



ACN 090 987 250

**NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT**

DATE: Tuesday, 12 November 2019

TIME: 10:30 am (WST)

PLACE: Perth Convention and Exhibition Centre
21 Mounts Bay Road,
Perth, WA 6000

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisers without delay.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6142 5555.

12/55 Howe Street, Osborne Park, WA 6017

Phone: +61 8 6142 5555 Fax: +61 8 9443 8858

Email: info@sudapharma.com

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the Shareholders of Suda Pharmaceuticals Ltd (the **Company**) will be held at The Perth Convention and Exhibition Centre (Room 9, Level 2), 21 Mounts Bay Road, Perth WA, on Tuesday, 12 November 2019 commencing at 10:30am (WST) to consider, and if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Annual General Meeting and accompanying Explanatory Statement are defined in the glossary in Schedule 1.

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

AGENDA

1. ANNUAL REPORT, DIRECTORS' AND AUDITOR'S REPORTS

To receive and consider the annual financial report of the Company for the financial year ended on 30 June 2019 (**Annual Report**) including the Directors' Report and Auditor's Report.

Note: there is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING ADVISORY VOTE)

To consider, and if thought fit, pass the following as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act, the Company adopts the remuneration report as set out in the Annual Report for the financial year ended on 30 June 2019."

The remuneration report is set out in pages 21 - 30 of the 2019 Annual Report.

Note: this resolution is advisory only, the vote does not bind the Directors or the Company.

Voting exclusion: the Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the remuneration report, or a closely related party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 1, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chairman of the Meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR: MR. DAVID PHILLIPS

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

"That Mr. David Phillips, retiring as a Director by rotation in accordance with clause 12.3 of the Company's Constitution, being eligible, and offering himself for re-election, be and hereby is re-elected as a Director of the Company."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR: MR. DAVID SIMMONDS

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

“That Mr. David Simmonds, retiring as a Director in accordance with clause 12.7 of the Company’s Constitution, being eligible, and offering himself for election, be and hereby is re-elected as a Director of the Company.”

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR: MR. PAUL HOPPER

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

“That Mr. Paul Hopper, retiring as a Director in accordance with clause 12.7 of the Company’s Constitution, being eligible, and offering himself for election, be and hereby is re-elected as a Director of the Company.”

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 113,759,458 SHARES AND 56,879,599 ATTACHING LISTED OPTIONS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 113,759,458 Shares and 56,879,599 Attaching Listed Options on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of shareholders who participated in the issue and any person associated with shareholders that participated in the issue.

However, the Company need not disregard a vote cast on Resolution 5 if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
 - (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
-

7. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO MR. PAUL HOPPER

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval be given for the issue of a maximum of 40,000,000 Incentive Options to Mr. Paul Hopper under the Company’s Employee Share Option Plan on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any director of the Company who is eligible to participate in the Company’s Employee Share Option Plan and any associates of those directors.

However, the Company need not disregard any votes cast on Resolution 6 if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – APPROVAL OF CONSOLIDATION

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

"That, for the purposes of section 254H of the Corporations Act, ASX Listing Rule 7.20 and all other purposes, the issued capital of the Company be consolidated on the basis that:

- *every twenty five (25) Shares be consolidated into one (1) Share; and*
- *every twenty five (25) Options be consolidated into one (1) Option with the exercise price amended in inverse proportion to that ratio,*

and where this consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction down to the nearest whole Share or Option (as the case may be)."

9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities (as defined in the ASX Listing Rules) up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) and any associates of those persons.

However, the Company need not disregard any votes cast on Resolution 8 if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
 - (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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10. QUESTIONS AND COMMENTS

Shareholders will be provided the opportunity to ask questions about or make comments on the management of the Company.

BY ORDER OF THE BOARD OF DIRECTORS



Joseph Ohayon
Company Secretary
Suda Pharmaceuticals Ltd

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entireties. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisers prior to voting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting on Tuesday, 12 November 2019 at 10:30am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with information for Shareholders to decide on how to vote on the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting preceding this Explanatory Statement.

Capitalised terms in this Explanatory Statement are defined in the glossary set out in Schedule 1.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important. You should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

VOTING IN PERSON

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

VOTING BY PROXY

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it:

- By post to: Advanced Share Registry Ltd
PO Box No 1156, Nedlands WA 6909
- By facsimile to: +61 8 9262 3723 (Advanced Share Registry Ltd); or
+61 8 9443 8858 (Suda Pharmaceuticals Ltd)
- In person: Advanced Share Registry Ltd
110 Stirling Highway, Nedlands WA

Please note that the Proxy Form must be received by the Company not later **than 10:30am (WST) on Sunday, 10 November 2019. Proxy Forms received later than this time will be invalid.**

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Annual General Meeting, please contact the Company Secretary, your stockbroker or other professional advisers.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Annual General Meeting.

The Company’s Directors have determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at **10:30am (WST) on Sunday, 10 November 2019**.

Should you wish to discuss the matters in this Notice or the Explanatory Statement, please contact the Company Secretary on +61 8 6142 5555.

1. FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act, the Company must table the financial statements and reports of the Company (including the Directors’ Report, Directors’ Declaration and Auditor’s Report) for the previous year before the members at its Annual General Meeting.

A copy of the Annual Report has been forwarded to those Shareholders who elected to receive one. The Annual Report can also be viewed, printed and downloaded from the Company’s website www.sudapharma.com.

The financial statements, Directors’ Report, Directors’ Declaration and the Auditor’s Report will also be tabled at the Meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the Annual General Meeting is to provide the Shareholders with the opportunity to ask questions or discuss matters arising from the financial statements or reports at the Meeting. It is not the purpose of the Meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no formal resolution to adopt, receive or consider the Company’s financial statements or the reports (other than the Remuneration Report) will be put to the Shareholders to vote at the Meeting.

Members as a whole will be given a reasonable opportunity at the Meeting to ask questions and make comments on the financial statements and the reports. The Chair will allow a reasonable opportunity for the Shareholders as a whole at the meeting to ask the auditor or the auditor’s representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor’s Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the chairman about the management of the Company, or to the Company’s auditor about:

- (e) the content of the auditor’s report to be considered at the Meeting; or
- (f) the conduct of the audit of the annual financial report to be considered at the Meeting.

may be submitted no later than Wednesday, 6 November 2019 to the Company.

2. RESOLUTION 1 - REMUNERATION REPORT

2.1 INTRODUCTION

The Corporations Act requires that the Remuneration Report of the Company for the financial year ended on 30 June 2019 be adopted by way of a non-binding resolution. The Company's Remuneration Report which forms part of the Directors' Report is set out on pages 21 to 30 of the Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2019.

Shareholders attending the Annual General Meeting will be given reasonable opportunity to ask questions about, or make comments on the Remuneration Report.

2.2 Voting consequence

The Corporations Act expressly provides that voting on this resolution is advisory only and does not bind the Directors or the Company.

However, under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (**Spill Resolution**).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

At the Company's 2018 annual general meeting held on 15 November 2018, less than 25% of the eligible votes cast in respect of the 2018 remuneration report were cast against the adoption of the 2018 remuneration report. Accordingly, a Spill Resolution will not be put to the Meeting even if 25% or more of the votes cast in respect of the 2019 Remuneration Report are against the adoption of the 2019 Remuneration Report.

Voting on Resolution 1 will be determined by a poll at the Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR: MR. DAVID PHILLIPS

3.1 Background

Article 12.3 of the Company's Constitution requires there to be an election of Directors at each annual general meeting of the Company. This provision requires that:

- (a) A Director must not hold office without re-election:

- (i) past the third annual general meeting following the Director's appointment or last election; or
 - (ii) for more than three years,

whichever is the longer.
- (b) There must be an election of Directors at each annual general meeting of the Company. This can be satisfied by one or more of the following:
 - (i) a person standing for election as a new Director having nominated in accordance with article 12.6;
 - (ii) any Director who was appointed under article 12.7 standing for election as a Director;
 - (iii) any Director who is retiring at the end of the annual general meeting due to the tenure limitation in article 12.3(a), standing for re-election; or
 - (iv) if no person or Director is standing for election or re-election in accordance with paragraphs (i), (ii) or (iii), then the Director who has been a Director the longest without re-election must retire and stand for re-election. If two or more Directors have been a Director the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.

Listing Rule 14.4 also requires Directors to retire at the third annual general meeting following their last appointment. Any Director who retires in accordance with Article 12.3 and Listing Rule 14.4 is eligible for re-election at the Annual General Meeting.

Mr. David Phillips retires at the Annual General Meeting in accordance with Article 12.3 and Listing Rule 14.4 and offers himself for re-election.

Details of the qualification and experience of Mr. Phillips are set out in the Directors' Report of the Annual Report.

3.2 Directors Recommendation

The Board believes that Mr. Phillips has performed the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

The Board, with Mr. Phillips abstaining, recommends Shareholders to vote in favor of Resolution 2.

4. RESOLUTIONS 3 AND 4 – RE-ELECTION OF NON-EXECUTIVE DIRECTORS: MR. DAVID SIMMONDS AND MR. PAUL HOPPER

4.1 Background

Article 12.3 (b) (ii) of the Company's Constitution requires that any Director appointed under article 12.7 stands for election as a Director at the next annual general meeting. Article 12.7 states:

Casual vacancy or additional Director

- a) *The Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, provided the total number of Directors does not exceed the maximum number in accordance with article 12.1.*
- b) *A Director appointed under article a) holds office until the conclusion of the next annual general meeting of the Company but is eligible for election at that meeting. This provision does not apply to one Managing Director nominated by the Directors under article 14.3.*

Listing Rule 14.4 also requires Directors appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity. Any Director who retires in accordance with Clause 12.3 and Listing Rule 14.4 is eligible for re-election at the Annual General Meeting.

4.2 Mr. David Simmonds

Mr. Simmonds was appointed as a Non-Executive Director by the Directors in accordance with Article 12.7 of the Constitution on 27 March 2019.

Mr. Simmonds retires at the Annual General Meeting in accordance with Article 12.7 and Listing Rule 14.4 and offers himself for re-election.

Mr. Simmonds was a senior audit partner with Ernst & Young from 1989 to 2017. From 2008 to 2013, Mr. Simmonds led the Capital Markets desk in Australia with responsibility for overseeing or reviewing all Australian cross border fundraisings. As an audit partner, Mr. Simmonds was involved in several high-profile businesses including Ramsay Health Care Ltd, John Fairfax Holdings and Commonwealth Bank of Australia and also was audit partner for the Australian operations of the leading US technology companies Hewlett Packard, Sun Microsystems and Oracle.

Mr. Simmonds was a member of the Australian Auditing and Assurance Standards Board (AUASB) from 2006 to 2013. The AUASB is the statutory agency of the Australian Government that is responsible for developing, issuing and maintaining auditing and assurance standards. As a member of this body Mr. Simmonds oversaw the introduction of legally enforceable auditing standards in Australia and the move to harmonisation with international standards.

Mr. Simmonds is currently a member of the Board and chairs the Audit, Risk and Finance Committee of MS Research Australia, the largest national not-for-profit body dedicated to funding and coordinating multiple sclerosis research in Australia.

Mr. Simmonds is the chair of the Company's Risk & Audit Committee and a member of the Nomination Committee and HR & Remuneration Committee.

4.3 Mr. Paul Hopper

Mr. Hopper was appointed as a Non-Executive Chairman by the Directors in accordance with Article 12.7 of the Constitution on 15 May 2019. On 23 September 2019, Mr. Hooper was appointed interim Executive Chairman following the resignation of Mr. Stephen Carter.

Mr. Hopper retires at the Annual General Meeting in accordance with Article 12.7 and Listing Rule 14.4 and offers himself for re-election.

Mr. Hopper has over 25 years' experience in the life sciences, medical, & healthcare sectors. Focussed on start-up and rapid growth companies, he has served as either Founder, Chairman, non-executive director, or CEO, of more than fourteen companies in the US, Australia and Asia. Previous Boards include Viralytics, pSivida, Somnomed, Polynoma & Fibrocell Science. He has technology-seeded four biotech companies on the ASX.

Mr. Hopper's experience covers extensive fund raising in Australia, Asia, US and Europe, and he has deep experience in corporate governance, risk and strategy. He also has many years' experience in providing corporate advice and guidance, financial analysis and management of companies of differing sizes and financial circumstances.

Mr. Hopper was previously the chairman of ASX listed oncolytic cancer company Viralytics which was acquired by Merck for \$500 million in 2018.

Mr. Hopper is currently the chairman of ASX listed Imugene Ltd, a non-executive director of ASX listed Prescient Therapeutics Ltd, chairman of Vaxinia Pty Ltd, chairman of Semexion Pty Ltd and chairman of BioScience Oncology Pty Ltd.

4.4 Directors Recommendation

The Board believes that each of Mr. Simmonds and Mr. Hopper has performed the duties and responsibilities of a Director diligently and professionally and in the best interests of all Shareholders.

The Board, (in each case with the relevant candidate abstaining), recommends Shareholders to vote in favor Resolutions 3 and 4.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 113,759,458 SHARES AND 56,879,599 ATTACHING LISTED OPTIONS

5.1 Background

On 3 June 2019, the Company announced a renounceable rights issue (**Rights Issue**) on a one for three basis at 0.4 cents per Share to raise up to \$3,442,612 with one Attaching Listed Option (exercise price of \$0.015 and expiry date of 30 June 2021) for every two new Shares subscribed for under the Rights Issue.

The Rights Issue closed on 21 June 2019 and was well supported by the Company's Shareholders and was heavily oversubscribed.

Due to the overwhelming demand, the Company placed a further 113,759,458 fully paid Shares at \$0.004 per Share and 56,879,599 Attaching Listed Options to raise an additional \$455,038 (**Placement**).

The subscribers under the Placement were not related parties of the Company.

The Placement was issued under the Company's 15% placement capacity and without Shareholder approval, and accordingly, Resolution 5 seeks ratification of the issue of the Shares and Attaching Listed Options under the Placement.

5.2 Regulatory Requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue equity securities during any 12 month period for that amount which represents more than 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1, those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4 in respect of the ratification of the 113,759,458 Shares and 56,879,599 Attaching Listed Options issued in relation to the Placement:

- (a) The total number of Shares issued was 113,759,458 and the total number of Attaching Listed Options issued was 56,879,599.
- (b) The Shares were issued at \$0.004 per Share. The Attaching Listed Options were free attaching options to the Shares.
- (c) The Shares are fully paid ordinary shares in the capital of the Company, and rank equally in all respects with the existing Shares. The Attaching Listed Options have

an exercise price of \$0.015 and an expiry date of 30 June 2021 and otherwise on the terms set out in Schedule 2 to this Explanatory Statement. Share issued on the exercise of the Attaching Listed Options will rank equally in all respects with the existing Shares.

- (d) The Shares and Attaching Listed Options were issued based on the oversubscription of the Rights Issue pursuant to the Prospectus dated 3 June 2019 and were issued to parties not related to the Company.
- (e) The intended use of the funds was outlined in the Prospectus including project development and general working capital.
- (f) A voting exclusion statement is included in the Notice.

5.4 Directors Recommendation

The Directors recommend that the Shareholders vote in favour of Resolution 5, as it will restore the Company's 15% annual limit permitted by Listing Rule 7.1.

6. RESOLUTION 6 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO MR. PAUL HOPPER

6.1 Background

The Directors consider that the grant of Options to its personnel are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The grant of the Options under the Employee Share Option Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

The Company reviewed the practices of other companies of a similar size and stage of development to determine the number of Options required to be granted to attract and retain senior directors. Based on that review, the Board proposes to grant up to 40,000,000 Options under the Employee Share Option Plan to Mr. Hopper as an appropriate form of long-term incentive for Mr. Hopper (**Incentive Options**). The Board considers that Mr. Hopper is essential to the operation of the Company's ongoing business.

In determining the grant of the Incentive Options, the Directors considered the remuneration packages of Mr. Hopper, his roles, the business challenges faced by the Company and market practice for the remuneration for executives and officers of similar positions and responsibilities.

The Directors are of the opinion the vesting condition of the Incentive Options should be linked to Mr. Hopper's continuous service with the Company, with vesting conditions outlined below:

Vesting Conditions	Number of Incentive Options
On grant/acceptance	13,000,000
At least 12 months continuous service from Acquisition Date	13,000,000
At least 24 months continuous service from Acquisition Date	14,000,000

The Incentive Options have an expiration date of 3 years from the Acquisition Date and exercise price of:

- (a) for the first 13,000,000 Incentive Options: 145% of the Market Value;
- (b) for the second 13,000,000 Incentive Options: 155% of the Market Value; and
- (c) for the final 14,000,000 Incentive Options: 165% of the Market Value.

The Incentive Options are otherwise on terms set out in Schedule 2 to this Explanatory Statement.

6.2 Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions (such as reasonable remunerations) to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The Directors believe that Shareholder approval is not required under Chapter 2E of the Corporations Act as the Directors (other than Mr. Hopper) consider that the Incentive Options constitute reasonable remuneration to Mr. Hopper as a director of the Company having regard to:

- (a) the circumstances of the Company; and
- (b) Mr. Hopper's circumstances (including the responsibilities involved as a director of the Company).

However, the proposed issue of the Incentive Options to Mr. Hopper requires Shareholder approval under Listing Rule 10.11.

6.3 ASX Listing Rules

Listing Rule 10.14 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities under Listing Rule 10.11.

Resolution 6 seeks Shareholder approval under Listing Rule 10.11 for the Company to issue up to 40,000,000 Incentive Options to Mr. Hopper under the Employee Share Option Plan.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the Incentive Options to Mr. Hopper means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

6.4 Specific Information required by Listing Rule 10.15

For the purposes of Listing Rule 10.15, the following information is provided:

- (a) The Incentive Options are proposed to be issued to Mr. Hopper, a director of the Company.
- (b) The maximum number of securities that may be issued: 40,000,000 Incentive Options.

- (c) The Incentive Options are granted as part of the remuneration package of Mr. Hopper for nil cash consideration. Please refer to section 6.5(c) for the valuation of the Incentive Options and to section 6.1 in relation to the exercise price of the Incentive Options.
- (d) The names of all persons referred to in Listing Rule 10.14 who received securities under Employee Share Option Plan since the last approval, the number of the securities received, and acquisition price for each security: no person referred to in Listing Rule 10.14 has received securities under Employee Share Option Plan since the last approval.
- (e) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme: all Directors of the Company are eligible to participate in the Employee Share Option Plan.
- (f) A voting exclusion statement is included in this Notice.
- (g) The terms of any loan in relation to the acquisition: no loan is provided by the Company for the acquisition or exercise of Incentive Options under the Employee Share Option Plan. The exercise price of Incentive Options may, however, be paid using the cashless exercise facility referred to in the Employee Share Option Plan.
- (h) The date by which the Company will issue the securities: no later than 12 months after the Meeting.

6.5 Additional information

The Directors consider that the following information might be relevant to the Shareholders in deciding how to vote on Resolution 6:

- (a) The dilution effect if Resolutions 6 is approved and all Incentive Options are exercised and no additional Shares are issued is as follows:

Current Number of Shares on Issue	3,556,371,635
Number of Incentive Options to be issued	40,000,000
Dilution Effect if all Incentive Options are exercised	1.12%

- (b) Historical Share price information for the last three months prior to the date of this Notice is as follows:

	Price	Date
Highest	0.5 cent	29 August 2019
Lowest	0.3 cent	7 October 2019
Latest	0.3 cent	7 October 2019

- (c) The Monte Carlo Simulation has been applied in providing valuation information in respect of the Incentive Options.

Assumptions	
Valuation Date:	15 May 2019
Market Price of Shares (at Valuation Date):	\$0.004

Exercise Price of first 13,000,000		\$0.0059
Exercise Price of second 13,000,000		\$0.0063
Exercise Price of final 14,000,000		\$0.0067
Expiry Date:		3 years
Risk Free Interest Rate:		2.5%
Volatility:		170.8%
Dividend yield:		0.0%
Indicative value per Incentive Option:		0.3 cent
	Number of Incentive Options	Value (based on Indicative value per Incentive Option set out above)
Paul Hopper	40,000,000	\$31,695

- (d) The remuneration of and securities of the Company held by Mr. Hopper as of the date of this Notice are as follows:

Name	Remuneration	Securities held
Paul Hopper	\$150,000	1,000,000 Shares

- (e) Paul Hopper's current holding in securities in the Company and the position following the issue of the Incentive Options are summarised below:

Director	Securities	Current	After the issue	Upon the exercise of the Incentive Options
Paul Hopper	Shares	2,000,000	2,000,000	42,000,000
	Options	Nil	40,000,000	Nil

- (f) There is no cash cost to the Company in issuing the Incentive Options or in funding the exercise of the Incentive Options. The value of the Incentive Options at the time of their issue are, however, recorded as an expense in the Company's accounts. If the Incentive Options are exercised and the Shares are trading at that time above the exercise price there may be a perceived cost to the Company as the Company may have been able to issue the Shares at a higher price.

6.6 Directors recommendations

The Directors (other than Mr. Hopper) recommend that Shareholders vote in favour of Resolution 6 for the reasons set out in section 6.1.

In forming their recommendations, each Director considered the experience of Mr. Hopper, the current market price of Shares, the current market practices when determining the number of Incentive Options to be granted, as well as the exercise price and expiry date of the Incentive Options.

7. RESOLUTION 7 – APPROVAL OF CONSOLIDATION

7.1 Introduction

The Company proposes to consolidate its share capital through the consolidation of every 25 Shares in the Company into 1 Share in the Company (**Consolidation**).

As of the date of this Notice, the Company has 3,556,371,635 Shares on issue. For the relative small size of the Company, this is a very large number of securities on issue and it subjects the Company to a number of disadvantages including:

- (a) additional share price volatility arising from the fact that the minimum permissible share price movement permitted by the ASX (being 0.1 cent) represents a high proportion of the Company's share price;
- (b) the large number of Shares on issue is disproportionate to that of comparable companies; and
- (c) negative perceptions associated with a low share price.

The Directors consider that a share consolidation would assist in mitigating these disadvantages. The Directors also consider that the share consolidation will result in a more appropriate and effective capital structure for the Company and a share price that is more attractive to a wider range of investors, particularly overseas investors.

Although the Consolidation has no direct effect on the underlying value of the Company, shareholders should appreciate that the value of the Company's shares on the ASX (and in turn the Company's market capitalisation) post Consolidation is subject to a range of factors beyond the control of the Company.

7.2 Legal requirements

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

The Listing Rules also require that the number of Options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

7.3 Effect on capital structure

If the proposed Consolidation is approved by the Shareholders, the number of the Company's Shares on issue will be reduced from 3,556,371,635 to approximately 142,254,865 shares (subject to rounding and not including those securities to be issued under the other Resolutions in this Notice of Meeting).

As at the date of this Notice of Meeting, the Company has 1,283,615,755 Options on issue (listed and unlisted). If the Consolidation is approved, the Options will also be reorganised in accordance with the terms and conditions of the Options and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the Consolidation and the exercise price will be amended in inverse proportion to that ratio.

For example, a holding of 100,000 Options with an exercise price of \$0.001 each prior to the Consolidation, would be consolidated into a holding of 4,000 Options with an exercise price of \$0.025 each after the Consolidation.

Below is a table setting out the capital structure of the Company before and after the Consolidation:

	Total Shares	Total Options¹
Pre-consolidation securities	3,556,371,635	1,283,615,755
Post-consolidation securities	142,254,865	51,344,630

¹ For details of effect on the Options as a result of the Consolidation, please refer to Schedule 3 to this Explanatory Memorandum.

As the Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding).

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders and holders of Options.

The Company does not have any unpaid securities on issue.

7.4 Treatment of Fractions

Where the consolidation of a holder's holding results in an entitlement to a fraction of a Share or Option, the fraction will be rounded down to the nearest whole number of Shares or Options.

7.5 Indicative Timetable

If the Consolidation is approved, it is expected to take effect on accordance with the following timetable (as set out in the Listing Rules)

Date*	Event
Monday 14 October 2019	Announce Consolidation
Tuesday, 12 November 2019	Shareholder meeting and notice to the ASX that Shareholders have approved the Consolidation
Wednesday 13 November 2019	Last day for trading in pre-consolidated securities
Thursday 14 November 2019	Trading in consolidated securities on a deferred settlement basis commences
Friday 15 November 2019	Last day for registration of transfers on a pre-consolidation basis
Monday 18 November 2019	First day for registration of securities on a post-consolidated basis and first day for issue of holding statements First day for Company to send notice to each holder of the change in their details of holdings
Friday 22 November 2019	Deferred settlement trading ends Last day for securities to be entered into holders' security holdings Last day for the Company to send notice to each holder of the change in their details of holdings.

*The above timetable is indicative only and subject to change. Any changes will be announced to the ASX.

7.6 Holding Statements

From the date of the Consolidation, all current holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued.

7.7 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. Shareholders should seek independent professional advice for guidance based on their individual circumstances. The Company and the Directors do not accept any responsibility for the individual taxation implications arising from the Consolidation.

7.8 Directors Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7. Each Director intends to vote all shares they are entitled to vote in favour of Resolution 7. The Chairman intends to vote undirected proxies in favour of Resolution 7.

8. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

8.1 General

The Company seeks Shareholder approval to issue equity securities (as defined in the ASX Listing Rules) (**Equity Securities**) up to 10% of its issued share capital through placements over a 12-month period following shareholder approval (**10% Placement Facility**).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 8.2 below).

Any funds raised will be used towards project development and working capital for the Company.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

8.2 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period following shareholder approval by way of a special resolution. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

(a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$\text{Number of Equity Securities} = (A \times D) - E$

"A" the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that become fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4;
- (D) less the number of fully paid shares cancelled in the 12 months.

“D” is 10%.

“E” is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

The Company is seeking Shareholders approval to consolidate its share capital. As the date of this Notice, the Company has on issue the following securities (on a pre-consolidation and post-consolidation):

	Total Shares	Total Options
Pre-consolidation	3,556,371,635	1,283,615,755
Post-consolidation	142,254,865	51,344,630

As a result, the Company has a capacity to issue:

- (i) Equity Securities under Listing Rule 7.1 (assuming Resolution 5 is passed) as follows:

	Total Equity Securities
Pre-consolidation	497,455,745
Post-consolidation	19,898,230

- (ii) subject to Shareholders approving Resolution 8, Equity Securities under Listing Rule 7.1A (assuming Resolution 5 is passed) as follows:

	Total Equity Securities
Pre-consolidation	319,637,164
Post-consolidation	12,785,487

- (b) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price (**VMAP**) of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

8.3 Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided regarding Resolution 8:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Shareholders approve the 10% Placement Facility; and
 - (ii) 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, or issued for non-cash consideration for the acquisition of a new asset.

Following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility (on a pre-consolidation basis):

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		0.2 cent 50% decrease in Issue Price	0.4 cent Issue Price	0.8 cent 100% increase in Issue Price
Current Variable A 3,556,371,635 Shares	10% Voting Dilution	355,637,163 Shares	355,637,163 Shares	355,637,163 Shares
	Funds raised	\$711,274	\$1,422,548	\$2,845,097
50% Increase in current variable A 5,334,557,452 Shares	10% Voting Dilution	533,455,745 shares	533,455,745 shares	533,455,745 shares
	Funds raised	\$1,066,911	\$2,133,822	\$4,267,645
100% increase in current variable A 7,112,743,270 Shares	10% Voting Dilution	711,274,327 Shares	711,274,327 Shares	711,274,327 Shares
	Funds raised	\$1,422,548	\$2,845,097	\$5,690,194

The table has been prepared on the following assumptions:

- (i) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No options vest into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (v) The issue price is 0.4 cent being the closing price of the Shares on ASX on 30 September 2019.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

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.

- (c) The latest date by which Equity Securities may be issued is 12 months after the Meeting. Approval for the issue of Equity Securities under the 10% Placement Facility 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).
- (d) The Equity Securities may be issued for the following purposes:
 - (i) to raise funds, in which case the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and expenditure on the Company's current assets and/or general working capital; or
 - (ii) in consideration of the acquisition of new resources assets and investments, in which case the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
 - (i) The fundraising methods available to the Company, including but not limited to, rights issue or other issue which may minimise dilution to Shareholders.
 - (ii) In the case of an asset or investment acquisition, the nature and circumstances of the acquisition.
 - (iii) The effect of the issue of the Equity Securities on the control of the Company.
 - (iv) The financial situation and solvency of the Company.

(v) Advice from corporate, financial and broking advisers (if applicable).

The subscribers may include vendors (in the case of any issue for non-cash consideration), existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) In the 12 months preceding the date of the Meeting, the Company issued a total of 1,491,618,623 Equity Securities which represent 31.08% of the total number of Equity Securities on issue at 10 October 2019. The Equity Securities issued in the preceding 12 months are detailed in Schedule 4.

(g) A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities, and no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

8.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 8. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

SCHEDULE 1 - GLOSSARY

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

Acquisition Date	the day on which the Board resolves to accept an application for the Incentive Options by a Director and enters into a contract with the Director for the provision of the Options under the Employee Share Option Plan.
ASX	ASX Limited or the securities market operated by ASX Limited.
Attaching Listed Option	an option, issued under the Rights Issue and Placement, that is listed on the ASX (SUDOD), to subscribe for a Share, with an exercise price of \$0.015 and an expiry date of 30 June 2021.
Board	the Company's board of Directors.
Chairman	chairman of the Annual General Meeting.
Company or Suda	Suda Pharmaceuticals Ltd ACN 090 987 250.
Company Secretary	the company secretary of the Company.
Constitution	constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	director of the Company.
Employee Share Option Plan	the employee share option plan of the Company approved by shareholders at the annum general meeting held on 28 November 2017.
Equity Securities	has the same meaning given in the Listing Rules.
Explanatory Statement	the explanatory statement that accompanies this Notice of Annual General Meeting.
Incentive Options	has the meaning ascribed to it under section 6.1.
Key Management Personnel	key management personnel of the Company (as defined in section 9 of the Corporations Act).
Listing Rules or ASX Listing Rules	listing rules of the ASX.
Market Value	in relation to a Share, the 7-day VWAP price prior to and including the Acquisition Date.
Meeting or Annual General Meeting	the annual general meeting convened by this Notice of Annual General Meeting.

Notice or Notice of Annual General Meeting	this notice of Annual General Meeting.
Option	an option to be issued a Share.
Placement	has the meaning ascribed to it under section 5.1.
Prospectus	the prospectus dated 3 June 2019 for a renounceable pro rata offer to eligible shareholders.
Proxy Form	the proxy form enclosed with this Notice of Annual General Meeting.
Resolution	a resolution in the Notice.
Rights Issue	a renounceable pro rata offer to eligible shareholders in accordance with the Prospectus dated 3 June 2019.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	holder of a Share in the Company.
WST	Australian Western Standard Time.

SCHEDULE 2 – TERMS OF OPTIONS

The terms of the Options are as follows:

- (a) The Options will be issued for no cash consideration.
- (b) Each Option entitles the holder to be issued one Share.
- (c) The exercise price of the Options is \$0.015 each.
- (d) The expiry date of an Option is 30 June 2021.
- (e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (f) The Options is quoted on the official list of the ASX.
- (g) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (h) The holder of an Option may not exercise less than 33,333 Options at any one time unless the holder has less than 33,333 Options in which event the Holder must exercise all of the Options together.
- (i) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (j) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (k) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
 - (i) the exercise price of the Option; or
 - (ii) period of exercise of the Option; or
 - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (l) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (m) In the event the Company proceeds with a pro rata issue (other than a Bonus Issue) of Shares, the exercise price will be reduced in the manner permitted by the Listing Rules (including Listing Rule 6.22.2) at the time of the pro rata issue.
- (n) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (o) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

SCHEDULE 3 CHANGES IN CAPITAL STRUCTURE FROM CONSOLIDATION – OPTIONS

		Pre-consolidation		Post-consolidation	
Expiry Date	Listed / Unlisted	Exercise Price	Number	Exercise Price	Number
26 April 2020	Unlisted	\$0.04	10,000,000	\$1.00	400,000
31 July 2020	Listed	\$0.0147	698,908,634	\$0.3675	27,956,346
10 December 2020	Unlisted	\$0.0228	11,500,000 ¹	\$0.57	460,000
30 January 2022	Unlisted	\$0.0073	6,000,000 ²	\$0.1825	240,000
30 June 2021	Listed	\$0.015	517,207,121	\$0.375	20,688,285
15 May 2023	Unlisted	\$0.0059	13,000,000 ³	\$0.1475	520,000
15 May 2023	Unlisted	\$0.0063	13,000,000 ³	\$0.1575	520,000
15 May 2023	Unlisted	\$0.0067	14,000,000 ³	\$0.1675	560,000
Total			1,283,615,755		51,344,631

Note 1: These options are subject to performance criteria and continuous employment as determined under the Employee Share Option Plan approved by Shareholders at the annual general meeting held on 28 November 2017.

Note 2: These options are subject to continuous employment.

Note 3: These options are subject to Resolution 6 above and details provided in relation to these options are disclosed above.

SCHEDULE 4 INFORMATION REQUIRED BY LISTING RULE 7.3A.6

Item	Date of Issue	Number	Class ¹	Persons to whom the securities were issued	Issue price	Consideration, current value and use of funds as at the date of this Notice ²
1.	4 February 2019	6,000,000	Unlisted Options	Eligible participants under the Company's Employee Share Option Plan	Nil	<p>Consideration: Nil</p> <p>Current value: The options are unlisted. The options have an exercise price of \$0.0073 (\$43,800 in aggregate)</p> <p>Use of funds: N/A</p>
2.	28 June 2019	974,412,502	Shares	Subscribers and oversubscribers under the Company's rights issue Prospectus dated 3 June 2019	\$0.004 per Share	<p>Consideration: \$3,897,650</p> <p>Use of funds: \$833,000 has been applied to product development and general working capital expenses. The balance of \$3,014,650 is intended to be applied towards the same uses.</p>
3.	28 June 2019	517,206,121	Listed Options	<p>Subscribers and oversubscribers under the Company's rights issue Prospectus dated 3 June 2019</p> <p>CPS Capital Group Pty Limited as part consideration for lead managing and underwriting the rights issue</p>	Nil. Issued as free attaching options for every two Shares subscribed for under the Company's rights issue Prospectus dated 3 June 2019	<p>Consideration: Nil</p> <p>Current value: \$517,206. The options have an exercise price of \$0.015 (\$7,758,091.82 in aggregate)</p> <p>Use of fund: N/A</p>

Notes:

1. Terms of the Equity Securities

All Shares issued during the 12 months preceding the date of this Meeting were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (the terms of which are set out in the Company's constitution).

The terms of the Unlisted Options are set in Schedule 2 to this Explanatory Statement.

The terms of the Listed Options are set in Company's rights issue prospectus dated 3 June 2019.

2. Current Value

The value of Shares is based on the closing price of the Shares on the ASX, being \$0.003 on 10 October 2019.

The value of the Listed Options is based on the last trade price on ASX, being \$0.001.

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2019 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Suda Pharmaceuticals Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the meeting **OR**

PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting 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 law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, WA 6000 on 12 November 2019 at 10:30 am (WST)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 & 6 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. I/we acknowledge the Chairman of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Remuneration Report (Non-Binding Advisory Vote)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director: Mr. David Phillips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Director: Mr. David Simmonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-Election of Director: Mr. Paul Hopper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Prior Issue Of 113,759,458 Shares And 56,879,599 Attaching Listed Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to Issue Options to Mr. Paul Hopper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or 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)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should 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).

Email Address

☐ Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on 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.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1 & 6, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1 & 6.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chairman may vote as they see fit on that resolution.

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 Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each 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.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:30 am (WST) on 10 November 2019, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033