Notice, the Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2. However, if at the time the approval is sought the Company does propose to make an issue of equity securities under ASX Listing Rule 7.1A.2, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any 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), or any of their Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person acting as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 8 Item 8: Capital Raising

### ***Overview of Capital Raising***

As outlined in the announcement released to the ASX on Monday, 1 November 2021, the Company is undertaking a placement to raise approximately A\$10 million (**Placement**) and a separate share purchase plan to retail Shareholders in Australia and New Zealand to raise up to a further A\$1 million (**SPP**).

The Shares under the Placement and SPP will be issued for A\$0.32 in cash per Share. This price represents a 14.6% discount to the volume weighted average price of Hexima's Shares traded on the ASX over the 15 days up to and including 27 October 2021 (the last trading day before the announcement of the Placement and SPP).

The Company intends to use the proceeds of the Placement and SPP (net of costs and expenses) to:

- securing executives and expertise with the necessary experience to conduct late-stage product development in the US market;
- completing the preparation and submission of an IND Application to FDA and conduct a clinical safety study in the US;

- finalising all development including: clinical, manufacturing, toxicology and CompliancePak packaging unit and mobile app necessary prior to initiating a phase III clinical trial program;
- exploring the potential for pezadeftide or one of its related defensin class peptides to be an attractive follow-on product candidate to treat localized fungal infections (in addition to onychomycosis); and
- establishing Hexima's ability to raise capital in the future on attractive terms with US and international institutional investors..

The Placement is being conducted in two tranches:

- the issue of 19,600,000 fully paid Shares to sophisticated and professional investors at A\$0.32 per share, raising a total of A\$6,272,000 before costs and expenses (**First Tranche**) under the Company's 15% placement capacity in accordance with Listing Rule 7.1. The Company expects to issue the Shares under the First Tranche on Friday, 5 November 2021; and
- the issue of 11,650,000 fully paid Shares to sophisticated and professional investors (including Shares to be issued to Dato Lim Sen Yap, Mr Nunn and Mr Skala) at A\$0.32 per share, raising a total of A\$3,728,000 before costs and expenses (**Second Tranche**), the completion of which is subject to shareholder approval of Resolution 14, and in respect of the participation of Dato Lim Sen Yap, Mr Nunn and Mr Skala, shareholder approval of Resolutions 15, 16 and 17 respectively.

Canaccord Genuity (Australia) Limited and Wilsons Corporate Finance Limited (**JLMs**) are joint lead managers for the Placement.

## **8.1 Resolution 13 - Ratification and approval of prior issue of Shares under the First Tranche of the Placement**

### **8.1.1 Background to Resolution 13**

As noted above, the Company has received commitments to raise A\$6,272,000 under the First Tranche of the Placement and the shares under the First Tranche are expected to be issued on Friday, 5 November 2021 (i.e. before the Meeting).

Shareholder approval of the First Tranche was not required for the agreements in relation to the First Tranche to be entered into. The Shares agreed to be issued under the First Tranche fall within the Company's existing placement capacity under Listing Rule 7.1.

### **8.1.2 ASX Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of the 12 month period (or at the time of listing on the ASX, if earlier).

### **8.1.3 ASX Listing Rule 7.4**

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 13 seeks shareholder ratification and approval under Listing Rule 7.4 for the issue by the Company of 19,600,000 Shares under the First Tranche. If Resolution 13 is approved, the Company's 15% placement capacity under Listing Rule 7.1 will be refreshed from the date of the Meeting.

#### **8.1.4 Consequences of Resolution 13**

If Resolution 13 is approved, 19,600,000 Shares issued under the First Tranche will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the issue date under the First Tranche.

If Resolution 13 is not approved, 19,600,000 Shares issued under the First Tranche will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the issue date under the First Tranche.

#### **8.1.5 Specific disclosure of information**

Listing Rule 7.5 and ASX Guidance Note 21 require that the following information be provided to Shareholders in relation to the Share issued under the First Tranche:

- (a) The total number of Shares to be issued by the Company under the First Tranche is 19,600,000 Shares.
- (b) The Shares will be issued at \$0.32 per Share.
- (c) The Shares will be fully paid ordinary shares in the Company, issued on the same terms as, and ranking equally in all respects with, the Company's existing Shares on issue.
- (d) The Shares will be issued to sophisticated and professional investors identified by the JLMs and the Company.
- (e) The Shares under the First Tranche are expected to be issued on Friday, 5 November 2021 (i.e. before the Meeting).
- (f) The Company intends to use the net proceeds of the First Tranche for the purposes described under the heading 'Overview of capital raising' above.

#### ***Directors' recommendation Resolution 13***

The Board recommends the approval of Resolution 13.

#### ***Voting exclusion***

The Company will disregard any votes cast in favour of Resolution 13 by or on behalf of a person who participated in the First Tranche, or any of their Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person acting as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **8.2 Approval of Issue of Shares under the Second Tranche of the Placement (Resolution 14)**

### **8.2.1 Background**

As noted above, the Company has received commitments to raise A\$3,728,000 under the Second Tranche of the Placement. The Second Tranche involves the issue of up to 11,650,000 Shares (including 3,375,000 Shares to be issued to Dato Lim Sen Yap, Mr Nunn and Mr Skala if Resolutions 15, 16 and 17 are passed).

Resolution 14 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of the Shares under the Second Tranche (other than the Shares to be issued to Dato Lim Sen Yap, Mr Nunn and Mr Skala) without using the Company's placement capacity under Listing Rule 7.1.

### **8.2.2 Consequences of Resolution 14**

If Resolution 14 is approved, the Company will complete the Second Tranche shortly following the Meeting. The Shares issued under the Second Tranche will then be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue date under the Second Tranche.

Resolution 14 is not conditional on Resolutions 15, 16 and 17 being approved.

If Resolution 14 is not approved, the Second Tranche will not proceed and the Company will need to seek funding through other, and at this time unidentified, sources. There is no assurance that additional funding will be available or can be secured on acceptable terms.

### **8.2.3 Specific disclosure of information**

Listing Rule 7.3 and ASX Guidance Note 21 require that the following information be provided to Shareholders in relation to the Shares proposed to be issued under the Second Tranche:

- (a) The maximum number of Shares to be issued by the Company under the Second Tranche is 11,650,000 Shares. If however, the Shares to be issued to Dato Lim Sen Yap, Mr Nunn and Mr Skala, are excluded, then a total of 8,275,000 Shares will be issued. Note that Resolution 14 is not conditional on Resolutions 15, 16 and 17 being approved.
- (b) The Shares will be issued at \$0.32 per Share.
- (c) The Shares will be fully paid ordinary shares in the Company, issued on the same terms as, and ranking equally in all respects with, the Company's existing Shares on issue.
- (d) The Shares will be issued to sophisticated and professional investors identified by the JLMs and the Company.
- (e) The Shares are expected to be issued on Thursday, 9 December 2021, and in any case, within 3 months after the date of the Meeting.
- (f) The Company intends to use the net proceeds of the Second Tranche for the purposes described under the heading 'Overview of capital raising' above.

#### ***Directors' recommendation for Resolution 14***

The Board, other than Mr Yap, Mr Nunn and Mr Skala, recommend the approval of Resolution 14.

### ***Voting exclusion***

The Company will disregard any votes cast in favour of Resolution 14 by or on behalf of:

- a person who is expected to participate in the Second Tranche; or
- a person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of shares,

or any of their Associates. However, the Company need not disregard a vote cast in favour of Resolution 14 if it is cast by:

- a person acting as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **8.3 Resolution 15 – Approval of the issue of Shares to Dato Lim Sen Yap under the Second Tranche of the Placement**

### **8.3.1 Background**

Dato Lim Sen Yap, one of the Company's largest shareholder, proposes to participate in the Second Tranche on the same terms as other investors in the Placement, including the issue price of \$0.32 per Share. Dato Lim Sen Yap is the father of Mr Justin Yap, a Director of the Company. Therefore, Listing Rule 10.11.1 applies and the issue of Shares to Dato Lim Sen Yap requires the approval of shareholders under Listing Rule 10.11.

Resolution 15 seeks Shareholder approval under Listing Rule 10.11 and for all other purposes, for the issue of 2,968,750 Shares to Dato Lim Sen Yap. Resolution 15 is conditional upon the Second Tranche proceeding and Resolution 14 being passed.

### **8.3.2 Listing Rule 10.11**

Listing Rule 10.11 requires the Company to obtain shareholder approval for the issue of Shares to related parties of the Company (such as a Director or certain relatives of a Director).

If Shareholders approve Resolution 15, separate approval will not be required under Listing Rule 7.1.

### **8.3.3 Consequences of Resolution 15**

If Resolution 15 is approved, the Company will be able to proceed with the issue of Shares to Dato Lim Sen Yap as part of the Second Tranche, and such issue will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

If Resolution 15 is not approved, the Company will not be able to proceed with the issue of Shares to Dato Lim Sen Yap and the Company will not receive any funds from this Share subscription. The total proceeds of the Placement will therefore decrease by the amount of the proposed subscription by Dato Lim Sen Yap.

### 8.3.4 Specific disclosure of information

Listing Rule 10.13 requires that the following additional information be provided to Shareholders in relation to the Shares proposed to be issued to Dato Lim Sen Yap:

- (a) If Resolution 15 is approved, the Shares are expected to be issued at the same time as the Shares under the Second Tranche are issued, being Thursday, 9 December 2021. In any case, the Shares will be issued within one month after the date of the Meeting.
- (b) The Shares will be issued at \$0.32 per Share.
- (c) The Shares will be fully paid ordinary shares in the Company, issued on the same terms as, and ranking equally in all respects with, the Company's existing Shares on issue.
- (d) The Company intends to use the net proceeds of the Second Tranche, including the Shares issued to Dato Lim Sen Yap, for the purposes described under the heading 'Overview of capital raising' above.

#### ***Directors' recommendation for Resolution 15***

The Board, other than Mr Yap, recommend the approval of Resolution 15.

#### ***Voting exclusion***

The Company will disregard any votes cast in favour of Resolution 15 by or on behalf of:

- Dato Lim Sen Yap; or
- any other person who will obtain a material benefit as a result of the issue of securities, except a benefit solely in the capacity of a holder of shares,

or any of their Associates. However, the Company need not disregard a vote cast in favour of Resolution 15 if it is cast by:

- a person acting as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### 8.4 Resolution 16 – Approval of the issue of Shares to Mr Jason Nunn under the Second Tranche of the Placement

#### 8.4.1 Background

Mr Jason (Jake) Nunn, a Director of the Company, proposes to participate in the Second Tranche, on the same terms as other investors in the Placement, including the issue price of \$0.32 per Share. As Mr Nunn is a Director, Listing Rule 10.11.1 applies and the issue of Shares to him requires the approval of shareholders under Listing Rule 10.11.

Resolution 16 seeks Shareholder approval under Listing Rule 10.11 and for all other purposes, for the issue of 93,750 Shares to Mr Nunn. Resolution 16 is conditional upon the Second Tranche proceeding and Resolution 14 being passed.

If Shareholders approve Resolution 16, separate approval will not be required under Listing Rule 7.1.

#### **8.4.2 Consequences of Resolution 16**

If Resolution 16 is approved, the Company will be able to proceed with the issue of Shares to Mr Nunn as part of the Second Tranche, and such issue will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

If Resolution 16 is not approved, the Company will not be able to proceed with the issue of Shares to Mr Nunn and the Company will not receive any funds from this Share subscription. The total proceeds of the Placement will therefore decrease by the amount of the proposed subscription by Mr Nunn.

#### **8.4.3 Specific disclosure of information**

Listing Rule 10.13 requires that the following additional information be provided to Shareholders in relation to the Shares proposed to be issued to Mr Nunn:

- (a) If Resolution 16 is approved, the Shares are expected to be issued at the same time as the Shares under the Second Tranche are issued, being Thursday, 9 December 2021. In any case, the Shares will be issued within one month after the date of the Meeting.
- (b) The Shares will be issued at \$0.32 per Share.
- (c) The Shares will be fully paid ordinary shares in the Company, issued on the same terms as, and ranking equally in all respects with, the Company's existing Shares on issue.
- (d) The Company intends to use the net proceeds of the Second Tranche, including the Shares issued to Mr Nunn, for the purposes described under the heading 'Overview of capital raising' above.

#### ***Directors' recommendation for Resolution 16***

The Board, other than Mr Nunn, recommend the approval of Resolution 16.

#### ***Voting exclusion***

The Company will disregard any votes cast in favour of Resolution 16 by or on behalf of:

- Mr Nunn; or
- any other person who will obtain a material benefit as a result of the issue of securities, except a benefit solely in the capacity of a holder of shares,

or any of their Associates. However, the Company need not disregard a vote cast in favour of Resolution 16 if it is cast by:

- a person acting as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **8.5 Resolution 17 – Approval of the issue of Shares to Mr Steven Skala (or his nominee) under the Second Tranche of the Placement**

### **8.5.1 Background**

Mr Steven Skala, an alternate Director of the Company, proposes to participate in the Second Tranche, on the same terms as other investors in the Placement, including the issue price of \$0.32 per Share. As Mr Skala is an alternate Director for Mr Scott Robertson (a non-executive Director), Listing Rule 10.11.1 applies and the issue of Shares to him requires the approval of shareholders under Listing Rule 10.11.

Resolution 17 seeks Shareholder approval under Listing Rule 10.11 and for all other purposes, for the issue of 312,500 Shares to Mr Skala (or his nominee). Resolution 17 is conditional upon the Second Tranche proceeding and Resolution 14 being passed.

If Shareholders approve Resolution 17, separate approval will not be required under Listing Rule 7.1.

### **8.5.2 Consequences of Resolution 17**

If Resolution 17 is approved, the Company will be able to proceed with the issue of Shares to Mr Skala (or his nominee) as part of the Second Tranche, and such issue will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

If Resolution 17 is not approved, the Company will not be able to proceed with the issue of Shares to Mr Skala (or his nominee) and the Company will not receive any funds from this Share subscription. The total proceeds of the Placement will therefore decrease by the amount of the proposed subscription by Mr Skala.

### **8.5.3 Specific disclosure of information**

Listing Rule 10.13 requires that the following additional information be provided to Shareholders in relation to the Shares proposed to be issued to Mr Skala (or his nominee):

- (e) If Resolution 17 is approved, the Shares are expected to be issued at the same time as the Shares under the Second Tranche are issued, being Thursday, 9 December 2021. In any case, the Shares will be issued within one month after the date of the Meeting.
- (f) The Shares will be issued at \$0.32 per Share.
- (g) The Shares will be fully paid ordinary shares in the Company, issued on the same terms as, and ranking equally in all respects with, the Company's existing Shares on issue.
- (h) The Company intends to use the net proceeds of the Second Tranche, including the Shares issued to Mr Skala (or his nominee), for the purposes described under the heading 'Overview of capital raising' above.

### ***Directors' recommendation for Resolution 17***

The Board, other than Mr Skala, recommend the approval of Resolution 17.



### ***Voting exclusion***

The Company will disregard any votes cast in favour of Resolution 17 by or on behalf of:

- Mr Skala (or his nominee); or
- any other person who will obtain a material benefit as a result of the issue of securities, except a benefit solely in the capacity of a holder of shares,

or any of their Associates. However, the Company need not disregard a vote cast in favour of Resolution 17 if it is cast by:

- a person acting as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## GLOSSARY

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**Associate** has the meaning given in the ASX Listing Rules or the Corporations Act, as the context requires.

**ASX** means ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.

**Auditor** means the auditor of the Company.

**Auditor's Report** means the report of the Auditor regarding its audit of the Company, and its controlled entities, which accompanies the Financial Report.

**Award** means an award granted to an eligible participant under the LTIP.

**Board** means the board of Directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chairperson of the Meeting.

**Closing Related Party** has the meaning given to that term in section 9 of the Corporations Act.

**Company** means Hexima Limited (ACN 079 319 314).

**Company Secretary** means Leanne Ralph.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**COVID-19** means the outbreak of the novel coronavirus disease.

**Director** means a director of the Company.

**Director's Report** means the report of the Directors which accompanies the Financial Report.

**equity securities** has the meaning given to that term in the Listing Rules.

**Explanatory Statement** means the notes contained in this document that provide details of the business to be considered at the Meeting.

**Financial Report** means the annual financial report of the Company, and its controlled entities, for the year ending on 30 June 2021.

**First Tranche** means the placement of 19,600,000 Shares to certain sophisticated and professional investors raising \$6,272,000, as announced on ASX on Monday, 1 November 2021.

**Key Management Personnel or KMP** has the same meaning as in the Accounting Standards.

**Meeting** means the Company's annual general meeting, notice of which is given in the Notice.

**Listing Rules** means the listing rules of the ASX, as amended from time to time.

**LTIP** means the Company's Long-Term Incentive Plan as described in Annexure A.

**Notice** means the notice of annual general meeting accompanying this Explanatory Statement.

**Option** means an option to acquire a Share.

**Second Tranche** means the placement of 11,650,000 Shares to certain sophisticated and professional investors raising \$3,728,000 (including Shares to be issued to Dato Lim Sen Yap and Mr Nunn, as announced on ASX on Monday, 1 November 2021).

**Shares** means fully paid ordinary shares in the capital of the Company.

**Placement** means the placement of Shares to certain sophisticated and professional investors to raise up to \$10 million, as announced on ASX on Monday, 1 November 2021.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report of the Company that forms part of the Directors' Report.

**Resolution** means a resolution set out in the Notice.

**Shareholder** means the holder of one or more Shares.

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## ANNEXURE A

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### Summary of Key Terms of the Hexima Long Term Incentive Plan

#### 1. Purpose

The purpose of the LTIP is to:

- (a) assist in the reward, retention and motivation of eligible participants;
- (b) link the reward of eligible participants to performance and the creation of Shareholder value;
- (c) align the interests of eligible participants more closely with the interests of Shareholders by providing an opportunity for eligible participants to receive equity in the form of Awards;
- (d) provide eligible participants with the opportunity to share in any future growth in the value of the Company; and
- (e) provide greater incentive for eligible participants to focus on the Company's long term goals.

#### 2. Eligibility

Eligibility to participate in the LTIP will be determined by the Board.

Eligible participants include employees, officers or directors of the Company or any related body corporate of the Company, together with any consultant who acts in an advisory capacity for, or is engaged in the provision of services to the Company or its related bodies corporate.

#### 3. Awards

The Board has discretion to issue Shares, Options, performance rights and/or share appreciation rights, to eligible participants (**Award**).

#### 4. Terms and conditions of Awards

The Board may set the terms and conditions on which it will offer or grant an Award, including the number and type of Awards and the vesting conditions, performance hurdles and/or exercise conditions attaching to those Awards.

Any Shares acquired pursuant to the exercise of an Award will rank equally with all existing Shares from the date of acquisition.

An Award does not entitle its holder to notice of, or to vote or attend at, a meeting of Shareholders or receive any dividends declared by the Company until the Award is exercised and the participant holds Shares as a result thereof. An Award does not confer the right to participate in a new issue of Shares by the Company, including by way of bonus issue, rights issue or otherwise.

The participant is solely responsible for paying any federal, state, provincial, local or other taxes required by law to be paid in connection with the exercise of an Award.

#### 5. LTIP limit

The number of Shares to be received under the LTIP on the exercise of the Awards (when aggregated with any Shares to be received under any other employee incentive scheme) must not exceed 10% of the total number of issued Shares at the time of granting the Awards.

No Awards may be granted to an employee if the grant would result in that employee holding a beneficial interest in more than 10% of the Company and being in a position to cast, or to control the casting of, more than 10% of the maximum votes that might be cast at a general meeting of the Company.

In addition, in accordance with ASIC Class Order 14/1000, the number of Shares to be issued on exercise of the Awards granted in any three year period (when aggregated with any Shares to be received under any other employee incentive scheme during the same period) must not exceed 5% of the total number of issued Shares at the time of granting the Awards.

The Board may only exceed the 5% capital limit if it can rely on other available exemptions to the need to issue a disclosure document in relation to issues under the LTIP, such as those under sections 708 or 1012D of the Corporations Act.

#### **6. Transfer restrictions**

An Award may not be assigned, transferred, novated, encumbered or otherwise disposed of without the consent of the Board. An assignment to a participant's legal personal representative by force of law upon death is permissible. Once an Award is exercised and the participant holds Shares, those Shares are subject to the restrictions contained in the Company's Security Trading Policy.

#### **7. Change of control**

If a Change of Control Event occurs (as that term is defined in the LTIP), the Board may in its absolute discretion, make a determination that some or all of the unvested options, performance rights or share appreciation rights will vest.

#### **8. Buy-back**

The Company may enter into an agreement with a participant to buy-back the Awards.

#### **9. Termination**

The Board may by resolution terminate the LTIP or suspend the operation of the LTIP for such period or periods as it sees fit.

#### **10. Amendment**

The Board may amend the LTIP rules provided that such amendment do not materially prejudice the rights of existing participants.

#### **11. Listing Rules**

The Board may only exercise its powers in accordance with the Listing Rules.



# hexima

**Hexima Limited**

ABN 64 079 319 314

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Hexima Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND\*

Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000

\*during business hours Monday to Friday (9:00am - 5:00pm)  
and subject to public health orders and restrictions



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am (AEDT) on Tuesday, 30 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO 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 those 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 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 placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au) prior to the Meeting in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

# PROXY FORM

I/We being a member(s) of Hexima Limited and entitled to attend and vote hereby appoint:

## APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name
Email

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Thursday, 2 December 2021 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://meetings.linkgroup.com/HXL21> (refer to details in the Online Meeting Guide).

**Important for Resolutions 1, 5, 6, 7, 8, 9, 10 and 11:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 5, 6, 7, 8, 9, 10 and 11, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.


## VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Approval of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of the issue of Options to Mr Michael Aldridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director, Dr Nicole van der Weerden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of the issue of Options to Dr Nicole van der Weerden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director, Mr Justin Yap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of the issue of Options to Professor Marilyn Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director, Mr Jason Nunn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the issue of Options to Professor Jonathan West	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval and ratification of the issue of Shares under the First Tranche of the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of the issue of Options to Mr Scott Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approval of issue of Shares under the Second Tranche of the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of the issue of Options to Mr Justin Yap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval of the issue of Shares to Dato Lim Sen Yap under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of the issue of Options to Mr Jason Nunn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval of the issue of Shares to Mr Nunn under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				17 Approval of the issue of Shares to Mr Steven Skala under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HXL PRX2101N

