



# AdAlta

next generation protein therapeutics

ADALTA LIMITED  
ACN 120 332 925

**NOTICE OF 2021 ANNUAL GENERAL**

**MEETING EXPLANATORY**

**MEMORANDUM**

**AND**

**PROXY FORM**

**To be held as a  
virtual meeting  
on**

Monday 29 November 2021

**Time of Meeting**  
2:00pm (AEDT)

***IMPORTANT INFORMATION: Due to the COVID-19 pandemic, the AGM will be held as a virtual meeting. If you are a shareholder and you wish to virtually attend the AGM, please pre-register in advance for the virtual meeting here:***

[https://us02web.zoom.us/webinar/register/WN\\_PVHOXehoTDy6HPFf1p7\\_uQ](https://us02web.zoom.us/webinar/register/WN_PVHOXehoTDy6HPFf1p7_uQ)

**ADALTA LIMITED**  
**ACN 120 332 925**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of the Shareholders of AdAlta Limited (**Company**) which will be held at 2:00pm (AEST) on 29 November 2021.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the Annual General Meeting as a virtual meeting accessible online, in a manner that is consistent with the temporary relief measures introduced by the federal government in *Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth)* (**Relief Measures**). There will not be a physical meeting where shareholders can attend, but Shareholders will be given a reasonable opportunity to participate in the meeting without being physically present and to vote in real time (including an opportunity to vote before the meeting) electronically through a virtual meeting accessible online via the link below:

[https://us02web.zoom.us/webinar/register/WN\\_PVHOXehoTDy6HPFf1p7\\_uQ](https://us02web.zoom.us/webinar/register/WN_PVHOXehoTDy6HPFf1p7_uQ)

Additionally, in accordance with the Relief Measures in relation to electronic notice of meetings, the Notice is being made available to Shareholders electronically and can be viewed and downloaded online at the following link:

<https://adalta.com.au/investors/asx-announcements/>

Instructions on how to attend the Meeting and vote are in the Explanatory Memorandum which forms part of this Notice of Annual Shareholders' Meeting and in the accompanying online meeting guide.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 27 November 2021 at 7pm (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

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## **AGENDA**

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### **1. Annual Report**

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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

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

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual report for the financial year ended 30 June 2021."*

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

### **Voting Exclusion - Resolution 1**

In accordance with section 250R of the Corporations Act, a vote must not be cast (in any capacity) on this Resolution by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member (collectively, a **KMP**). However, a KMP may cast a vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a KMP and either:

- (a) the KMP is acting as proxy and the proxy form specifies how the proxy is to vote; or
- (b) the proxy is the Chair of the meeting and the appointment as proxy (i) does not specify the way the proxy is to vote on the Resolution, and (ii) which expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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### **3. Resolution 2 – Re-election of Director – Ms Elizabeth (Liddy) McCall**

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

*"That, for the purpose of Listing Rule 14.4 and clause 16.4 of the Constitution and for all other purposes, Ms Elizabeth (Liddy) McCall, a Director, retires and being eligible, is re-elected as a Director."*

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### **4. Resolution 3 - Re-election of Director – Dr Robert Peach**

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

*"That, for the purpose of Listing Rule 14.4 and clause 16.4 of the Constitution and for all other purposes, Dr Robert Peach, a Director, retires and being eligible, is re-elected as a Director."*

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### **5. Resolution 4 – Approval of issue of Options to Dr Timothy Oldham, Director of the Company**

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

*"That, for the purposes of section 195(4) of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,200,000 Director Options to Dr Timothy Oldham, Director of the Company (or his nominee) under the Company's Omnibus Equity Plan and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

### **Voting Exclusion: - Resolution 4**

The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this Omnibus Equity Plan (or any of their associates).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution, and
  - (ii) the Shareholder votes on the resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

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## 6. Resolution 5 – Approval of issue of Options to Dr Paul MacLeman, Director of the Company

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

*"That, for the purposes of section 195(4) of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 3,055,000 Director Options to Dr Paul MacLeman, Director of the Company (or his nominee) under the Company's Omnibus Equity Plan and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

### Voting Exclusion: - Resolution 5

The Company will disregard any votes cast in favour on this Resolution 5 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this Omnibus Equity Plan (or any of his associates).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution, and
  - (ii) the Shareholder votes on the resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

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## 7. Resolution 6 – Approval of issue of Options to Dr Robert Peach, Director of the Company

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

*"That, for the purposes of section 195(4) of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,200,000 Director Options to Dr Robert Peach, Director of the Company (or their nominee) under the Company's Omnibus Equity Plan and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

### Voting Exclusion: - Resolution 6

The Company will disregard any votes cast in favour on this Resolution 6 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this Omnibus Equity Plan (or any of his associates).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution, and
  - (ii) the Shareholder votes on the resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

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## 8. Resolution 7 – Approval of issue of Options to Dr David Fuller, Director of the Company

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

*"That, for the purposes of section 195(4) of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,200,000 Director Options to Dr David Fuller, Director of the Company (or their nominee) under the Company's Omnibus Equity Plan and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

### Voting Exclusion: - Resolution 7

The Company will disregard any votes cast in favour on this Resolution 7 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in this Omnibus Equity Plan (or any of his associates).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution, and
  - (ii) the Shareholder votes on the resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

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## 9. Resolution 8 – Approval of 10% placement capacity

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

*"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling 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 set out in the Explanatory Memorandum."*

### Voting Exclusion: - Resolution 8

The Company will disregard any votes cast in favour on this Resolution 8 by or on behalf of any person who at the time approval pursuant to this Resolution 8 is sought the Company is proposing to make an issue of Equity Securities under rule 7.1A.2, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of any of those persons.

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

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

- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution, and
  - (ii) the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

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#### **10. Resolution 9 – Adoption of New Constitution**

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

*“That pursuant to section 136(2) of the Corporations Act and for all other purposes, the new Constitution as tabled at the Meeting and signed by the Chair of the Meeting for the purposes of identification, be approved and adopted by the members as the Constitution of the Company in place of the current Constitution, with effect from the conclusion of this Meeting.”*

Dated 29 October 2021

**BY ORDER OF THE BOARD**



**Cameron Jones**  
Company Secretary

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held electronically through a virtual meeting accessible online via the link below on Monday, 29 November 2021 at 2:00pm (AEDT):

[https://us02web.zoom.us/webinar/register/WN\\_PVHOXehoTDy6HPFf1p7\\_uQ](https://us02web.zoom.us/webinar/register/WN_PVHOXehoTDy6HPFf1p7_uQ)

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

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

#### ***Proxies***

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting virtually or, if they are unable to attend virtually, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending virtually and voting at the Meeting (in which case their proxy will be disregarded).

Personalised Proxy Forms will be available online at <https://investor.automic.com.au/#/home>.

Please note that:

- (a) a member of the Company entitled to attend (virtually) and vote at the 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.

A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at meetings in accordance with section 250D of the Corporations Act and provide satisfactory evidence of the appointment of its corporate representative to the Company prior to the Meeting.

To be valid, completed Proxy Forms or electronic voting instructions must be submitted to the Company's share registry, Automic, and received by 2:00pm (AEDT) on Saturday, 27 November 2021, being no later than 48 hours before the commencement of the Meeting.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll;
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote as directed; and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - i) if a record of attendance is made for the meeting - the proxy is not recorded as attending the meeting; or
  - ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### ***Authorised representative of corporate shareholders***

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act to be provided prior to the Meeting.

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

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## **3. Annual Report**

There is no requirement for Shareholders to approve the Annual Report. Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at <https://adalta.com.au/investors/annual-financial-reports/>
- (b) ask questions or make comment online in connection with the management of the Company;
- (c) ask the auditor questions online about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions online at the Meeting, written questions may be submitted to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;



- (b) the conduct of the audit;
- (c) accounting policies 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.

Written questions may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office or via email at [cameron.jones@bio101.com](mailto:cameron.jones@bio101.com).

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#### **4. Resolution 1 - Remuneration Report**

Section 250R(2) of the Corporations Act provides that the Company is required to put the adoption of the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that a vote on the adoption of the Remuneration Report (i.e. Resolution 1) is advisory only and does not bind the Directors or the Company.

While the vote on this Resolution 1 is advisory only, the outcome of the vote will be considered for the purposes of the "two strikes rule", where if a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders a "board spill resolution" at the second of those annual general meetings. If the board spill resolution is passed at the second of those annual general meetings, the Company is required to hold a further meeting of the Shareholders within 90 days at which all Directors (other than the managing director) who were in office at the date of approval of the Directors' Report (voted upon at the second of those annual general meetings) must stand for re-election.

No strike was recorded at the Company's 2020 annual general meeting. On this basis, while the vote on the Remuneration Report at this Meeting may potentially be counted towards the two strikes in the future, no board spill can occur at this year's annual general meeting.

The Chairman will allow a reasonable opportunity for Shareholders to ask online about, or make comments on the Remuneration Report.

#### *Recommendation*

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's stated intention, even though the resolution is connected with the remuneration of a member of the Key Management Personnel.

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#### **5. Resolution 2 – Re-election of Director – Ms Elizabeth (Liddy) McCall**

Listing Rule 14.4 and clause 16.4 of the Constitution require that a Director (excluding the managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer.

Under the Constitution, at each annual general meeting one-third of the Directors (except for the managing Director) or, if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, shall retire from office by rotation. A Director appointed by the Board as an additional director or to fill a casual vacancy will not be taken into account in determining the number of Directors who must retire by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

A Director who retires under clause 16.4 of the Constitution is eligible for re-election.

Ms Elizabeth (Liddy) McCall, a director since 16 December 2010 and last re-elected on 28 November 2018, retires and seeks re-election. Ms Elizabeth (Liddy) McCall's qualifications and experience are set out below and in the Annual Report.

**Ms Elizabeth (Liddy) McCall LLB., B.Juris,B.Com (Hons), GDipApFin (SIA), GAICD**

Non-Executive Director, joined the Board 16 December 2010. Liddy is co-founder of 3 biotechnology companies successfully achieving 3 FDA drug registrations and 1 FDA/ CE Mark medical device approval. She is an inventor on patents granted in major jurisdictions translating novel G-protein coupled pharmacology into a therapeutic drug treatment currently in multiple Phase 3 clinical trials. Liddy co-founded IIF venture capital fund, Yuuwa Capital LP, which is responsible for a portfolio of 6 companies commercializing biotechnology and IT innovation. Liddy has over 25 years of experience in senior Board and management roles including iCeutica Inc group (acquired in 2011), Dimerix Bioscience Pty Ltd (now Dimerix Limited ASX:DXB), AdAlta Limited (ASX:1AD) and iCetana Pty Ltd (now iCetana Limited ASX:ICE). Liddy was an Associate Director in the Corporate Advisory Group of Macquarie Bank and prior to that worked as a lawyer with a leading Australian law firm. She has qualifications in law and finance. Liddy is a Non-Executive Director of the not-for-profit Ear Science Institute Australia and also of Argenica Therapeutics Ltd (ASX:AGN) and The Tailor Made Spirits Company Limited.

*Recommendation*

The Directors (with Ms McCall abstaining) recommend that the Shareholders vote in favour of Resolution 2. The Chair intends to vote all undirected proxies in favour of Resolution 2.

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**6. Resolution 3 - Re-election of Director – Dr Robert Peach**

Listing Rule 14.4 and clause 16.4 of the Constitution require that a Director (excluding the managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer.

A description of the relevant provisions of the Constitution appears in section 5 above.

Dr Robert Peach, a director since 14 November 2016 and last re-elected on 26 November 2019, retires and seeks re-election. Dr Robert Peach's qualifications and experience are set out below and in the Annual Report.

**Dr Robert Peach BSc, MSc, PhD**

Non-Executive Director, appointed 14 November 2016. Robert has 30 years of drug discovery and development experience in the Pharmaceutical and Biotechnology industry. In 2009 he co-founded Receptos, becoming Chief Scientific Officer and raising US\$59M in venture capital and US\$800M in an IPO and three subsequent follow-on offerings. In August 2015 Receptos was acquired by Celgene for \$7.8B. Robert held senior executive and scientific positions in other companies including Apoptos, Biogen Idec, IDEC and Bristol- Myers Squibb, supporting licensing, acquisition and venture investments. His extensive drug discovery and development experience in autoimmune and inflammatory diseases, and cancer has resulted in multiple drugs entering clinical trials and 4 registered drugs. He currently serves on the Board of Directors of Amplia Therapeutics, Rekovery Therapeutics and is a Scientific Advisory Board member of Eclipse Bioinnovations. Robert is the co-author of 75 scientific publications and book chapters, and 17 patents. He was educated at the University of Canterbury and the University of Otago, New Zealand.

*Recommendation*

The Directors (with Dr Peach abstaining) recommend that the Shareholders vote in favour of Resolution 3. The Chair intends to vote all undirected proxies in favour of Resolution 3.

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## **7. Resolutions 4, 5, 6 and 7 – Approval of issue of Director Options to Directors of the Company**

### **7.1 Background**

Resolutions 4, 5, 6 and 7 seek Shareholder approval to issue and allot collectively 6,655,000 unlisted Options under the shareholder approved Omnibus Equity Plan. The Options are each exercisable at the price of the Company's 20-day VWAP as at the date of the AGM, 29 November 2021, expire on 29 November 2025 (**Director Options**) and are proposed to be issued to the below listed Directors of the Company (or their nominees) to preserve cash resources and to incentivise them in their role as Directors of the Company.

The full terms of the Director Options are set out in Annexure A.

Accordingly, Shareholder approval is being sought to issue and allot:

- (a) 1,200,000 Director Options to Dr Timothy Oldham (Resolution 4);
- (b) 3,055,000 Director Options to Dr Paul MacLeman (Resolution 5);
- (c) 1,200,000 Director Options to Dr Robert Peach (Resolution 6); and
- (d) 1,200,000 Director Options to Dr David Fuller (Resolution 7).

Resolutions 4, 5, 6 and 7 are ordinary resolutions and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favor of the Resolution. Shareholders' attention is drawn to the voting exclusion statements in the Notice.

### **7.2 ASX Listing Rules 10.14**

ASX Listing Rule 10.14 the Company, as a listed company, must not permit certain persons, including a Director (or their associates), to acquire equity securities under an employee incentive scheme without Shareholder approval.

As each of Dr Timothy Oldham, Dr Paul MacLeman, Dr Robert Peach and Dr David Fuller are Directors of the Company, Shareholder approval is required for the purposes of ASX Listing Rule 10.14. To this end, Resolutions 4, 5, 6 and 7 seek the required Shareholder approval to issue the Director Options to Dr Timothy Oldham, Dr Paul MacLeman, Dr Robert Peach and Dr David Fuller under and for the purposes of ASX Listing Rule 10.14.

If approval is obtained under ASX Listing Rule 10.14, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under ASX Listing Rule 7.1.

If Resolutions 4, 5, 6 and 7 are passed, the Company will be able to proceed with the proposed issue of Director Options to each of Dr Timothy Oldham, Dr Paul MacLeman, Dr Robert Peach and Dr David Fuller.

If any of Resolutions 4, 5, 6 and 7 are not passed, the Company will not be able to proceed with the proposed issue of Director Options to the Director for whom shareholder approval was not obtained and the Company will have to consider alternatives for the incentives it wishes to provide the Directors. None of the Resolutions 4, 5, 6 and 7 is dependent upon the passing of any of the other of them.

### **7.3 Corporations Act**

Chapter 2E of the Corporations Act prohibits the 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 to the relevant provisions of the Corporations Act; or
- b. Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Director Options (which is a type of equity security, for the purposes of the Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit to a related party.

A “related party” for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of “related party” also includes a person whom there is reasonable grounds to believe will become a “related party” of a public company.

Section 211 of the Corporations Act provides that an entity does not need to obtain Shareholder approval to give a financial benefit to a related party if the benefit is remuneration to a related party as an officer of a public company where such remuneration is reasonable given the circumstances of the company and the officer's circumstances (including the responsibilities involved in the office).

The non-conflicted Director of the Company (Ms McCall, who due to her relationship with Yuuwa Capital LP, is not eligible to directly receive remuneration from the Company) carefully considered the issues of the Director Options to Dr Timothy Oldham, Dr Paul MacLeman, Dr Robert Peach and Dr David Fuller, and formed the view that the giving of this financial benefit as part of their remuneration would be, for each such Director, reasonable remuneration for that Director given the circumstances of the Company, the quantum and terms of the Director Options, and the responsibilities held by each of those Directors in the Company and therefore, the exception in section 211 of the Corporations Act applies and the proposed issue of Director Options to Dr Timothy Oldham, Dr Paul MacLeman, Dr Robert Peach and Dr David Fuller, does not require Shareholder approval under Chapter 2E of the Corporations Act .

As all Directors (other than Ms McCall) have a material personal interest in the issue of the Director Options under the Omnibus Equity Plan pursuant to Resolutions 4, 5, 6 and 7 they were unable to form a quorum under section 195(1) of the Corporations Act and accordingly the Company seeks approval under section 195(4) of the Corporations Act with respect to these Resolutions so that the Shareholders may pass each resolution to deal with the proposed Director Option issues.

#### **7.4 Information required by ASX Listing Rule 10.15**

ASX Listing Rule 10.15 requires that the Meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.14 must include the following information:

*(a) The names of the allottees*

- i) Dr Timothy Oldham (Resolution 4).
- ii) Dr Paul MacLeman (Resolution 5).
- iii) Dr Robert Peach (Resolution 6).
- iv) Dr David Fuller (Resolution 7)

Each of the allottees are current Directors of the Company and therefore fall within the category referred to in Listing Rule 10.11.1.

*(b) The number of securities the entity will issue*

- i) 1,200,000 Director Options to Dr Timothy Oldham (Resolution 4).
- ii) 3,055,000 Director Options to Dr Paul MacLean (Resolution 5).
- iii) 1,200,000 Director Options to Dr Robert Peach (Resolution 6).
- iv) 1,200,000 Director Options to Dr David Fuller (Resolution 7).

*(c) Total remuneration package received by each Director*

Director	Annual remuneration including superannuation
Dr Timothy Oldham	\$331,348 (As of 1 September 2021)
Dr Paul MacLeman	\$75,000
Dr Robert Peach	\$50,000
Dr David Fuller	\$50,000

- (d) *The number of securities that have previously been issued to these Directors under the Omnibus Equity Plan and the average acquisition price paid by the person for those securities.*

Director	Number of securities previously issued under Omnibus Equity Plan	Average acquisition price (if any)
Dr Timothy Oldham	Nil under Omnibus Equity Plan	N/A
Dr Paul MacLeman	Nil under Omnibus Equity Plan	N/A
Dr Robert Peach	Nil under Omnibus Equity Plan	N/A
Dr David Fuller	Nil under Omnibus Equity Plan	N/A

Certain directors have previously been issued with options over ordinary shares in the Company other than under the Omnibus Equity Plan: Dr Timothy Oldham holds 4,929,060 options expiring 26 November 2025; Dr Paul MacLeman holds 30,000 options expiring 14 November 2021; Dr Robert Peach holds 200,000 options expiring 14 November 2021.

- (e) *The terms of the securities*

The full terms of the Director Options are set out in Annexure A to this Explanatory Memorandum.

- (f) *Why this type of security is being used*

The Director Options are proposed to be issued to certain Directors to provide incentives to them in their role as Directors of the Company without the Company having to use any of its cash resources to provide this incentive, and to align their remuneration with the interests of shareholders. Cash will also be subscribed to the Company if any of the options are exercised.

- (g) *Valuation of Director Options*

To provide Shareholders with some guidance as to the likely market value of the Options, the Company has calculated that the financial value of the Options in accordance with a Black-Scholes model valuation methodology is an aggregate of \$378,371 for the Options proposed to be granted (being 6,655,000 Options in total) corresponding to the particular option issues as follows:

Director	Number of Options	Valuation
Dr Timothy Oldham	1,200,000	\$68,226.23
Dr Paul MacLeman	3,055,000	\$173,692.61
Dr Robert Peach	1,200,000	\$68,226.23
Dr David Fuller	1,200,000	\$68,223.23

Details of the valuation methodology (including assumptions and qualifications) are set out in Annexure C.

- (h) *Date of issue*

The Director Options will be issued within one month of Shareholder approval being obtained by the Company.

- (i) *The issue price of the securities*

Each of the Director Options will be issued for nil consideration.

- (j) *A summary of the material terms of the scheme*

A summary of the material terms of the Omnibus Equity Plan is set out in Annexure B to this Explanatory Memorandum.

*(k) Reporting and further issues under scheme*

The details of any Equity Securities issued under the Omnibus Equity Plan will be published in annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Equity Securities under the Omnibus Equity Plan after Resolutions 4, 5, 6 and 7 are approved and who were not named in those Resolutions will not participate until further approval is obtained under Listing Rule 10.14.

*No Recommendation*

As the Directors are excluded from voting upon Resolutions 4, 5, 6 and 7 pursuant to the ASX Listing Rules, the directors will not make a recommendation to shareholders with respect to vote in relation to Resolutions 4, 5, 6 and 7.

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## **8. Resolution 8 – Approval of 10% placement capacity**

### **8.1 General**

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 8, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 8 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting (refer to 10% Placement Capacity Period defined below), without prior Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1. If Resolution 8 is not passed, the Company will not be able to access the 10% Placement Capacity and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

### **8.2 Listing Rule 7.1A**

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those available to be issued under the Eligible Entity's Listing Rule 7.1 15% placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- a) is not included in the A&P/ASX 300 Index; and
- b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300m.

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and at the date of this Notice has a current market capitalisation of approximately \$20.3m based on a share price of \$0.083 as at 20 October 2021.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities, being Shares (ASX Code: 1AD).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17,
  - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
    - the convertible securities were issued or agreed to be issued before the commencement of the 12 month period; or
    - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
  - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - the agreement was entered into before the commencement of the 12 month period; or
    - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
  - plus the number of any other fully paid ordinary securities issued in the 12 month period with approval under Listing Rule 7.1 or Listing Rule 7.4,
  - plus the number of partly paid ordinary securities that became fully paid in the 12 month period,
  - less the number of fully paid ordinary securities cancelled in the 12 month period.
- Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period (described below) that have not been subsequently approved by Shareholders under Listing Rule 7.4.

### 8.3 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

#### a) Applicable Period

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting approving this Resolution 8 and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting at which approval is obtained;
- (ii) The time and date of the entity's next annual general meeting, and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

#### (10% Placement Capacity Period).

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or of it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of this Meeting.

**b) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 10 ASX Trading Days of the date in paragraph (b)(i) above, the date on which the Equity Securities are issued.

**c) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration purposes only. The Company intends to use funds raised for expanding or accelerating the Company's existing business activities (including expenses associated with further development of the Company's existing assets and discovery of new assets), pursuing other acquisitions that have a strategic fit or will otherwise add value to shareholders (including expenses associated with such acquisitions) and general working capital. The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

**d) Risk of voting dilution**

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

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

Shareholders should note that there is a risk that:

- i) the market price for the Company's Equity Securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue of those Equity Securities ,

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

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the number of Equity Securities the Company will have on issue as at the date of this Notice of Meeting.

The table also shows:

- i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company will have on issue at the date of the Meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities 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 Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- ii) two examples of where the issue price of ordinary securities has altered, one by a decrease by 50% and the other by an increase by 50% as against the current market price. The voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.



Variable 'A' in Listing Rule 7.1A.2		50% decrease in Issue Price	Issue Price	50% increase in Issue Price
		\$0.0415	\$0.083	\$0.1245
<b>Current Variable A</b>  245,179,578	<b>10% Voting Dilution</b>	24,517,958	24,517,958	24,517,958
		Shares	Shares	Shares
	<b>Funds raised</b>	\$1,017,495	\$2,034,990	\$3,052,486
<b>50 % increase in current Variable A</b>  367,769,367	10% Voting Dilution	36,776,937	36,776,937	36,776,937
		Shares	Shares	Shares
	<b>Funds raised</b>	\$1,526,243	\$3,052,486	\$4,578,729
<b>100% increase in current Variable A</b>  490,359,156	10% Voting Dilution	49,035,916	49,035,916	49,035,916
		Shares	Shares	Shares
	<b>Funds raised</b>	\$2,034,990	\$4,069,981	\$6,104,971

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

1. The current shares on issue are the Shares on issue as at 20 October 2021.
2. The issue price set out above of \$0.083 is the closing price of the Shares on the ASX on 20 October 2021.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. No Options are exercised into Shares before the date of the issue of the Equity Securities;
5. 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%.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to by reason of placements under the 10% Placement Capacity. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to issues approved under Listing Rule 7.1.

**e) Allocation under the 10% Placement Capacity**

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

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined but may include current Shareholders or new investors (or both), none of whom will be related parties or associates of a related party of the Company.

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

**f) Previous approval and issues under Listing Rule 7.1A**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 25 November 2020.

There has been no Equity Securities issued, or agreed to be issued, in the 12 months preceding the date of this Meeting pursuant to Listing Rule 7.1A.2.

**Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. Therefore, no people will be excluded from voting on Resolution 8.

*Recommendation*

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 8.

The Chair intends to vote all undirected proxies in favour of Resolution 8.

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**9. Resolution 9 – Adoption of New Constitution**

Resolution 9 proposes the replacement of the Company's current Constitution by the adoption of a new updated Constitution.

The current Constitution is available from the Company's website at <https://adalta.com.au/investors/corporate-governance/>.

A copy of the proposed new Constitution is available from the Company's website at <https://adalta.com.au/investors/corporate-governance/>. You can request a copy of current Constitution and the proposed new Constitution at no charge by emailing Company Secretary Cameron Jones at [cameron.jones@bio101.com](mailto:cameron.jones@bio101.com) or by written request to the Company Secretary of AdAlta Limited at 15/2 Park Drive, Bundoora, Victoria 3083, Australia.

Pursuant to section 136(2) of the Corporations Act, the Company may only modify its Constitution by special resolution.

The Company's current constitution was initially approved by Shareholders on 27 February 2016 some 6 months prior to listing on the ASX and adjusted by Shareholder approval at the 2020 AGM on 25 November 2020. The Constitution is being replaced to remove provisions that are no longer applicable for a company listed on the ASX (but were applicable prior to listing), to reflect amendments to the corporate governance principles and general corporate and commercial practice for ASX Listed companies since the date the existing constitution was adopted and to include some measures currently the subject of legislated temporary 'relief' (and recent ASIC 'no action' policy) relating the holding of virtual shareholder meetings and electronic distribution of meeting documents (currently in place to deal with health concerns attributed to the COVID-19 pandemic). The proposed new constitution also includes provisions to:

- a) *include measures so that the Company may hold a meeting of Members*
  - (i) *using any technology approved by the directors that gives the Members as a whole a reasonable opportunity to participate in the meeting (**Meeting Technology**); and*
  - (ii) *using Meeting Technology at one or more venues or not held at any specified venue and conducted entirely virtually using Meeting Technology, or a combination of both persons physically attending one or more physical locations and using Meeting Technology.*
  - (iii) *all persons participating in the meeting who are entitled to vote must be given the opportunity to vote in real time.*

- b) *insert proportional takeover provisions - the current Constitution does not have provisions relating to takeovers, but under the proposed new Constitution Clause 11 provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by the members at a general meeting of the Company (**Approving Resolution**). The person making the offer for the securities (**Offeror**) (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than 50% of members who are entitled to vote at that meeting.*
- c) *remove all references to Tag Along Rights and Drag Along Rights,*
- d) *provision of documents electronically - the current Constitution does not have provisions relating to providing documents electronically. Under the proposed new Constitution, subject to some conditions, any document that is required or permitted to be given to a person under the Corporations Act may be provided electronically either by giving the document to a person by using electronic means or using electronic, or other means (eg a physical document) to provide the person with details sufficient to allow them to view or download the document electronically.*
- e) *include new requirements of the ASX Listing Rules in relation to restricted securities as follows -*  
*"Notwithstanding any provision of this Constitution to the contrary, and without limiting the obligations to comply with the Listing Rules:*
  - (i) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX*
  - (ii) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
  - (iii) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
  - (iv) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*
  - (v) if a holder of restricted securities breaches a restriction deed or a provision of the Company's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."*

#### *Recommendation*

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 9.

The Chair intends to vote all undirected proxies in favour of Resolution 9.

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**In this Notice and the Explanatory Memorandum:**

**\$** means Australian Dollars.

**Annexure** means an annexure to this Notice.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2021.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Melbourne.

**Chair or Chairman** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means has the meaning given in section 9 of the Corporations Act which include the spouses, dependents and certain other close family members of a member of the Key Management Personnel and any company controlled by a member of the Key Management Personnel.

**Company** means AdAlta Ltd (ACN 120 332 925).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

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

**Director Option** means an unlisted option over a Share.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Eligible Entity** has the same meaning as in the Listing Rules.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

**Meeting** has the meaning in the introductory paragraph of the Notice:

**Notice** means this notice of meeting.

**Omnibus Equity Plan** means the employee incentive plan of the Company as approved by Shareholders on 26 November 2019.

**Option** means an unlisted option to purchase a Share.

**Placement Shares** means Shares issued under placements to professional and sophisticated investors as described further in Section 9 of this Explanatory Memorandum.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Section** means a section contained in this Explanatory Memorandum. **Share** means a fully paid ordinary share in the capital of the Company. **Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**AEDT** means Australian Eastern Daylight Time, being the time in Melbourne on the dates specified in this Notice.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

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## Annexure A – Terms of the Director Options

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The full terms of the Director Options are set out below.

**(a) Entitlement**

The Director Options entitle the holder to subscribe for one Share upon the exercise of each Director Option.

**(b) Exercise price**

The Director Options are each exercisable at the 20-day VWAP calculated as of the 29 November 2021 (**Exercise Price**).

**(c) Vesting and Expiry Dates**

50% of the Director Options issued to each Director will vest on 29 November 2022 with the remaining 50% to vest on 29 November 2023.

The expiry date of each Director Option is 29 November 2025 (**Expiry Date**).

**(d) Notice of exercise**

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

**(e) Shares issued on exercise**

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

**(f) Quotation of Shares on exercise**

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

**(g) Timing of issue of Shares**

After a Director Option is validly exercised, the Company must as soon as possible:

- (i) allot and issue the Share; and
- (ii) do all such acts matters and things to obtain:
  - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Director Option; and
  - (B) receipt of cleared funds equal to the sum payable on the exercise of the Director Options.

**(h) Participation in new issues**

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

However, the Company will use its reasonable endeavours to ensure that for the purposes of determining entitlements to any such issue, the record date will be at least two Business days after the issue is announced to attempt to give the holders of Director Options the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.

**(i) 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):

- (i) subject to compliance with the ASX Listing Rules, the number of Shares which must be issued on the exercise of a Director Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Director Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

**(j) Adjustment for rights issue of Shares**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Director Option will be adjusted in accordance with Listing Rule 6.22.2 of the ASX Listing Rules (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).

**(k) Adjustment for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holder must be varied in accordance with the Listing Rules which apply to the reconstruction at the time of the reconstruction (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).

**(l) Unlisted options**

The Company will not apply for quotation of the Director Options.

**(m) Director Options not transferable**

The Director Options are not transferable.

**(n) Option Exercise instructions**

Payment of the Exercise Price shall be in Australian currency and may be made by cheque (made payable to the Company and crossed "Not Negotiable") or by BPay or other electronic funds transfer means specified by the Company from time to time. The application for Shares on exercise of the Director Options with the appropriate remittance should be lodged at the Company's share registry.

**(o) Ranking**

Shares allotted on the exercise of Director Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of a Director Option) and will be subject to the provisions of the Constitution of the Company.

**(p) Entitlements**

The Director Options do not provide any entitlement to dividends paid to ordinary shareholders, nor any entitlement to vote at any meeting of shareholders

**(q) ASX Listing Rules Prevail**

To the extent (if any) that any of these Director Option Terms are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Director Option Terms are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and

**(r) Governing Law**

These Director Option Terms are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

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**Annexure B – Summary of terms of Omnibus Equity Plan (OEP)**

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<b>Offer:</b>	The Board has discretion to make awards of options, rights, performance rights, performance shares and shares. The Board has further discretion to determine vesting conditions including service conditions or other performance hurdles, exercise prices, minimum holding periods, forfeiture conditions or events and other conditions of awards. The Board has further discretion to vary or waive these terms and conditions (subject to Corporations Act limitations on shareholder approval for awards to Directors).
<b>Eligibility</b>	Participants under the OEP include permanent, full-time, or part-time employees, Non-Executive Directors, casual employees or contractors who work a pro-rata equivalent of 40% or more of a comparable full-time position and are Australian residents for tax purposes.
<b>Shares</b>	The total number of ordinary shares over which rights or securities may be awarded under the OEP is capped at 5% of the issued share capital of the Company. Consistent with ASIC Class Order 14/1000, this cap includes any securities awarded under all the Company's other employee incentive plans within the 3 years before any new award under the OEP, but excludes any rights or securities that have expired or that were issued without the need for disclosure (such as to senior managers of the Company).
<b>Vesting:</b>	Rights and options will vest in accordance with applicable performance hurdles, service conditions and exercise conditions. Where a Participant ceases to be employed by the Company or a related body corporate of the Company as a result of death or serious injury which prohibits continued employment, retirement or retrenchment or such other eligible circumstance as determined by the Board ('Qualifying Event'), the Board may, in its absolute discretion, determine that unvested rights and/or options become Vested.
<b>Change of Control:</b>	Where there is a change in control of the Company, the Board may in its absolute discretion determine that any unvested rights and/or options become vested.
<b>Exercise:</b>	Once options and rights have vested, they are generally able to be exercised prior to the lapsing and forfeiture events. On exercise, the participant must pay the relevant exercise price for those options and/or rights.
<b>Quotation:</b>	Options and Rights will not be quoted on the ASX. The Company will apply for Official Quotation of the shares issued on exercise of options and/or rights, in accordance with the ASX Listing Rules.
<b>Cessation of eligibility:</b>	Where a Participant ceases to be employed by the Company or a related body corporate of the Company, other than as a result of a Qualifying Event, any options, rights and performance rights or shares will be immediately forfeited, whether or not those awards have vested.
<b>Restrictions</b>	Entitlements under the OEP are non-transferrable (subject to certain limited exceptions). Entitlements are also subject to the Company's share trading policies and the Corporations Law as it relates to share trading.
<b>Amendments:</b>	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the OEP.
<b>ASX Listing Rules</b>	To the extent (if any) that any of the OEP Terms And Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms And Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms;

**Share Plan Loan** If the Board considers appropriate, the Board may invite some of the Eligible Participants to apply for a limited recourse loan under the Plan (**Loan**), which if granted by the Board, will be applied as the subscription price for the purchase of Shares to be issued under the Plan or the exercise price of Options or Rights issued under the Plan. The terms of any Loan granted will be determined by the Board from time to time.



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## Annexure C – Valuation Methodology

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The Options that are the subject of Resolutions 4, 5, 6 and 7 are not currently quoted, and will not be 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) or transferable, neither of which is applicable .

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 performed a valuation of the Options using the Black-Scholes Model, which is the most widely used and recognized 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:

- Exercise price of the Options as \$0.097 being an indicative 20day VWAP
- Expiry Date of up to 4 years from issue date;
- Volatility measure of 89.12%
- Risk-free interest rate of 0.10%;
- No discount has been applied for their unlisted status; and
- Dividend yield of 0.00%.

Based on the assessed fair value of the Options based on the Black and Scholes option valuation methodology, the Company has adopted an indicative value of \$0.057 per option, being an estimated total value of \$378,371 for the Options proposed to be granted (being 6,655,000 Options in total).

# Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **2.00pm (AEDT) on Saturday, 27<sup>th</sup> November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

## Lodging your Proxy Voting Form:

### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

### BY FACSIMILE:

+61 2 8583 3040

### All enquiries to Automic:

### PHONE:

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

