

## Notice of Annual General Meeting

Notice is given that the 2023 Annual General Meeting (**AGM or the Meeting**) of Shareholders of Adherium Limited ACN 605 352 510 (**Adherium or the Company**) will be held as a physical (in person) meeting pursuant to which Shareholders may participate at the following date and time:

Date: **30 November 2023**  
Time: **11.00am (AEDT)**  
Venue: **Offices of K&L Gates  
Level 25, Rialto South Tower,  
525 Collins Street  
Melbourne, VIC 3000**

Shareholders may also view a live stream of the meeting by logging in at <https://loghic.eventsair.com/adherium-ltd-2023-agm/register/Site/Register>, but will not be able to participate or vote online at the Meeting.

**Distribution of Notice of Meeting:** In accordance with section 110D(1) of the Corporations Act 2001 the Company will not be sending through hard copies of this Notice of Meeting to shareholders unless a shareholder has requested a hard copy of this Notice or made an election for the purposes of Section 110E of the Corporations Act to receive documents from the Company in physical form. This Notice can be viewed and downloaded from the Company's website at [www.adherium.com](http://www.adherium.com) or the ASX at [www2.asx.com.au](http://www2.asx.com.au)

**This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how to vote on any of the Resolutions, you should seek advice from your accountant, solicitor or other professional adviser without delay.**

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on [CompanySec@adherium.com](mailto:CompanySec@adherium.com).

**Voting:** Shareholders will be able to participate in the Meeting of the Company by attending in person at the venue, to ask questions and to vote either by lodging a valid proxy (paper form), voting in person at the Meeting or voting on-line prior to the Meeting.

**All Resolutions by Poll:** All votes will be taken on a poll.

### **Voting Methods**

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

- send the Proxy Form by post to Computershare, GPO Box 242, Melbourne, Victoria 3001; or
- send the Proxy Form by facsimile to Computershare on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

For all of the above voting you must ensure your vote is received not later than 9.30am on 28 November 2023.

**Questions** – Shareholders are encouraged to submit questions ahead of the Meeting so that they are received by email to [brett.tucker@automicgroup.com.au](mailto:brett.tucker@automicgroup.com.au) no later than 5:00pm AEDT 28 November 2023.

***The business and formal resolutions proposed to be considered at the Meeting follow:***

### **Business**

#### **Financial Statements and Reports**

To receive and consider the Company's annual financial report, including the directors' report and audit report for the period ended 30 June 2023.

**Note:** *There is no requirement for Shareholders to vote upon or approve these reports and financial statements.*

## Resolutions

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

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

*“That the Company adopt the Remuneration Report for the year period ended 30 June 2023 as set out in the Company's Annual Report in accordance with Section 250R(2) of the Corporations Act.”*

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

**Voting Exclusion Statement:** Corporations Act - A vote must not be cast (in any capacity) on this Resolution 1 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 KMP 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.

The Chairman will vote all undirected proxies in favour of this Resolution 1.

### 2. Resolution 2 - Re-Election of Jeremy Curnock Cook as a Director

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

*“That Jeremy Curnock Cook, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible and having submitted himself for re-election, be appointed as a Director of the Company.”*

### 3. Resolution 3 - Election of Mr Bruce McHarrie as a Director

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

*“That Bruce McHarrie, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible and having submitted himself for re-election, be appointed as a Director of the Company.”*

### 4. Resolution 4 - Approval of additional 10% Placement Facility

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

*“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities of up to 10% of the total issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period and on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:** ASX Listing Rules - The Company will disregard any votes cast in favour of Resolution 4 if at the time the approval of Resolution 4 is sought the Company is proposing to make an issue of securities under rule 7.1A.2, by or on behalf of any person (or their associates) who is expected to participate, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of the Company's ordinary securities).

However, the Company need not disregard a vote on Resolution 4 if:

- (a) it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder 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.

At the date of this Notice of Meeting, the Company has not approached any particular existing Shareholder to participate in an issue of equity securities under the 10% Placement Facility (as defined in the Explanatory Memorandum). Therefore, the Company does not expect to be excluding any existing Shareholder's votes under the above voting exclusion.

The Chairman will vote all undirected proxies in favour of this Resolution 4.

### 5. Resolution 5 - Approval of the Employee Securities Incentive Plan

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

*“That the Shareholders approve a new Employee Securities Incentive Plan for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes and on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:** ASX Listing Rules - The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who is eligible to participate in the Employee Share Plans; or
- (b) any associates of those persons.

However, the Company need not disregard a vote cast on Resolution 5 if it is cast by or on behalf of:

- (c) 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; or
- (d) 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
- (e) 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.

**6. Resolution 6 - Amendment to the Constitution - Renewal of Proportional Takeover Provisions**

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

*“That pursuant to sections 136(2) and 648G(4) of the Corporations Act and for all other purposes, the members of the Company approve the amendment of the Company’s Constitution by re-inserting Clause 11, being the Proportional Bid provisions of the Constitution, as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.”*

**7. Resolution 7 - Amendment to the Constitution - ESS Provisions**

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

*“That for the purposes of section 136(2) of the Corporations Act, the existing constitution of the Company be amended with respect to the ESS provisions, as detailed in the Explanatory Memorandum, effective at the close of this meeting.”*

**8. Resolution 8 – Approval of the Change of Auditor to RSM Australia Partners**

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

*“That, for the purposes of section 327B of the Corporations Act and for all other purposes, RSM Australia Partners, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting.”*

**9. Resolution 9 – Consolidation of Capital**

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

*“That, pursuant to section 254H(1) of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every 15 Shares be consolidated into 1 Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share, and that Options and Stock Appreciation Rights on issue be adjusted in accordance with Listing Rules 7.21 and 7.22 as applicable on the terms and conditions in the attached Explanatory Statement accompanying this Notice, with the consolidation to take effect as from 1 December 2023 and otherwise in accordance with the timetable set out in the Explanatory Statement.”*

**Other business**

To consider any other business that may lawfully be brought forward in accordance with the Constitution of the Company or the law.

**Other information**

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

### **Voting by proxy**

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry, Computershare Investor Services Pty Limited; or
- (b) faxed to the fax number specified below.

### **not later than 11.00am (AEDT) on 28 November 2023.**

Address (hand deliveries): Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnson Street,  
Abbotsford, Victoria, 3067

Address (postal deliveries): C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne  
VIC 3001, Australia

Fax number for lodgement: (within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

The Proxy Form has been enclosed. Please read all instructions carefully before completing the Proxy Form.

### **Bodies Corporate**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a Resolution. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

### **Entitlement to vote**

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all shares will be taken to be held by the persons who held them as registered Shareholders at 7:00pm (AEDT) on 28 November 2023. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### **All Enquiries**

Call Computershare: (within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

### **Voting Intentions**

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda. In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda.

By order of the Board

**Mr Brett Tucker**  
**Company Secretary**  
**26 October 2023**

This Explanatory Memorandum sets out further information regarding the proposed Resolutions to be considered by Shareholders of Adherium Limited (**Adherium** or **the Company**) at the 2023 Annual General Meeting to be held as a physical (in person) meeting pursuant to which Shareholders may attend in person, commencing at 11.00am (AEDT) on 30 November 2023 at Offices of K&L Gates; Level 25, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000.

Shareholders may also view a live stream of the meeting by logging in at <https://loghic.eventsair.com/adherium-ltd-2023-agm/register/Site/Register> but will not be able to participate or vote online at the Meeting.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions.

### Financial statements and reports

Under Section 317 of the Corporations Act, Adherium is required to lay its Annual Report, Directors' Report and Remuneration Report before its Shareholders at its Annual General Meeting. The Annual Report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman in respect of any aspect of the report they wish to discuss.

Representatives of Adherium's auditor, RSM Australia Partners, will be present for discussion purposes on matters of relevance to the audit.

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

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of Resolution 1.

Resolution 1 provides Shareholders the opportunity to vote on Adherium's Remuneration Report. The Remuneration Report is contained within the Directors' Report in the Annual Report. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its remuneration report to a vote at its Annual General Meeting.

This vote is advisory only and does not bind the Directors or the Company. However, under the Corporations Act, if at least 25% of the votes cast at any annual general meeting (**AGM**) on a resolution to adopt the remuneration report are cast against the adoption of the remuneration report (**First Strike**):

- (a) the Company's remuneration report for the following year (**Following AGM**) must include an explanation of the Board's proposed action in response to the "no vote" or an explanation of why no action has been taken; and
- (b) if at the Following AGM the Company's remuneration report also receives a "no vote" of at least 25% of the votes cast (**Ssecond Strike**), then Shareholders will be asked to vote at that Following AGM on whether or not the Company is to hold another general Shareholder's meeting (within 90 days after the Following AGM) to vote on a "spill resolution" under section 250V of the Corporations Act.

The Company did not receive a First Strike at the 2022 AGM and so it will not be asking Shareholders at this 2023 AGM to vote on a spill resolution.

As set out in the Notice of Meeting, Key Management Personnel (including Directors) and their closely related parties must not cast a vote on the Remuneration Report, unless as holders of directed proxies for Shareholders eligible to vote on Resolution 1.

## 2. Resolution 2 – Re-Election of Mr Jeremy Curnock Cook as a Director

**Board recommendation and undirected proxies.** The Board (with the exception of Mr Curnock Cook due to his interest in the outcome) recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Resolution 2.

In accordance with clause 13.3(b) of the Company's Constitution and ASX Listing Rule 14.4, Mr Curnock Cook who was last elected as a Director on 30 November 2020 is due to retire, is eligible for re-election and has submitted himself for re-election at this Meeting.

Resolution 2 provides for the re-election of Mr Curnock Cook as Director of the Company. Mr Curnock Cook was formerly head of the life science private equity team at Rothschild Asset Management in the UK and is an active investor in the Australian life science sector. At Rothschild, Mr Curnock Cook was responsible for the launch of the first dedicated biotechnology fund for the Australian market. Over his 40-year career, Mr Curnock Cook has specialised in creating value in emerging biotech enterprises, through active participation with management. He has served on over 40 boards in various roles, including chair of private and public biotechnology companies listed on NASDAQ, AMEX, LSE, TSX and ASX. Mr Curnock Cook received his MA in Natural Sciences from Trinity College in Dublin, Ireland. He is currently Managing Director of BioScience Managers (manager of a major shareholder in Adherium), and sits on the board of Avita Medical, Rex Bionics Pty, Humanetix Ltd, Marine Department Ltd, Cambridge Respiratory Innovations Ltd, and Sea Dragon Ltd.

As noted, Mr Curnock Cook has an association with significant shareholders through his capacity as Managing Director of BioScience Managers Pty Ltd. The board of directors is of the opinion that this does not compromise the independence of Mr Curnock Cook as, to the best of the Board's knowledge and based on advice received, he is not involved in decision making by the shareholders, and also does not control BioScience Managers Pty Ltd.

Mr Curnock Cook was previously a director of Bioxyn Limited and Phylogica Limited. He has held no other Australian public company directorships in the last three years.

The Company believes Mr Curnock Cook's experience noted above is particularly relevant to its current strategy and the markets in which it operates.

## 3. Resolution 3 – Election of Mr Bruce McHarrie as a Director

**Board recommendation and undirected proxies.** The Board (with the exception of Mr McHarrie due to his interest in the outcome) recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Resolution 3.

In accordance with clause 13.3(b) of the Company's Constitution and ASX Listing Rule 14.4, Mr McHarrie who was last elected as a Director on 30 November 2020 is due to retire, is eligible for re-election and has submitted himself for re-election at this Meeting.

Mr McHarrie is a company director and adviser in the health and life sciences sectors with over 25 years' experience. He was formerly with Telethon Kids Institute in Perth, Western Australia, for 15 years, where his roles included Chief Financial Officer, Director of Operations and Director of Strategic Projects. Prior to joining Telethon Kids, Mr McHarrie was a Senior Manager at Deloitte in London before moving to Rothschild Asset Management as Assistant Director of the Bioscience Unit, a life sciences private equity group investing in early stage biotechnology and healthcare companies. Outside his role at Adherium, he is currently an advisor to BioScience Managers (manager of a major shareholder in Adherium), and a director at Pharmamark Nutrition (nutritional foods). Mr McHarrie is a Fellow of the Institute of Chartered Accountants Australia and New Zealand. He holds a Bachelor of Commerce from the University of Western Australia and is a graduate member of the Australian Institute of Company Directors.

As noted, as an advisor to BioScience Managers, Mr McHarrie has an association with a significant shareholder of the Company. The board of directors is of the opinion that this does not compromise Mr McHarrie's independence as to the best of the board's knowledge he is not involved in decision making by BioScience Managers and the value of the advisory services provided is not material.

Mr McHarrie was previously a director at AusCann Group Holdings Ltd. He has held no other Australian public company directorships in the last three years.

The Company believes Mr McHarrie's experience noted above is particularly relevant to its current strategy and the markets in which it operates.

#### **4. Resolution 4 – Approval of additional 10% Placement Facility**

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Resolution 4.

The purpose of this Resolution 4 is to authorise the Company to issue up to a further 10% of its issued share capital (**Placement Securities**) through one or more placements under ASX Listing Rule 7.1A during the 10% Placement Period (as defined below) (**10% Placement Facility**) in addition to, and without using, the Company's 15% placement capacity under ASX Listing Rule 7.1.

This would effectively provide the Company with a total placement capacity of 25% (less that part of its placement capacity already utilised and not available under ASX Listing Rule 7.1) for a period of up to 12 months from the date of the Company's 2023 AGM meeting (subject to possible earlier cessation described below).

If Resolution 4 is not approved, the Company will not be able to utilise the further 10% capacity which may otherwise be available to it under ASX Listing Rule 7.1A. In those circumstances the Company would be limited in new capital raising to its then capacity under ASX Listing Rule 7.1; any exceptions to that capacity limit under ASX Listing Rule 7.2 or otherwise subject to prior shareholder approval.

An "eligible entity" for the purposes of ASX Listing Rule 7.1A is an entity that (as at the date of the annual general meeting):

- is not included in the S&P / ASX 300 Index; and
- has a market capitalisation of \$300 million or less.

As at the date of this Notice of Meeting, the Company is an "eligible entity" for the purposes of ASX Listing Rule 7.1A.

Placement Securities issued must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of this Notice of Meeting has on issue one quoted class of equity securities, namely fully paid ordinary shares (ASX Code: ADR).

The Company is seeking Shareholder approval by this special resolution to have the ability to issue Placement Securities. The exact number of Placement Securities that could be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and described below.

ASX Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an annual general meeting under ASX Listing Rule 7.1A may issue, or agree to issue, during the 12-month period after the date of the annual general meeting, up to the number of equity securities (i.e. Placement Securities) calculated in accordance with the following formula:

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

**A =** The number of fully paid shares on issue 12 months before the date of issue or agreement to issue:

- plus the number of fully paid shares issued in the 12 months under an exception in ASX 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 relevant 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 relevant 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 partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of shareholders under ASX Listing Rules 7.1 or 7.4; and
- less the number of fully paid shares cancelled in the 12 months.

**D =** 10%.

**E =** 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 issue or agreement to issue, that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

#### **4.1 Specific disclosures required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the below information is provided in relation to the approval of the 10% Placement Facility:

**a. Issue Price:** In accordance with the ASX Listing Rule 7.1A.3, Placement Securities (if any) will be issued for *cash* at an issue price per security of not less than 75% of the volume weighted average market price of the Company's equity securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- i. the date on which the price at which the securities are to be issued is agreed; or
- ii. if the securities are not issued within 10 trading days of the date mentioned in paragraph (i) above, the date on which the securities are issued.

**b. Risk of Economic and Voting Dilution:** If Resolution 4 is approved by Shareholders and the Company issues Shares under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted.

Shareholders should be aware that there is a risk that:

- the market price for the Company's equity securities in that class may be significantly lower on the date of the issue of the Placement Securities than on the date of the approval under Listing Rule 7.1A (being the date of the Annual General Meeting); and
- the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Placement Securities.

The table below is included for illustrative purposes only and shows the dilution of existing Shareholders on the basis of the current market price of shares as at 23 October 2023 and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows 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.



| Number of Shares on issue*       | Number of Shares that may be issued under 10% Placement Facility | Dilution  |  |   |
|----------------------------------|--|---|--|---|
|                                  |  | Funds raised based on issue price of \$0.002 (50% decrease in issue price of \$0.004) | Funds raised based on issue price of \$0.004 (issue price) | Funds raised based on issue price of \$0.006 (50% increase in issue price of \$0.004) |
| 4,991,872,546                    | 499,187,255  | \$998,375   | \$1,996,749  | \$2,995,124   |
| 7,487,808,819<br>(50% increase)  | 748,780,882  | \$1,497,562   | \$2,995,124  | \$4,492,685   |
| 9,983,745,092<br>(100% increase) | 998,374,509  | \$1,996,749   | \$3,993,498  | \$5,990,247   |

\* The number of shares on issue (variable "A" in the formula) could increase as a result of the issue of shares that do not require Shareholder approval under ASX Listing Rule 7.1 or that are issued with Shareholder approval under ASX Listing Rule 7.1.

Table 1 has been prepared on the following assumptions:

- the current shares on issue are the shares on issue as at the date of this Explanatory Memorandum;
- the current issue price set out above is the closing price of the shares on the ASX on 24 October 2023;
- the Company issues the maximum number of Placement Securities available under the 10% Placement Facility; and
- no options are exercised into shares before the date of the issue of the Placement Securities under the 10% Placement Facility.

*c. Issue date*

The Company will only issue Placement Securities during the 10% Placement Period (as defined below).

Shareholder approval under ASX Listing Rule 7.1A is valid from the date of Shareholder approval until the earliest of:

- the time and date of the Company's 2024 AGM;
- the date that is 12 months after the date of approval of this Resolution under ASX Listing Rule 7.1A; or
- the date the Company obtains Shareholder approval for a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking),

("10% Placement Period").

*d. Purpose of Issue*

The Company may use the funds raised (without limitation):

- to advance initiatives in the commercialisation of the Company's technology in accordance with its business plan; or
- for general working capital purposes.

There are no current proposals to utilise the 10% Placement Facility. Should any specific proposals be approved by the Board, the Company will announce same to ASX as required by its continuous disclosure obligations.

#### *e. Allocation Policy*

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Placement Securities using the 10% Placement Facility. The Company's allocation policy will be dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a range of factors, including but not limited to, the following:

- the methods for raising funds that are available to the Company, including but not limited to, a rights issue and other fundraising structures in which existing security holders can participate;
- the effect of the issue of the Shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

Any proposed allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting and so the Company will not be excluding any shareholders from voting with respect to this Resolution 4.

#### *f. Previous Approval under ASX Listing Rule 7.1A*

There were no equity securities issued under Listing Rule 7.1A.2 in the 12 months preceding the date of this Meeting.

### **5. Resolution 5 - Approval of the new Employee Incentive Securities Plan**

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 5. The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Resolution 5.

A summary of the new Adherium Limited Employee Incentive Securities Plan (**2023 Plan**) is attached as Appendix A

The Company has previously adopted and approved employee share plans, the last shareholder approval for these plans being at the 2021 Annual General Meeting on 27 October 2021 (**2021 Plans**). The 2021 Plans comprise the New Zealand Employee Share Plan for New Zealand residents and the Australian Employee Share Plan for non-New Zealand residents to foster an ownership culture within the Company and to motivate senior management and Directors to achieve performance targets of the Company.

On 1 October 2022, amendments to the Corporations Act commenced, which simplified the process for incentivising participants under employee share schemes (ESS). Division 1A of Part 7.12 of the Corporations Act, provides a new regime for the making of offers in connection with an ESS where securities are offered for monetary consideration (**New Regime**). This New Regime will operate alongside the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which applies to the 2021 Plans.

To ensure that the Company's employee incentive schemes can operate under the New Regime, the Company will adopt, subject to Shareholder approval, a new employee incentive schemes called the 'Adherium Limited Employee Securities Incentive Plan' (i.e. the 2023 Plan), which permits an issue of securities to employees under both the New Regime and the Class Order, including an issue of unlisted options and performance rights to plan participants.

#### **5.1 ASX Listing Rules**

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12-month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12-month period.

Listing Rule 7.2 Exception 13 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made

under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than three years before the date of issue of the securities. The Plans are regarded as an employee incentive scheme for the purposes of Listing Rule 7.2.

The Company intends that any issue of shares under the Plans does not detract from the Company's Listing Rule 7.1 15% entitlement. Accordingly, the Company is seeking Shareholder approval of the Plans in order for the Company to be able to issue shares pursuant to the Plans and have those shares qualify under Exception 13 to Listing Rule 7.2.

## 5.2 Information required for Listing Rule 7.2 Exception 13(b)

As required by the provisions of Listing Rule 7.2, Exception 13(b):

### Terms of Employee Securities Incentive Plan

A summary of the Adherium Limited Employee Securities Incentive Plan is attached as Appendix A to this Notice. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries.

### Rights attaching to Plan Shares

The Shares issued under the 2023 Plan will rank equally with all other fully paid ordinary Shares on issue in the capital of the Company. Holders of 2023 Plan Shares will be entitled to exercise all voting rights attaching to the Shares in accordance with the Company's Constitution. In addition, holders of 2023 Plan Shares will be entitled to participate in dividends declared and paid by the Company in accordance with the Company's Constitution.

The Plan Shares may only be sold by a participant where vesting conditions (if any) have been satisfied.

### Number of securities issued pursuant to the Plans

Since the approval of the 2023 Plan by the Board there have been no securities issued under the 2023 Plan. Since the existing 2021 Plans were last approved by Shareholders on 27 October 2021, the Company has issued the following Equity Securities:

| Issue date       | Equity Security                         | Number of Equity Securities |
|------------------|---|-----------------------------|
| 26 November 2021 | Fully paid ordinary shares <sup>1</sup> | 70,742,530                  |
| 24 February 2022 | Fully paid ordinary shares <sup>1</sup> | 7,454,840                   |
| 29 August 2022   | Fully paid ordinary shares <sup>1</sup> | 19,444,444                  |
| 8 December 2022  | Fully paid ordinary shares <sup>1</sup> | 5,742,740                   |
| 28 June 2023     | Fully paid ordinary shares <sup>1</sup> | 2,970,039                   |

- (1) Purchase of shares funded through a loan provided by the Company. Shares vest upon various share price milestones and repayment of loan

The maximum number of Equity Securities proposed to be issued under the 2023 Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 5 is 15% of the Company's Equity Securities on issue (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules) over a rolling 3 year period.

If Resolution 5 is not passed, any issue of Equity Securities pursuant to the Adherium Limited Employee Securities Incentive Plan must either be undertaken using the Company's 15% annual placement capacity under Listing Rule 7.1, or with prior Shareholder approval.

## **6. Resolution 6 - Renewal of Proportional Takeover Provisions of the Constitution**

**Board recommendation and undirected proxies.** Balancing the below advantages and disadvantages, the Board recommends that Shareholders vote in **FAVOUR** of Resolution 6. The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Resolution 6.

Resolution 6 proposes the amendment of the Company's Constitution to re-insert Clause 11 of the Company's Constitution in the form set out in Appendix B to this Notice. When the Constitution was adopted, Clause 11 contained provisions dealing with member approval requirements if there were to be any proportional takeover bids for the Company's securities (**Proportional Bid Provisions**). Appendix B sets out the identical wording as formed part of the Constitution when it was originally adopted and last renewed.

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each holds.

Section 648G (in Part 6.5 Subdivision 5C) of the Corporations Act (and Section 11 of the Constitution) provide that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the members. The **Proportional Bid Provisions** have not been renewed since the incorporation of the Company and the Board believes it is appropriate that those Proportional Bid Provisions (Clause 11) be reinstated at this Meeting.

In seeking the members' approval for the renewal of the Proportional Bid Provisions, the Corporations Act requires the below information to be provided to members.

### **6.1 Effect of provisions proposed to be renewed**

Clause 11 of the Constitution 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 (**Bidder**) (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.

Clause 11 also provides that:

- (i) If an Approving Resolution is not voted upon within 14 days of the end of the bid period, the Approving Resolution is deemed approved; and
- (ii) If the Approving Resolution is rejected -
  - (A) all unaccepted offers under the proportional takeover bid are deemed withdrawn,
  - (B) the Bidder must rescind each contract created as a result of the acceptance of an offer under that proportional takeover bid; and
  - (C) a Member who has accepted an offer made under the Proportional Bid is entitled to rescind the contract (if any) resulting from that acceptance.

## 6.2 Reasons for the resolution

Clause 11 of the Constitution is required to be re-inserted as more than 3 years have passed since the incorporation of the Company. Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Clause 11 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables the members to approve a renewal of Proportional Bid Provisions by way of amendment to the Company's Constitution in the manner the Constitution may otherwise be amended, namely pursuant to Section 136(2) of the Act.

The Directors believe that the members should continue to have the choice of considering whether to accept a bid from another person for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Clause 11 needs to be renewed. If Clause 11 is renewed and any proportional takeover bid (if any) is subsequently approved by members, each member will still have the right to make a separate decision whether that member wishes to accept the (proportional takeover) bid for their own securities.

## 6.3 Awareness of current acquisition proposals

As at the date of these Explanatory Notes, none of the Directors is aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

## 6.4 The advantages and disadvantages of the Proportional Bid Provisions since their adoption or renewal

As there have been no takeover bids made for any of the shares in the Company since its incorporation, there has been no application of Clause 11.

## 6.5 Potential advantages and disadvantages of the proposed resolution for both directors and shareholders

An advantage to the directors of renewing the Proportional Bid Provisions is that the Board will be able to assess the member's acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Clause 11 provides the members with the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Resolution 6 is not approved and Clause 11 is not renewed, members will not have this opportunity.

On the other hand, it may be argued that the renewal of Clause 11 may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids being made and reduce the freedom for members to sell some of their securities.

## 7. Resolution 7 - Amendment to the Constitution - ESS Provisions

**Board recommendation and undirected proxies.** Balancing the below advantages and disadvantages, the Board recommends that Shareholders vote in **FAVOUR** of Resolution 7. The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Resolution 7.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

The Board proposes that the Company's Constitution be amended to allow for the ability for the Company to increase the 5% issue cap under Part 7.12 of the Corporations Act in respect of offers for monetary consideration under all the Company's employee incentive schemes to 10%.

### New ESS Provisions

Effective 1 October 2022, the Corporations Act was amended to introduce new provisions governing the offer and issue of securities under employee incentive schemes. Amongst other things, these provisions grant exemptions from the Corporations Act's disclosure and licensing requirements in relation to such

offers and issues. Under these new provisions, offers under employee incentive schemes that are made for monetary consideration must comply with the issue cap in section 1100V of the Corporations Act, in order to have the benefit of the exemptions from the Corporations Act's disclosure and licensing requirements.

The proposed wording to allow the Company to increase the share cap for shares issued under an employee incentive scheme for monetary consideration from the current limit of 5% under the Corporations Act to a limit of 10%, under certain circumstances, is specified in a proposed new Clause 22.6(d) to be inserted into the Constitution.

A copy of the proposed amended clause 22.6(d) is set out in Appendix C

A copy of the modified Constitution is available for review by Shareholders at the Company's website <https://www.adherium.com/investors/#corporategovernance> and at the office of the Company. A copy of the modified Constitution can also be sent to Shareholders upon request to the Company Secretary at [brett.tucker@automicgroup.com.au](mailto:brett.tucker@automicgroup.com.au). Shareholders are invited to contact the Company if they have any queries or concerns.

The Board notes that regardless of the passing of Resolution 7, any proposed issue of equity incentives to a Director, or any of their associates, under an employee incentive plan will still require prior Shareholder approval under ASX Listing Rule 10.14. If Resolution 7 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution is passed. If Resolution 7 is not passed, the Company will not adopt the modified Constitution and, in this regard, the issue cap that will apply under section 1100V of the Corporations Act will remain at the statutory percentage of 5%

## **8. Resolution 8 – Approval of the Change of Auditor to RSM Australia Partners**

**Board recommendation and undirected proxies.** Balancing the below advantages and disadvantages, the Board recommends that Shareholders vote in **FAVOUR** of Resolution 8. The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Resolution 8.

In accordance with section 327C of the Corporations Act, the Board appointed RSM Australia Partners (**RSM**) as Auditor of the Company on 27 June 2023 to fill a vacancy in the office of auditor, subject to ASIC's consent, upon the resignation of PriceWaterhouseCoopers (**PWC**) as Auditor of the Company under section 329(5) of the Corporations Act. PWC received ASIC consent on 15 June 2023.

Following the appointment, in accordance with 327C(2) of the Corporations Act RSM holds office as Auditor of the Company until the Company's next annual general meeting, being the AGM the subject of this Notice.

In accordance with section 327B(1)(b) of the Corporations Act, the Company now seeks shareholder approval for the ongoing appointment of RSM as Auditor of the Company.

A copy of the nomination is included at Appendix D to this Explanatory Memorandum. In accordance with section 328B(3) of the Corporations Act, all persons to whom notice of the nomination must be made have been notified.

RSM has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to Shareholder approval of this Resolution 8.

## **9. Resolution 9 – Consolidation of Capital**

### **General**

Adherium Limited has an extremely large number of shares on issue. The Directors consider it more appropriate to have a smaller number of Shares on issue which would result in what the Directors regard to be a more appropriate capital structure.

The Directors are seeking Shareholder approval to consolidate the number of Shares on a 15 existing Shares for 1 new Share basis (**Consolidation**), to take effect on and from the day following approval of this Resolution, namely 1 December 2023. Similarly, the number of Options and Stock Appreciation

Rights on issue will be consolidated on the basis that every 15 Options and Stock Appreciation Rights held will be consolidated into 1 Option and Stock Appreciation Right. The exercise price of the Options and Stock Appreciation Rights will be amended in inverse proportion to the consolidation ratio.

If Resolution 9 is passed, the change in the capital structure of the Company following the Consolidation, subject to adjustment for rounding, is as follows:

### Shares

|                                     | Number*       |
|-------------------------------------|---------------|
| Shares currently on issue           | 4,991,872,546 |
| Shares on issue after Consolidation | 332,791,504   |

\*Assumes no Options or Stock Appreciation Rights are exercised prior to Consolidation

### Options

|                                  | Pre-Consolidated Number* | Post-Consolidated Number* | Pre-Consolidated Exercise Price | Post-Consolidated Exercise Price |
|----------------------------------|--------------------------|---------------------------|---------------------------------|----------------------------------|
| Options Expiring 29 January 2017 | 27,519,467               | 1,834,632                 | \$0.0219                        | \$0.3285                         |
| Options Expiring 14 April 2027   | 17,176,559               | 1,145,104                 | \$0.0400                        | \$0.6000                         |
| Options Expiring 31 March 2024   | 1,350,000,000            | 90,000,000                | \$0.0100                        | \$0.1500                         |
| Options Expiring 31 March 2024   | 31,500,000               | 2,100,000                 | \$0.0100                        | \$0.1500                         |

\*Assumes no Options exercised or forfeited prior to Consolidation

### Stock Appreciation Rights (SARs)

|   | Pre-Consolidated Number* | Post-Consolidated Number* | Pre-Consolidated VWAP Milestone | Post-Consolidated VWAP Milestone |
|---|--------------------------|---------------------------|---------------------------------|----------------------------------|
| Tranche 1 SARs to CEO expiring 20 September 2031 – vested and exercisable | 69,168,049               | 4,611,204                 | -                               | -                                |
| Tranche 2 SARs to CEO expiring 20 September 2031                          |                          |                           |                                 |                                  |
| - Vesting on 20 September 2023 subject to share price milestone           | 26,603,096               | 1,773,540                 | \$0.064                         | \$0.960                          |
| - Vesting on 20 September 2024 subject to share price milestone           | 26,603,096               | 1,773,540                 | \$0.096                         | \$1.440                          |

\*Assumes no Stock Appreciation Rights are exercised or forfeited prior to Consolidation

As the Consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, the Company does not expect there to be any dilution resulting from the Consolidation, other than a nominal amount caused by possible rounding.

While the Consolidation should not in theory have any impact on the underlying value of the Company, Shareholders should appreciate that the value of the Company's shares as listed on the ASX (and in turn the Company's market capitalisation) is subject to a broad range of market factors which are beyond the control of the Company.

### Legal Implications

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Board does not believe it is appropriate to provide any advice on any taxation implications arising from the proposed Share Consolidation as this will depend upon the individual shareholders personal taxation structure.

If there is a consolidation of the issued capital of the Company:

- (a) the number of options, warrants and stock appreciation rights (**Unquoted Securities**) or the exercise price of the Unquoted Securities or both will be adjusted as specified in Listing Rule 7.22.1 and Listing Rule 7.21 as it applies at the time of the Consolidation; and
- (b) in all other respects the terms for the exercise of the Unquoted Securities will remain unchanged;

### Fractional entitlements

Where the Consolidation results in an entitlement to a fraction of a Share or Unquoted Security, that fraction will be rounded up to the nearest whole number of Shares or Unquoted Securities.

### Holding statements

Where Resolution 9 is approved, all holding statements for Shareholders will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis. As indicated in the timetable below, after the Consolidation becomes effective, the Company will arrange for new holding statements for Shares to be issued to holders of those Shares. It is the responsibility of each Shareholder to check the number of Shares held prior to the Consolidation.

### Indicative Timetable

If approved by Shareholders, the proposed Consolidation is intended to take effect in accordance with the following indicative timetable (subject to change):

| Key event   | Indicative date  |
|---|------------------|
| Notification to ASX that Consolidation is approved and Effective Date   | 1 December 2023  |
| Last day for trading in pre-consolidated securities (if Company shares are not suspended from trading at this time) | 4 December 2023  |
| Trading in consolidated securities on a deferred settlement basis commences   | 5 December 2023  |
| Record Date - Last day to register transfers on a pre-consolidation basis   | 6 December 2023  |
| First day for Company to update register and send new holding statements  | 7 December 2023  |
| Completion of despatch of new holding statements. Deferred settlement trading ends                                  | 13 December 2023 |
| Normal trading starts (if Company shares are not suspended from trading at this time)                               | 14 December 2023 |



## **Board Recommendation**

The Board unanimously recommends that the Shareholders vote in favour of Resolution 9. The Chair of the Meeting intends to vote undirected proxies in favour of this resolution.

## **10. Questions and Comments by Shareholders at the Meeting**

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions or make comments on the management of the Company at the Annual General Meeting.

Similarly, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions to the Company's external Auditor, RSM Australia Partners, relevant to:

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

Shareholders may also submit a written question to RSM Australia Partners if the question is relevant to the content of RSM Australia Partners' audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2023.

Relevant written questions to RSM Australia Partners must be received by no later than 5:00pm (AEDT) on 28 November 2023. A list of those questions will be made available to Shareholders attending the meeting. RSM Australia Partners will either answer questions at the Meeting or table written answers to them at the meeting. If written answers are tabled at the Meeting, they will be made available to Shareholders as soon as practicable after the Meeting.

**Please send any written questions for RSM Australia Partners in hard copy by post to – RSM Australia Partners, Floor 21, 55 Collins Street, Melbourne VIC 3000 by no later than 5:00pm (AEDT) on 28 November 2023.**

## Glossary

In this Explanatory Memorandum, and the Notice of Meeting:

**Annual General Meeting / AGM** means the annual general meeting of the Company to be held at 10,00am AEDT on 30 November 2023 pursuant to the Notice of Meeting.

**Annual Report** means the Directors' Report (including Remuneration Report), the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2023.

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

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of the ASX as amended from time to time.

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

**Company** means **Adherium Limited** ACN 605 352 510.

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

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

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

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

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice of Meeting.

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

**Key Management Personnel** or **KMP** means the key personnel as disclosed in the Remuneration Report.

**Meeting** means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur at 11.00am AEDT on 30 November 2023.

**Monthly Average Price** means the average of daily closing prices of Shares as traded on the ASX for each calendar month.

**Notice of Meeting** or **Notice** means this notice of the Annual General Meeting.

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

**Proxy Form** means the proxy form accompanying this Notice of Meeting.

**Remuneration Report** means the remuneration report of the Company for the year ended 30 June 2023 as set out in the Company's Director's Report for the year ended 30 June 2023.

**Resolution** means the resolutions referred to in the Notice of Meeting.

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

**Share** means an ordinary share in the capital of the Company.

**Stock Appreciation Right** means an entitlement to a Share calculated based on the increase to the market value of Shares between certain dates and subject to the satisfaction of performance conditions.

**Voting power** has the meaning provided in section 610 of the Corporation Act.

## Appendix A - Summary of New Securities Incentive Plan

A summary of the material terms of the New Plan is as follows:

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the New Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation):** The Company must not make an offer of Securities under the New Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the New Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.

The maximum number of equity securities proposed to be issued under the New Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the New Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the New Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

- (c) **(Purpose):** The purpose of the New Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity

to Eligible Participants to receive an equity interest in the Company in the form of Securities.

- (d) **(Plan administration):** The New Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the New Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the New Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the New Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the New Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the New Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the

time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the New Plan rules, or such earlier date as set out in the New Plan rules.

- (j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the New Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the New Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares):** All Shares issued under the New Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding

Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the New Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the New Plan and determine that any amendments to the New Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the New Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (r) **(Plan duration):** The New Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the New Plan for a fixed period or indefinitely, and may end any suspension. If the New Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

## Appendix B - Proportional Bid Provisions

The following is proposed to be renewed and re-inserted into the Constitution of the Company as Clause 11

### 11. Proportional takeover approval provisions

#### 11.1 Interpretation

In this clause 11:

**Associate** in relation to another person has the meaning given to that term in the Act for the purposes of subdivision C of Chapter 6.5 of the Act;

**Bidder** means a person making an offer for Shares under a Proportional Bid;

**Proportional Bid** means a proportional takeover bid as defined in section 9 of the Act; and

**Relevant Day**, in relation to a Proportional Bid, means the day that is 14 days before the last day of the bid period.

#### 11.2 Transfers prohibited without approval

Where a Proportional Bid in respect of Shares included in a class of Shares in the Company has been made:

- a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the Proportional Bid is prohibited unless and until a resolution (**Approving Resolution**) to approve the Proportional Bid is passed, or is deemed to have been passed, in accordance with Subdivision C of Chapter 6.5 of the Act;
- b) a Member (other than the Bidder or an Associate of the Bidder) who, as at the end of the day on which the first offer under the Proportional Bid was made, held Shares included in the bid class is entitled to vote on an Approving Resolution and, for the purposes of so voting, is entitled to 1 vote for each such Share;
- c) neither the Bidder nor an Associate of the Bidder may vote on an Approving Resolution;
- d) an Approving Resolution must be voted on at a meeting of the Members entitled to vote on the resolution which has been convened and conducted by the Company; and
- e) an Approving Resolution is passed if more than 50% of the votes cast on the resolution by Members Present and entitled to vote on the resolution are in favour of the resolution.

#### 11.3 Meetings

- a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require, in relation to a meeting that is convened for the purposes of this clause 11.
- b) The Directors of the Company must ensure that the Approving Resolution is voted on in accordance with this clause before the Relevant Day.
- c) Where an Approving Resolution is voted on in accordance with this clause, then before the Relevant Day, the Company must:
  - (i) give to the Bidder; and
  - (ii) serve on ASX,

a written notice stating that a resolution to approve the Proportional Bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

#### **11.4 Deemed approval**

Where, as at the end of the day before the Relevant Day in relation to a Proportional Bid, no Approving Resolution to approve the Proportional Bid has been voted on in accordance with this clause, an Approving Resolution to approve the Proportional Bid is, for the purposes of this clause, deemed to have been passed under this clause 11.

#### **11.5 Proportional Bid rejected**

Where an Approving Resolution is voted on and is rejected then:

- a) despite section 652A of the Act, all offers under the Proportional Bid that have not, as at the end of the Relevant Day, resulted in binding contracts are deemed to be withdrawn at the end of the Relevant Day;
- b) the Bidder must immediately, after the end of the Relevant Day, return to each Member any documents that were sent by the Member to the Bidder with the acceptance of the offer;
- c) the Bidder may rescind and must, as soon as practicable after the end of the Relevant Day, rescind each contract resulting from the acceptance of an offer made under the Proportional Bid; and
- d) a Member who has accepted an offer made under the Proportional Bid is entitled to rescind the contract (if any) resulting from that acceptance.

#### **11.6 Duration of clause**

This clause 11 ceases to have effect on the later to occur of:

- a) the third anniversary of its adoption; or
- b) the third anniversary of its most recent renewal effected under the Act.



## Appendix C - Amendments to the Company's Constitution

Proposed Changes to the Company's Constitution comprise the insertion of a new Clause 22.6(d) to allow the Company to increase the 5% issue cap to 10% under Part 7.12 of the Corporations Act in respect of offers for monetary consideration under all the Company's employee incentive schemes, as follows:

(i) the following definition is added to Section 1.1 Definitions

*"ESS Interests has the meaning under section 1100M(1) of the Act."*

(ii) the following is added as a new Clause 22.6(d)

*"(d) For the purposes of section 1100V(2)(a) of the Corporations Act, the Company may only make an offer of ESS Interests if, at the time the offer is made, the Company reasonably believes:*

*(i) the total number of Shares that are, or are covered by, the ESS Interests of the Company that may be issued under the offer; and*

*(ii) the total number of Shares that are, or are covered by, the ESS Interests that have been issued, or could have been issued, under offers made under the Company's employee share scheme at any time during the 3 year period ending on the day the offer is made,*

*does not exceed 10% of the number of Shares actually on issue as at the start of the day the offer is made."*

## Appendix D - Auditor's Nomination letter

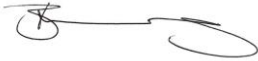
25 October 2023

Adherium Limited  
Level 14, 333 Collins Street  
Melbourne VIC 3000

I, Lou Panaccio, being a member of Adherium Limited (ACN 605 352 510) (**Company**) nominate RSM Australia Partners in accordance with section 328B(1) of the Corporations Act 2001 (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of nomination as required by section 328B(3) of the Act.

Signed and dated 25 October 2023:

A handwritten signature in black ink, appearing to read 'Lou Panaccio', with a stylized flourish at the end.

Lou Panaccio




Adherium Limited  
ABN 24 605 352 510

ADR

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Tuesday, 28 November 2023.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

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

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Adherium Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Adherium Limited to be held at Offices of K & L Gates, Level 25, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000 on Thursday, 30 November 2023 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

|              |   | For                      | Against                  | Abstain                  |              |   | For                      | Against                  | Abstain                  |
|--------------|---|--------------------------|--------------------------|--------------------------|--------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 7 | Amendment to the Constitution - ESS Provisions              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-Election of Mr Jeremy Curnock Cook as a Director                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 8 | Approval of the Change of Auditor to RSM Australia Partners | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Election of Mr Bruce McHarrie as a Director                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 9 | Consolidation of Capital                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval of additional 10% Placement Facility                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |              |   |                          |                          |                          |
| Resolution 5 | Approval of the Employee Securities Incentive Plan                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |              |   |                          |                          |                          |
| Resolution 6 | Amendment to the Constitution - Renewal of Proportional Takeover Provisions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |              |   |                          |                          |                          |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

