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## **NOXOPHARM LIMITED**

ABN 50 608 966 123

### **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 2.00pm (AEDT)

**DATE:** Monday, 27 November 2017

**PLACE:** Sydney Sofitel Wentworth Hotel  
Adelaide Room, Level 4  
61-101 Phillip Street  
Sydney NSW 2000  
Australia

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page 23.

## LETTER TO SHAREHOLDERS

4 October 2017

Dear Shareholder

### Annual General Meeting

On behalf of the Board, I am pleased to invite you to attend the Annual General Meeting of Noxopharm Limited (the Company).

This meeting will be held at 2.00pm (AEDT) on Monday, 27 November 2017 at:

Sydney Sofitel Wentworth Hotel  
Adelaide Room, Level 4  
61-101 Phillip Street  
Sydney NSW 2000

Enclosed are the following documents:

- Notice of Meeting and Explanatory Statement; and
- Proxy Form for the Annual General Meeting.

If you have requested a printed copy of the Annual Report for the year ended 30 June 2017, it is also enclosed.

If you are unable to attend the Meeting, I encourage you to appoint a proxy, by following the instructions on page 3 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 23 of the Notice.

#### Important notice – 2017 Annual Report

Shareholders are reminded that the Annual Report is only mailed to those Shareholders who have elected to receive it in hard copy. The 2017 Annual Report can be viewed on the Company's website at: <http://www.noxopharm.com>

We look forward to seeing you at the Annual General Meeting.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Marks', with a large, stylized initial 'P' and a long horizontal flourish at the end.

Mr Peter Marks  
Chairman

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## YOUR VOTE IS IMPORTANT

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

## VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out on page 5.

## APPOINTING A PROXY

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A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of Noxopharm.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded.

To appoint a proxy online:

- (a) go to <https://investor.automic.com.au/#/loginsah>;
- (b) enter "Noxopharm Limited" followed by your HIN (Holder Identification Number) or SRN (Shareholder Reference Number) and postcode. If you are an overseas resident, simply enter your country of residence; and
- (c) follow the verification prompts and then select "access". Proceed to the "Meetings" page to lodge your proxy vote.

Alternatively, you can appoint a proxy by completing and signing the enclosed proxy form and sending the form to by:

- (a) In person to Automic Registry Services at Level 3, 50 Holt Street, Surry Hills, NSW 2010 Australia;
- (b) Post to Automic Registry Services at PO BOX 2226, Strawberry Hills, NSW 2012 Australia; or
- (c) Fax to Automic Registry Services at (+61 2) 8583 3040.

The deadline for receipt of proxy appointments is 2.00pm (AEDT) on Saturday, 25 November 2017.

**Proxy appointments received later than this time will be invalid.**

### **POWER OF ATTORNEY**

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

### **CORPORATE REPRESENTATIVES**

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

An appointment of corporate representative form may be obtained from Automic by calling 1300 288 664 (local) or +61 2 9698 5414 (international) or online at: <https://automic.com.au/forms.html>.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting (AGM) of Shareholders of Noxopharm Limited will be held at Sydney Sofitel Wentworth Hotel, Adelaide Room, Level 4, 61-101 Phillip Street, Sydney NSW 2000 Australia. Registration will open at 1.30pm (AEDT).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

The Directors have determined under Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 7.00pm (AEDT) on Saturday, 25 November 2017.

### AGENDA

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#### ADOPTION OF ANNUAL REPORT

To receive and consider the Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017.

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, the Resolution below, which will be proposed as a Non-Binding Ordinary Resolution:

**1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

*“To adopt the Noxopharm Remuneration Report for the year ended 30 June 2017.”*

*Please refer voting exclusion statement on page 7*

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, the Resolutions below, which will be proposed as Ordinary Resolutions:

**2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PETER MARKS**

*“That Mr. Peter Marks be re-elected as a Director of the Company.”*

**3. RESOLUTION 3 – RATIFY PRIOR ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS, ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1**

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 8,149,525 Ordinary Shares to certain sophisticated and professional investors at an issue price of A\$0.33 per Share for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

*Please refer voting exclusion statement on page 7-8*

**4. RESOLUTION 4 – RATIFY PRIOR ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS, ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1A**

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify and approve the issue of 8,517,142 ordinary shares to certain sophisticated and professional investors at an issue price of A\$0.33 per Share for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

*Please refer voting exclusion statement on page 7-8*

Shareholders will be asked to consider, and if thought fit, to pass the Resolution below, which will be proposed as a Special Resolution:

**5. RESOLUTION 5 – APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES**

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital in 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 set out in the Explanatory Memorandum accompanying the Notice.”*

***Please refer voting exclusion statement on page 7-8***

Shareholders will be asked to consider, and if thought fit, to pass the Resolutions below, which will be proposed as Ordinary Resolutions:

**6. RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO MR PETER MARKS**

*“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue and allot 500,000 Options to Mr Peter Marks or his nominee, for the purposes and upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

***Please refer voting exclusion statement on page 7-9***

**7. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO DR IAN DIXON**

*“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue and allot 500,000 Options to Dr Ian Dixon or his nominee, for the purposes and upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

***Please refer voting exclusion statement on page 7-9***

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Dated: 4 October 2017

By Order of the Board



David Franks  
Company Secretary  
Noxopharm Limited

## Voting Exclusion Statement

For the definitions of Key Management Personnel (**KMP**) and Closely Related Parties, please refer to the Glossary on page 24.

The Corporations Act restricts members of the KMP of the Company and their Closely Related Parties from voting in relation to remuneration related Resolutions (such as Resolutions 1, 6 and 7).

In addition, separate voting restrictions apply under the ASX Listing Rules or if applicable under the Corporations Act.

### Voting Exclusion Statement – Key Management Personnel

**What this means for Shareholders:** If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them how to vote on Resolutions 1, 6 and 7. If you do not do so, your proxy will not be able to vote on your behalf on Resolutions 1, 6 and 7.

If you intend to appoint the Chairman of the Meeting as your proxy, you are encouraged to direct him how to vote by marking a box for Resolutions 1, 6 and 7 (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chairman as your proxy without directing him how to vote, the proxy form authorises him to vote as he decides on Resolutions 1, 6 and 7 (even though those Resolutions are connected with the remuneration of KMP). The Chairman of the Meeting intends to vote in favour of Resolutions 1, 6, 7 and 8 (where permissible).

### Voting Exclusion Statement – Listing Rules

The Company will disregard votes cast on Resolutions 1, 3, 4, 5, 6 and 7 by the persons detailed in the table below.

Resolution	Voting Exclusions
Resolution 1 – Adoption of Remuneration Report	<p>A vote must not be cast in any capacity by:</p> <ul style="list-style-type: none"><li>- A current or former member of the KMP whose remuneration details are included in the remuneration report for the year ended 30 June 2017, and</li><li>- Any Closely Related Parties of such member of the KMP.</li></ul> <p>In addition, no votes may be cast as a proxy by any other person who has become a member of the KMP by the time of the AGM, or their Closely Related Parties.</p> <p>However, the Company need not disregard a vote on Resolution 1 if:</p> <ul style="list-style-type: none"><li>- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, specifying how the proxy is to vote on the Resolution; or</li><li>- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form authorising him to vote as he decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li></ul>
Resolution 3 – Ratify prior issue of shares to sophisticated and professional investors, issued in accordance with ASX Listing Rule 7.1	<p>The Company will disregard any votes cast on Resolution 3 by:</p> <ul style="list-style-type: none"><li>- the persons described in the Resolution, being the persons that participated in the issue of the Shares that are the subject of the Resolution; and</li><li>- any associates of those persons.</li></ul> <p>However, the Company need not disregard a vote on Resolution 3 if:</p> <ul style="list-style-type: none"><li>- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li><li>- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form authorising him to vote as he decides on the Resolution.</li></ul>

<p>Resolution 4 – Ratify prior issue of shares to sophisticated and professional investors, issued in accordance with ASX listing rule 7.1A</p>	<p>The Company will disregard any votes cast on Resolution 4 by:</p> <ul style="list-style-type: none"> <li>- The persons described in the Resolution, being the persons that participated in the issue of the Shares that are the subject of the Resolution; and</li> <li>- any associates of those persons.</li> </ul> <p>However, the Company need not disregard a vote on Resolution 4 if:</p> <ul style="list-style-type: none"> <li>- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form authorising him to vote as he decides on the Resolution.</li> </ul>
<p>Resolution 5 – Approval of 10% Capacity to Issue Equity Securities</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- The persons who may participate in the proposed issue of the securities, and any persons who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed; and</li> <li>- Any associates of those persons.</li> </ul> <p>However, the Company need not disregard a vote on Resolution 5 if:</p> <ul style="list-style-type: none"> <li>- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form authorising him to vote as he decides on the Resolution.</li> </ul>
<p>Resolution 6 – Grant of Options to Mr Peter Marks</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- Peter Marks, who participated in the issue; and</li> <li>- Any associates of Peter Marks.</li> </ul> <p>However, the Company need not disregard a vote on Resolution 6 if:</p> <ul style="list-style-type: none"> <li>- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form authorising him to vote as he decides on the Resolution.</li> </ul>
<p>Resolution 7 – Grant of Options to Mr Ian Dixon</p>	<p>A vote must not be cast by:</p> <ul style="list-style-type: none"> <li>- Ian Dixon, who participated in the issue; and</li> <li>- Any associates of Ian Dixon.</li> </ul> <p>However, the Company need not disregard a vote on Resolution 7 if:</p> <ul style="list-style-type: none"> <li>- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form authorising him to vote as he decides on the Resolution.</li> </ul>



## Voting Exclusion Statement – Chapter 2E of the Corporations Act

The Company will disregard votes cast on Resolutions 6 and 7 by the persons detailed in the table below.

<b>Resolution</b>	<b>Voting exclusions</b>
Resolution 6 – Grant of Options to Mr Peter Marks	<p>A vote must not be cast by or on behalf of:</p> <ul style="list-style-type: none"><li>- Peter Marks who is a related party of the public company to whom the resolution would permit a financial benefit to be given and is to receive securities in relation to the entity; and</li><li>- Any associates of Peter Marks.</li></ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 6 if:</p> <ul style="list-style-type: none"><li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution;</li><li>- It is not cast on behalf of a person referred to directly above</li></ul>
Resolution 7 – Grant of Options to Mr Ian Dixon	<p>A vote must not be cast by or on behalf of:</p> <ul style="list-style-type: none"><li>- Ian Dixon who is a related party of the public company to whom the resolution would permit a financial benefit to be given and is to receive securities in relation to the entity; and</li><li>- Any associates of Ian Dixon.</li></ul> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 7 if:</p> <ul style="list-style-type: none"><li>- The vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution;</li><li>- It is not cast on behalf of a person referred to directly above</li></ul>

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held on Monday, 27 November 2017 at 2.00pm (AEDT).

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

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### 1. ANNUAL REPORT

The business of the Meeting will include receipt and consideration of the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017, which are included in Noxopharm's Annual Report.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Report, and on the management of Noxopharm.

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

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

#### Written questions for the Auditor

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

Please note that all written questions must be received at least five business days before the Meeting, which is by Monday, 20 November 2017.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Annual Report. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

S250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report then:

- If comments are made on the Remuneration Report at the Meeting, Noxopharm's 2018 Remuneration Report will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- If, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the 2018 Remuneration Report are against it, Noxopharm will be required to put to Shareholders a resolution proposing that an Extraordinary General Meeting (**EGM**) be called to consider the election of Directors (**Spill Resolution**). If the Spill Resolution is passed (i.e. more than 50%

of the votes cast are in favour of it), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that Meeting.

Last year, a resolution was passed to adopt the 2016 Remuneration Report, with in excess of 75% of votes cast in favour of the resolution on a show of hands (noting that in excess of 75% of proxies lodged were also in favour of the resolution).

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Remuneration Report.

**Board Recommendation:** *The Remuneration Report forms part of the Directors' Report, which was approved in accordance with a unanimous resolution of the Board. Each Non-Executive Director recommends that Shareholders vote in favour of adopting the Remuneration Report. The Chairman will vote undirected proxies in favour of this Resolution where permitted.*

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### 3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MR PETER MARKS

Article 59(1) of the Constitution requires that one third of the Directors (or if their number is not a multiple of three, then the number nearest one third) must retire at each Annual General Meeting. It also provides that a Director who retires under article 59(3) is eligible for re-election. A Managing Director (if any) is exempt from this requirement under article 76(6).

ASX Listing Rule 14.4 requires that a director of an entity must not hold office (without re-election) past the third Annual General Meeting following the director's appointment or 3 years, whichever is longer.

#### RESOLUTION 2 - MR PETER MARKS

Mr Marks will retire by rotation and seeks re-election in accordance with article 59(3) of the Constitution.

#### **Brief Curriculum Vitae of Mr Peter Marks**

Independent Non-executive Chairman

#### **Experience and expertise**

Mr Marks joined the Board of Noxopharm on 15 March 2016.

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

Over this period Mr Marks has been involved in a very broad range of transactions, with a special focus in the life sciences, biotechnology, medical technology and high tech segments. He has been a Director and/or Chairman of several public companies. He currently is a Director of Prana Biotechnology Ltd (ASX & Nasdaq listed) since 2005 and Non-Executive Director of Fluence Corporation Ltd (formerly Emefcy Group Limited) (ASX listed) since 2015.

Mr Marks provides strategic and corporate advice at various stages of technology commercialisation for companies to transition to an operating entity, and helps facilitate significant commercial transactions to create shareholder value.

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

#### **Current Directorships of other listed companies**

Prana Biotechnology Ltd (since 2005), and Fluence Corporation Ltd (since 2015).

## **Former Directorships of other listed companies in the last three years**

Armadale Capital Plc

**Board Recommendation:** *The Directors (with Mr Marks abstaining) unanimously recommend the re-election of Mr Marks as a Director of the Company. The Chairman will vote undirected proxies in favour of this Resolution where permitted.*

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#### **4. BACKGROUND TO RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS**

As announced to ASX on 4 September 2017, the Company successfully completed a private placement to sophisticated, professional and exempt investors, of 16,666,667 new ordinary shares at \$0.33 per Share, of which 8,149,525 ordinary shares were issued in accordance with Listing Rule 7.1, and 8,517,142 ordinary shares with Listing Rule 7.1A. The Placement raised approximately \$5,500,000 in new capital (before costs) for the Company.

Funds raised will be used to accelerate the clinical development of its front-line drug, NOX66, as announced to the ASX on 24 August 2017.

The Company is now seeking ratification of the issue of these ordinary shares in accordance with Listing Rules 7.4 and 7.5.

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

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without Shareholder approval. Generally, a listed company cannot, in any 12-month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without Shareholder approval (**15% limit**), unless an exception applies. The Company has not exceeded this 15% limit.

##### **ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12-month period after the date of an annual general meeting of Shareholders at which the Shareholders approved by special resolution the issue of securities under ASX Listing Rule 7.1A. This 10% placement capacity is in addition to the Company's 15% limit under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX 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.

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

ASX Listing Rule 7.4 provides that where holders of ordinary securities approve a previous issue of securities made without approval under ASX Listing Rule 7.1, and provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been issued with Shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder approval is now sought for the issues of securities set out below, pursuant to ASX Listing Rule 7.4, to partially reinstate the Company's capacity to issue up to 15% of its ordinary issued capital under ASX Listing Rule 7.1 and an additional 10% of its ordinary issued capital under ASX Listing Rule 7.1A, if required, over a 12-month period without seeking further Shareholder approval.

##### **Resolution 3 - Ratification of prior issue of Shares to sophisticated and professional investors, previously issued in accordance with ASX Listing Rule 7.1**

Shareholder approval is being sought for the purposes of Listing Rule 7.4 to ratify the issue of the 8,149,525 Shares that were issued in accordance with Listing Rule 7.1 on 4 September 2017.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Resolution 3 Shares:

- (a) The number of securities issued was 8,149,525 ordinary shares;
- (b) The ordinary shares were issued at \$0.33 per share;
- (c) The shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing ordinary shares on issue;
- (d) The ordinary shares were issued to the following sophisticated and professional and exempt investors arranged by APP Securities Pty Ltd, operating as Asia Pacific Prudential Securities. The allottees were not related parties of the Company;
- (e) The Company received \$2,689,343 (before costs) from the issue of these Shares. The funds raised will be used to accelerate the clinical development of its front-line drug, NOX66; and
- (f) A voting exclusion applies to this item of business, as set out in the Notice of Meeting.

***Board recommendation for Resolution 3:*** *The Directors unanimously recommend that Shareholders vote in favour of ratifying the above issue of equity securities. This will enable the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 during a 12-month period without seeking further Shareholder approval. The Chairman will vote undirected proxies in favour of this Resolution where permitted.*

**Resolution 4 - Ratification of prior issue of Shares to sophisticated and professional investors, previously issued in accordance with ASX Listing Rule 7.1A**

Shareholder approval is being sought for the purposes of Listing Rule 7.1A to ratify the issue of the 8,517,142 ordinary shares that were issued in accordance with Listing Rule 7.1A on 4 September 2017.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Resolution 4 Shares:

- (a) The number of securities issued was 8,517,142 ordinary shares;
- (b) The ordinary shares were issued at \$0.33 per share;
- (c) The shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing ordinary shares on issue;
- (d) The ordinary shares were issued to the following sophisticated, professional and exempt investors arranged by APP Securities Pty Ltd, operating as Asia Pacific Prudential Securities. The allottees were not related parties of the Company;
- (e) The Company received \$2,810,657 (before costs) from the issue of these Shares. The funds raised will be used to accelerate the clinical development of its front-line drug, NOX66; and
- (f) A voting exclusion applies to this item of business, as set out in the Notice of Meeting.

***Board recommendation for Resolution 4:*** *The Directors unanimously recommend that Shareholders vote in favour of ratifying the above issue of equity securities. This will enable the Company to retain the flexibility to issue further equity securities representing up to 10% of the Company's share capital under ASX Listing Rule 7.1A during a 12-month period without seeking further Shareholder approval. The Chairman will vote undirected proxies in favour of this Resolution where permitted.*

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## 11. RESOLUTION 5 - APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES

### ASX Listing Rule 7.1

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without shareholder approval. Generally, a listed company cannot, in any 12-month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without shareholder approval (**15% limit**), unless an exception applies. The Company has not exceeded this 15% limit.

### ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12-month period after an annual general meeting. This 10% placement capacity (**10% limit**) is in addition to the Company's 15% limit under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX 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.

### Shareholder Approval

Shareholder approval is now sought in accordance with ASX Listing Rule 7.1A to give the Company the ability to issue equity securities under the 10% limit. Resolution 5 must be passed as a Special Resolution, meaning that at least 75 per cent of the votes cast at the AGM must be in favour of Resolution 5.

### Current Securities on Issue

As at the date of this Notice, the Company has the following classes and numbers of equity securities on issue:

Security Class	Number on issue
Ordinary Shares	101,838,096 *
Unlisted Options, exercise price \$0.30, expiry date 28 February 2021	3,635,358
Unlisted Options, exercise price \$0.30, expiry date 28 February 2021 – escrowed till 9 August 2018	18,950,358

\* of which 46,885,465 are escrowed until 9 August 2018

### Duration of Approval of 10% Limit

Shareholder approval of the 10% limit under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) The date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), (the **period of approval**).

### Formula for Calculation of 10% limit

The exact number of equity securities to be issued under the 10% limit will be determined in accordance with the following formula, which is prescribed in ASX Listing Rule 7.1A.2:

Eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of approval, a number of equity securities calculated in accordance with the following formula:

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

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

- Plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- Plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- Plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% limit without shareholder approval;
- Less the number of fully paid ordinary shares cancelled in the 12 months.

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

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

ASX Listing Rule 7.3A requires the following information to be provided to Shareholders:

**(a) Minimum Price**

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of the Company's equity securities in the same class, calculated over the 15 Trading Days 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) Risk of Voting Dilution**

If Resolution 5 is approved by Shareholders and the Company issues equity securities under the 10% limit, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk 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 on the date of the Meeting; 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 the equity securities are issued as part of the consideration for the acquisition of a new asset;

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

The below table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A', calculated in accordance with the formula in ASX Listing Rule 7.1A(2), as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company currently has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future

specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) Two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.1575 50% decrease in Issue Price	\$0.315 Issue Price	\$0.630 100% increase in Issue Price
Current Variable 'A' 85,171,429	10% Voting Dilution	8,517,143	8,517,143	8,517,143
	Funds Raised \$	\$1,341,450	\$2,682,900	\$5,365,800
50% increase in current variable 'A' 127,757,144	10% Voting Dilution	12,775,714	12,775,714	12,775,714
	Funds Raised \$	\$2,012,175	\$4,024,350	\$8,048,700
100% increase in current variable 'A' 170,342,858	10% Voting Dilution	17,034,286	17,034,286	17,034,286
	Funds Raised \$	\$2,682,900	\$5,365,800	\$10,731,600

The above table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of equity securities available under the 10% limit.
- (ii) No Options (including any Options issued under the 10% limit) are exercised into Shares before the date of the issue of 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 table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% limit, based on that Shareholder's holding at the date of the Meeting;
- (v) The table shows only the effect of issue of equity securities under ASX Listing Rule 7.1A, not under the 15% limit under ASX Listing Rule 7.1;
- (vi) The issue of equity securities under the 10% limit consists only of Shares. If the issue of equity securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
- (vii) The issue price is \$0.315 being the closing market price of the Shares on the ASX on 26 September 2017.

**(c) Period of Approval**

The Company will only issue and allot the equity securities during the period of approval. The approval under Resolution 5 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

**(d) Purpose of Issue under 10% Limit**

The Company may seek to issue the equity securities for the following purposes:

- (i) non-cash consideration: for purposes which include, but are not limited to, the payment of contractors or consultants, in connection with agreements or for the acquisition of new assets or the settlement of obligations (although the Company has no present intention to do so) (in



such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules);

- (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised to fund product research, development and commercialisation programs, including its front-line drug, NOX66, for the acquisition of new assets and for general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.

**(e) Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% limit. The identity of the allottees of equity securities will be determined on a case by case basis, having regard to the factors including but not limited to the following:

- (i) The purpose of the issue;
- (ii) The alternative methods for raising funds that are available to the company at the time, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) The effect of the issue of the equity securities on the control of the company;
- (iv) The circumstances of the company, including the financial position and solvency of the company; and
- (v) Advice from corporate, financial and broking advisers (if available).

The allottees under the 10% limit have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

**(f) Voting Exclusion Statement**

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

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

**(g) Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at the Company's Annual General Meeting on 23 November 2016.

During the 12 months preceding the date of this Meeting, being from and including 24 November 2016 to and including 4 October 2017, being the date of this Notice of Meeting, (preceding 12-month period) the Company has issued in aggregate the following equity securities:

- 26,666,667 Shares

Those equity securities issued during the preceding 12-month period represent, on a fully diluted basis, 35.47% of the total number of equity securities that were on issue on the first day of the preceding 12-month period.

Further details of the equity securities issued during the preceding 12-month period are set out in Annexure 1.

**Board Recommendation:** The Directors unanimously recommend that Shareholders vote in favour of approving the 10% limit. This will enable the Company to have the flexibility to issue further equity securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a 12-month period without seeking further Shareholder approval. The Chairman will vote undirected proxies in favour of this Resolution where permitted.

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## 6. RESOLUTION 6 – GRANT OF OPTIONS TO PETER MARKS

It is proposed that a total grant of 500,000 options is made to Mr Marks, a director of the Company, or his nominee.

The options have the following details:

<b>No. of Options</b>	<b>Exercise Price (per option) *</b>	<b>Expiry Date</b>
250,000	25% premium to 7 Trading Days VWAP at grant date	3 years from grant date
<u>250,000</u>	50% premium to 7 Trading Days VWAP at grant date	3 years from grant date
500,000		

\* The options vest on the date of issue.

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

Accordingly, Mr Marks is a related party to the Company.

Shareholder approval is sought for the grant of 500,000 Options to Mr Marks or his nominee. These Options are proposed to be issued to Mr Marks to align his interests with that of the Company's shareholders and as a reward for the increased involvement Mr Marks has had in the affairs of the Company since his appointment as a director.

Mr Marks has a material personal interest in the outcome of this Resolution as it is proposed that Options be granted to him (or his nominee).

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Mr Marks, or his nominee;
- (b) The maximum number of Options that will be issued to Mr Marks is 500,000.
- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case, no later than one month after the date of the Meeting;
- (d) Mr Marks is a Director of the Company;
- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 2.

**Board Recommendation:** As Resolution 6 relates to Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution. The Chairman will vote undirected proxies in favour of this Resolution where permitted.

Additional Information in relation to Chapter 2E of the Corporations Act is contained in Section 10 below.

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## 7. RESOLUTION 7 – GRANT OF OPTIONS TO DR IAN DIXON

It is proposed that a total grant of 500,000 options is made to Dr Dixon, a director of the Company, or his nominee.

The options have the following details:

<b>No. of Options</b>	<b>Exercise Price (per option) *</b>	<b>Expiry Date</b>
250,000	25% premium to 7 Trading Days VWAP at grant date	3 years from grant date
<u>250,000</u>	50% premium to 7 Trading Days VWAP at grant date	3 years from grant date
500,000		

\* The options vest on the date of issue.

The options vest on the date of issue.

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

Accordingly, Dr Dixon is a related party to the Company.

Shareholder approval is sought for the grant of 500,000 Options to Dr Dixon or his nominee. These Options are proposed to be issued to Dr Dixon to align his interests with that of the Company's shareholders and as a reward for the increased involvement Dr Dixon has had in the affairs of the Company since his appointment as Chairman.

Dr Dixon has a material personal interest in the outcome of this Resolution as it is proposed that Options be granted to him (or his nominee).

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Dr Dixon, or his nominee;
- (b) The maximum number of Options that will be issued to Dr Dixon is 500,000.
- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case, no later than one month after the date of the Meeting;
- (d) Dr Dixon is a Director of the Company;
- (e) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses; and
- (f) Other material terms and conditions of the Options are set out at Annexure 2.

**Board Recommendation:** *As Resolution 7 relates to Directors' remuneration, the Directors have refrained from making a recommendation in relation to this resolution. The Chairman will vote undirected proxies in favour of this Resolution where permitted.*

Additional Information in relation to Chapter 2E of the Corporations Act is contained in Section 10 below.

## 8. RESOLUTIONS 6 AND 7 – ADDITIONAL INFORMATION

### Chapter 2E of the Corporations Act disclosures

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. Exceptions to this general prohibition include where the company first obtains the approval of its shareholder in general meeting, or the financial benefit being provided is on arm's length terms or better.

A "financial benefit" for the purposes of the Corporations Act includes issuing securities to a related party.

The proposed Resolutions 6 and 7, if passed, will confer financial benefits to the Directors. Therefore, the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders:

- (a) The related parties to whom Resolutions 6 and 7 would permit the financial benefit to be given is Mr Marks and Dr Dixon as Directors of the Company;
- (b) The nature of the proposed financial benefit to be given is outlined below:

	Number of Options	Exercise Price (per option)	Expiry Date
Graham Kelly	0	N/A	N/A
Peter Marks	500,000 (i)	(ii)	(iii)
Ian Dixon	500,000 (i)	(ii)	(iii)

<i>No. of Options</i>	<i>Exercise Price (per option) *</i>	<i>Expiry Date</i>
250,000	25% premium to 7 Trading Days VWAP at grant date	3 years from grant date
<u>250,000</u>	50% premium to 7 Trading Days VWAP at grant date	3 years from grant date
500,000		

\* The options vest on the date of issue.

- (c) The Options, the subject of Resolutions 6 and 7 will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used for working capital and other operational expenses;
- (d) As Resolutions 6 and 7 relate to Directors' remuneration, the Directors have refrained from making a recommendation in relation to these resolutions; and
- (e) Directors have the following interests and other remuneration:

Director (including associated entities)	2016 Financial Year Remuneration	2017 Financial Year Remuneration	Proposed 2018 Financial Year Remuneration */**
G Kelly	\$190,248	\$403,547	\$446,000
P Marks	\$43,750	\$88,250	\$211,741
I Dixon	\$29,166	\$70,105	\$181,741
<b>Total</b>	<b>\$263,164</b>	<b>\$561,902</b>	<b>\$839,482</b>

\* Including the value of the options proposed to be granted under Resolutions 6 and 7.

\*\* this data is based on the current remuneration of the directors. The Company is intending to shortly undertake a review of the Managing Director's (G Kelly) remuneration. Should this

change, the Company will make an ASX release to the market.

If the Options, the subject of Resolutions 6 and 7 are approved, the following will be the effect of their holdings in the Company:

Directors (including associated entities)	Current Share, Performance Share & Option Holding	% of Total Share & Option Capital	Share & Option Capital Upon Exercise*	% of Total Share & Option Capital Upon exercise
G Kelly	43,485,221	34.95%	43,485,221	34.67%
P Marks	700,000	0.56%	1,200,000	0.96%
I Dixon	2,466,246	1.98%	2,966,246	2.36%
All Other Holders	77,772,345	62.51%	77,772,345	62.01%
<b>Total</b>	<b>124,423,812</b>	<b>100.00%</b>	<b>125,423,812</b>	<b>100.00%</b>

\* This figure includes the Options proposed to be granted to the directors under Resolutions 6 and 7.

**(f) Valuation**

The Options that are the subject of Resolutions 6 and 7 are not currently quoted on the ASX and as such have no market value. Each Option grants the holder a right to subscribe for one Share upon exercise of each Option and payment of the exercise price described above. Accordingly, the Options may have a present value at the date of their grant.

The Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Options during the term of the Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value. Various factors impact upon the value of options including things such as:

- The period outstanding before the expiry date of the options;
- The exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- The proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. Whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- The value of the shares into which the options may be converted; and
- Whether or not the options are listed (i.e. readily capable of being liquidated) and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black and Scholes option valuation methodology “Black-Scholes Model”).

The Company has sought an independent valuation of the Options from Stantons International Securities (**SIS**). The method used to value the Options was the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company’s underlying Share price and expected dividends.

The data relied upon in the valuation applying the Black-Scholes Model was:

***Class A Options, being with exercise price at a premium of 25% of the 7 Trading Day VWAP ending on the ASX business day immediately prior to the date of grant***

- Exercise price of the Options as per the SIS Report being \$0.40625, being 25% premium of closing share price as at 2 October 2017 (\$0.325);
- Market price of Shares of \$0.325, being the price of Shares on the ASX at close on 2 October 2017 valuation as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue;
- Options vesting on the date of issue;
- Expiry Date of 3 years from grant date;
- Volatility measure of 100%;
- Risk-free interest rate of 2.168% being 3 year Australian Government bond rate as at 3 October 2017;
- No discount has been applied for their unlisted status; and
- Dividend yield of 0.00%.

Based on the assessed fair value of the Options in the SIS report, the Company has adopted an indicative value of \$0.18941 per option, being a total value of \$47,353 for the Options proposed to be granted to each of Messrs Marks and Dixon, as calculated in that report (being 94,706 in total).

***Class B Options, being with exercise price at a premium of 50% of the 7 Trading Day VWAP ending on the ASX business day immediately prior to the date of grant***

- Exercise price of the Options as per the SIS Report being \$0.4875, being 50% premium of closing share price as at 2 October 2017 (\$0.325);
- Market price of Shares of \$0.325, being the price of Shares on the ASX at close on 2 October 2017 valuation as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue;
- Options vesting on the date of issue;
- Expiry Date of 3 years from grant date;
- Volatility measure of 100%;
- Risk-free interest rate of 2.168% being 3 year Australian Government bond rate as at 3 October 2017;
- No discount has been applied for their unlisted status; and
- Dividend yield of 0.00%.

Based on the assessed fair value of the Options in the SIS report, the Company has adopted an indicative value of \$0.17755 per option, being a total value of \$44,388 for the Options proposed to be granted to each of Messrs Marks and Dixon, as calculated in that report (being 88,776 in total).

The total assessed valuation of the Options that are the subject of Resolutions 6 and 7 is \$183,482.

**(g) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors.**

There is no other information known to the Company or any of the Directors save and except as follows:

**(i) Opportunity Costs**

The opportunity costs and benefits foregone by the Company issuing the Options to the directors or their nominees, is the potentially dilutionary impact on the issued Share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentive terms. It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

(ii) Trading History of the Shares

As at 26 September 2017, the closing price of Shares on ASX was \$0.315. Over the last 12 months, the 52-week high was \$0.89 per share and the 52 low was \$0.15 per share.

(iii) Taxation Consequences

No stamp duty will be payable in respect of the grant of the Options. No GST will be payable by the Company in respect of the grant of the Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

(iv) Dilutionary Effect

The dilutionary effect on the Company and its shareholders is summarised in the table on page 21.

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**10. ENQUIRIES**

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in these documents.

David Franks, Company Secretary  
Noxopharm Limited

c/- Franks & Associates Pty Limited  
GPO Box 4325  
Sydney, NSW 2001

Tel: (+61 2) 9299 9690  
Fax: (+61 2) 9251 7455  
Email: [dfranks@fa.com.au](mailto:dfranks@fa.com.au)

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## 11. GLOSSARY

**AEDT** means Australian Eastern Daylight Time, Sydney, New South Wales.

**Annual General Meeting, AGM or Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited (ABN 97 008 084 848).

**ASX Listing Rules** means the Listing Rules of ASX.

**Automic** means Automic Registry Services or Automic Pty Ltd.

**Board** means the board of Directors of the Company as constituted from time to time.

**Closely Related Parties**, in relation to a member of KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with Noxopharm, and any company the member controls.

**Company or Noxopharm** means Noxopharm Limited (ABN 50 608 966 123).

**Constitution** means the Constitution of the Company.

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

**Directors** mean the directors of the Company.

**Documents** means each of the Notice, Explanatory Statement and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel or KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of Noxopharm, whether directly or indirectly. Members of the KMP include Directors and certain senior executives.

**Notice** means the notice of Meeting that accompanies and forms part of the Documents.

**Option** means an option, if exercised in accordance with its terms, to acquire one Share in the Company.

**Ordinary Resolution** means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

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

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

**Shareholder** means a holder of a Share.

**Share Registry** means Automic.

**Special Resolution** means a resolution passed by at least 75 per cent of the votes at a general meeting of Shareholders.

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

**VWAP** means the volume weighted average price of trading in Shares on the ASX market and the Chi-X market over a specified period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.



## Interpretation

In these Documents, unless the context requires otherwise:

- (a) A reference to a word includes the singular and the plural of the word and vice versa;
- (b) A reference to a gender includes any gender;
- (c) If a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) A term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) Headings are included for convenience only and do not affect interpretation;
- (f) A reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) A reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) The terms “included”, “including” and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) A reference to a statute or statutory provision includes but is not limited to:
  - (i) A statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
  - (ii) A statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
  - (iii) Subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) Reference to “\$”, “a\$”, “Australian dollars” or “dollars” is a reference to the lawful tender for the time being and from time to time of the commonwealth of Australia; and
- (k) A reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

**ANNEXURE 1 - PARTICULARS OF ISSUES OF EQUITY SECURITIES IN PRECEDING 12 MONTH PERIOD**

<b>Date</b>	<b>Class of equity securities issued</b>	<b>Allottees of equity securities issued or basis of allotment</b>	<b>Issue Price per equity security</b>	<b>Discount to market price (if any)</b>	<b>Total cash consideration raised</b>	<b>Amount of cash spent, what it was spent on and proposed application of balance of funds raised</b>	<b>Particulars of any non-cash consideration raised and its current value</b>	<b>No. of Ordinary Shares</b>	<b>No. of Options</b>
19 December 2016	Ordinary Shares	Conversion of Performance Shares to 7 holders as listed on Page 70 of the Prospectus dated 24 June 2016	\$0.00	N/A – no funds raised from conversion of shares	Nil - no funds raised from conversion of shares	N/A – no funds raised from conversion of shares	Conversion of Performance Shares to Fully Paid Ordinary Shares due to performance milestones being achieved as outlined in the prospectus	10,000,000	N/A
4 September 2017	Ordinary Shares	Placement to professional and sophisticated investors	\$0.33	\$0.00	\$5,500,000	\$5,500,000 in funds will be used to accelerate the clinical development of the Company's front-line drug, NOX66. As at date of Notice, no funds have been spent.	N/A	16,666,667	N/A

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**OPTIONS – TERMS AND CONDITIONS**

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**1. Entitlement**

Each Option (together **Options**) entitles the holder to subscribe for and be issued one fully paid ordinary share (**Share**) in the capital of Noxopharm Limited (**Company**) upon exercise of each Option. The date of issue of that Option will hereafter be referred to as the **Issue Date**.

**2. Exercise Price and Expiry Date**

- (a) The Exercise Price of the Options is as per the Option holding statement.
- (b) The Expiry Date of the Options is the earlier to occur of the Options expiry date as noted on the Option holding statement and 30 days after a Change in Control Event.

**3. Exercise Period and Vesting Date**

- (a) Subject to the Change of Control provisions below, each Option is exercisable at any time after the latter of the date of grant of the Option and the vesting date (if applicable) and before the Expiry Date.
- (b) Notwithstanding that the Expiry Date has not occurred, each Option that has not already vested as outlined above will expire on that date which is the earlier of the date the Option holder ceases to be employed, engaged as a consultant or appointed as a director of the Company because of:
  - (i) If the holder is an employee, the date the holder is dismissed from employment with the Company for gross misconduct;
  - (ii) If the holder is a consultant, the date the holder's appointment is terminated for gross misconduct;
  - (iii) If the holder is a director, the date the holder is disqualified from holding the office of director;
  - (iv) Retirement;
  - (v) Voluntary cessation; or
  - (vi) By mutual agreement (unless the Board resolves otherwise),and thereafter no party has any claim against any other party arising under or in respect of any Option.
- (c) If a Change in Control Event occurs in respect of the Company, all Options that have been issued but have not yet vested, will immediately thereupon vest.
- (d) **A Change in Control Event** means:
  - (i) The occurrence of:
    - (A) The offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more in number of the Shares; and
    - (B) That takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
  - (ii) The announcement by the Company that:
    - (A) Shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
      - (1) Cancelled; or

- (2) Transferred to a third party; and
- (B) The Court, by order, approves the proposed scheme of arrangement.

#### 4. **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt by the Company of that Notice of Exercise.

#### 5. **Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with all other issued Shares.

#### 6. **Quotation of Shares on Exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued promptly after the exercise of the Options.

#### 7. **Timing of Issue of Shares**

Within fifteen Business Days after the later to occur of:

- (a) Receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company (each an **Exercised Option**) where the Company is not in possession of any excluded information (as defined in section 708A(7) of the Corporations Act) (**Excluded Information**); and
- (b) The date upon which the Company ceases to be in possession of Excluded Information in respect to the Company following the receipt of the Notice of Exercise and payment of the Exercise Price for each Exercised Option being exercised by the Company,

The Company will:

- (c) Issue the Shares pursuant to the exercise of the Exercised Options;
- (d) Give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (e) Apply for official quotation on ASX of Shares issued pursuant to the exercise of the Exercised Options.

#### 8. **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders of Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the holders of the Options will be afforded the minimum period of notice prescribed under the Listing Rules prior to and inclusive of the books closing date (to determine entitlements to the issue) in order to give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

#### 9. **Pro-rata Issues**

If there is a pro rata issue (except a bonus issue), then at the time of the pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:

$$O^n = O - E \frac{[P-(S + D)]}{N + 1}$$

$$N + 1$$

Where:

- $O^n$  = the new exercise price of the Option;
- $O$  = the old exercise price of the Option;
- $E$  = the number of underlying securities into which one Option is exercisable;
- $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-right date or the ex-entitlements date;
- $S$  = the subscription price for a security under the pro rata issue;
- $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Otherwise the exercise price of the Option shall remain unchanged.

#### **10. Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) The number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received as if the Option holder had exercised the Option before the record date for the bonus issue; and
- (b) No change will be made to the Exercise Price.

#### **11. Adjustment Reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders will, be varied to the extent necessary to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

#### **12. Quotation of Options**

- (a) No application for official quotation of the Options will be made by the Company.
- (b) The Company shall apply for the listing of the resultant shares of the Company issued upon exercise of any Option.

#### **13. Options Transferable**

The Options are only transferable subject to the prior approval of the Board of Directors of the Company and only then provided that the transfer of Options complies with section 707(3) of the Corporations Act.

#### **14. Lodgment Instructions**

Cheques payable in respect of the exercise of any right attaching to an Option shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of Options with the appropriate remittance should be lodged at the Company's registry.



Noxopharm Limited | ABN 50 608 966 123

[Name/Address 1]  
[Name/Address 2]  
[Name/Address 3]  
[Name/Address 4]  
[Name/Address 5]  
[Name/Address 6]

# AGM Registration Card

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

# [BARCODE]

**Holder Number:**  
[HolderNumber]

## Vote by Proxy: NOX

Your proxy voting instruction must be received by **2.00pm (AEDT) on Saturday, 25 November 2017**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

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

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



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

### SUBMIT YOUR PROXY VOTE BY PAPER

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

#### YOUR NAME AND ADDRESS

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

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

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

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

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

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

#### APPOINTMENT OF SECOND PROXY

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

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

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

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

#### CORPORATE REPRESENTATIVES

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

#### ATTENDING THE MEETING

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

#### POWER OF ATTORNEY

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

[BARCODE]

Holder Number: [HolderNumber]

STEP 1: Please appoint a Proxy

**Complete and return this form as instructed only if you do not vote online**

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **2.00pm (AEDT) on Monday, 27 November 2017 at The Sydney Sofitel Wentworth Hotel, Adelaide Room, Level 4, 61 – 101 Phillip Street, Sydney, NSW 2000** hereby:

**Appoint the Chairman of the Meeting (Chair)** OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of 10% Capacity to Issue Equity Securities - Special Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Peter Marks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Issue of Options to Mr Peter Marks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratify Prior Issue of Shares to Sophisticated and Professional Investors, issued in accordance with ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of Issue of Options to Dr Ian Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratify Prior Issue of Shares to Sophisticated and Professional Investors, issued in accordance with ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Email Address \_\_\_\_\_

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

STEP 4: Return

**Return your completed form:**



**BY MAIL**

Automic Registry Services  
PO Box 2226  
Strawberry Hills NSW 2012



**IN PERSON**

Automic Registry Services  
Level 3, 50 Holt Street,  
Surry Hills NSW 2010

**Contact us – All enquiries to Automic:**



**WEBCHAT**

<https://automic.com.au/>



**EMAIL**

[hello@automic.com.au](mailto:hello@automic.com.au)



**PHONE**

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)