

# **Living Cell Technologies Limited**

ACN 104 028 042

## **NOTICE OF ANNUAL GENERAL MEETING**

### **DATE OF MEETING**

Thursday 7 November 2019

### **TIME OF MEETING**

2:00pm (NZT)

### **PLACE OF MEETING**

Pullman Auckland, Regatta Room, Lower Lobby Level, Cnr Princes St & Waterloo  
Quadrant, Auckland City, New Zealand

Shareholders who have elected not to receive a printed copy of the Company's 2019 Annual Report may obtain a copy from the Company's website [www.lctglobal.com](http://www.lctglobal.com) under "Investor Centre/Key financial reports".

### **SHAREHOLDER INFORMATION**

**1300 343 593** (for callers in Australia)

**0800 487 012** (for callers in New Zealand)

**+61 3 9415 4024** (for callers outside Australia and New Zealand)

### **Registered Office:**

C/- Mertons Corporate Services Pty Ltd, Level 7, 330 Collins Street, MELBOURNE VIC 3000. Australia

## **LETTER FROM THE CHAIRMAN**

Dear Fellow Shareholders

This year you are being asked to vote on nine resolutions that will determine the Company's future direction.

Your Board is supporting four of the resolutions.

Members of the Company with not less than 5% of the votes that may be cast on the resolutions listed within the Notice of this meeting have also submitted their own resolutions for Members to consider at the AGM. Your Board respects the views put forward by these Members but for the reasons noted in the Explanatory Notes we **do not** support these resolutions.

We are committed to ensuring that the views of all Members are considered as decisions are made about the Company's future direction.

Notice is hereby given that the Annual General Meeting (“the Meeting”) of Living Cell Technologies Limited (“the Company”) will be held at Pullman Auckland, Regatta Room, Lower Lobby Level, Cnr Princes St & Waterloo Quadrant, Auckland City, New Zealand on Thursday 7 November 2019 at 2:00pm (NZT).

## ORDINARY BUSINESS

### Consideration of Financial Report

To consider the Financial Report and the reports of the Directors and Auditor for the year ended 30 June 2019.

*Neither the Corporations Act 2001 nor the Company’s Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given the opportunity to ask questions or make comments on the reports and statements at the meeting.*

## BOARD ENDORSED RESOLUTIONS

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The Board recommends that Members vote **in favour** of resolutions 1-5

### Resolution 1 Adoption of the Remuneration Report

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

“That the Remuneration Report required by section 300A of the Corporations Act, as contained in the Directors’ Report of the Company for the year ended 30 June 2019, be adopted, details of which are set out in the explanatory notes to resolution 1 in the notice of meeting.”

- *This resolution is advisory only and does not bind the Company or the Directors.*
- *When reviewing the Company’s remuneration policies, the Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting.*
- *If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than the Managing Director / CEO) must stand for re-election.*

### Resolution 2 Re-election of Robert Willcocks as a Director

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

“That Mr Robert Willcocks, being a Director of the Company, retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company, details of which are set out in the explanatory notes to resolution 2 in the notice of meeting.”

### Resolution 3 Election of Carolyn Sue as a Director

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

“That Professor Carolyn Sue who was appointed as an additional Director on 16 May 2019, retires in accordance with the Constitution and, being eligible, offers herself for election, be elected as a Director of the Company, details of which are set out in the explanatory notes to resolution 3 in the notice of meeting.”

**Resolution 4 Approval of issue of options to Carolyn Sue or her nominee in accordance with Listing Rule 10.11**

To consider and, if thought fit, pass the following resolution:

“That approval be given, pursuant to ASX Listing Rule 10.11, for the issue of 600,000 unlisted options over ordinary shares to Professor Carolyn Sue or her nominee, details of which are set out in the explanatory notes to resolution 4 in the notice of meeting”.

**RESOLUTIONS REQUISITIONED PURSUANT TO SECTIONS 203D AND 249N OF THE CORPORATIONS ACT**

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The following resolutions, requisitioned by members of the Company with not less than 5% of the votes, are not supported by the Board. For the reasons set out in the Board’s responses in Part B of the Explanatory Memorandum, the Board recommends that Members vote **against** resolutions 5 - 9

**Resolution 5 Appointment of Dr Andrew Kelly**

To consider and, if thought fit, pass the following resolution:

“That Dr Andrew Kelly is appointed as a director of the Company with immediate effect.

**Resolution 6 Appointment of Dr Roland Toder**

To consider and, if thought fit, pass the following resolution:

“That Dr Roland Toder is appointed as a director of the Company with immediate effect.”

**Resolution 7 Removal of Robert Willcocks**

To consider and, if thought fit, pass the following resolution:

“That Robert Willcocks is removed as a director of the Company with immediate effect.”

**Resolution 8 Removal of Laurie Hunter**

To consider and, if thought fit, pass the following resolution:

“That Laurie Hunter is removed as a director of the Company with immediate effect.”

**Resolution 9 Removal of Dr Ken Taylor**

To consider and, if thought fit, pass the following resolution:

“That Dr Ken Taylor is removed as a director of the Company with immediate effect.”

The background to, and the Members’ reasons for, the above resolutions are set out in Annexure A.

**BY ORDER OF THE BOARD**



Elizabeth McGregor  
Company Secretary  
4 October 2019

## VOTING EXCLUSIONS

In accordance with the Corporations Act 2001 and the Australian Securities Exchange Listing Rules, the Company makes the following statement:

The Company will disregard any votes cast:

### Resolution 1: Adoption of the Remuneration Report

By:

- a) A member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) A closely related party of such a member.

However, a person described above may cast a vote on the resolution if:

- The person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution;
- The vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; and
- The vote is cast by the Chairman, as the nominated proxy for a person who is permitted to vote, with express authorisation given to the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

### Resolution 4: Approval of issue of options to Carolyn Sue or her nominee in accordance with Listing Rule 10.11

In favour of the resolution by or on behalf of:

- a) Professor Carolyn Sue; and
- b) Any of her associates.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## EXPLANATORY NOTES

### PART A: BOARD ENDORSED RESOLUTIONS

The Explanatory Notes have been prepared for the shareholders of Living Cell Technologies Limited to provide information about the items of business to be considered at the Annual General Meeting of shareholders to be held on Thursday 7 November 2019.

With the exception of resolution 1, all other resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution in order for it to be carried.

If appropriate, and if time permits, the Chairman will discuss significant issues raised by shareholders prior to the meeting and will invite questions and comments from shareholders on these key issues and any other matters that shareholders would like to raise at the meeting.

In addition, a reasonable opportunity will be given to members present at the meeting to ask the Company's auditor, BDO, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor. If you would like to submit a written question to BDO before the Meeting on any of the foregoing matters, please send your question to the Company Secretary, Elizabeth McGregor, at [elizabethm@mertons.com.au](mailto:elizabethm@mertons.com.au) before 31 October 2019.

If you have a more general issue or question that you would like discussed at the Meeting, please write to the Company Secretary, Elizabeth McGregor, at the above address.

### **How will the Chairman vote as proxy if the Shareholder has not directed the Chairman to vote?**

The Chairman intends to vote in **FAVOUR** of resolutions 1-4 and **AGAINST** resolutions 5-9. If a Shareholder appoints the Chairman of the Annual General Meeting as proxy and does not direct the Chairman how to vote on a resolution then, if that Shareholder is entitled to vote on that resolution, the Chairman will vote in **FAVOUR** of resolutions 1-4 and **AGAINST** resolutions 5-9.

### **Resolution 1 - Adoption of the Remuneration Report**

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2019.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which includes senior management) of the Company. The Remuneration Report can be located in the Company's Annual Report. The Annual Report is available online at [www.lctglobal.com](http://www.lctglobal.com) under "Investor Centre/Key financial reports".

The resolution is advisory only and does not bind the Company or its directors. However the Board will consider the outcome of the vote and comments made by shareholders at the meeting on the remuneration report when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director / CEO) must stand for re-election. The Company encourages all shareholders to cast their votes on resolution 1 (Adoption of the Remuneration Report).

The Chairman intends to exercise all undirected proxies in favour of resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on resolution 1 by signing and returning the Proxy Form, the Shareholder is considered to have provided an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

### **Resolution 2 – Re-election of Robert Willcocks as a Director**

Pursuant to the Clause 6.1 of the Constitution and the ASX Listing Rules, Robert Willcocks will retire by rotation and seeks re-election.

Mr Willcocks has had considerable experience as a director and chairman of many Stock Exchange listed public companies. He is currently Independent Non-Executive Chairman of the unlisted Trilogy Funds Management Limited, a Responsible Entity under Australian law. Apart from his corporate roles he served on the Australian Government's Australian International Legal Co-operation Committee for the term of its programme, is a former member of the Council and Board of Bond University and a former Councillor of the Australia Vietnam Business Council. A former senior partner with the international law firm now known as King & Wood Mallesons, he has a Master of Laws degree from the University of Sydney as well as bachelor degrees in Arts and Law from the Australian National University.

Mr Willcocks is Chairman of the Audit, Risk and Compliance Committee and a member of the Remuneration and Nominations Committee.

He was appointed to the Board on 29 March 2011.

The Board (with Mr Willcocks not participating) recommends that shareholders vote in **FAVOUR** of resolution 2. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of resolution 2.

### Resolution 3 – Re-election of Carolyn Sue as a Director

Pursuant to the Clause 9.2 of the Constitution, Professor Sue will retire and seeks re-election.

Professor Sue has a background in neurological science and medicine in relation to chronic illnesses. She is the Head of Neuroscience Research at the Kolling Institute at Sydney's Royal North Shore Hospital, and Director of Neurogenetics, Director of the National Centre for Adult Stem Cell Research and a Senior Staff Specialist in the Department of Neurology at Royal North Shore Hospital. Professor Sue is also the incoming Chair of the Education committee for the International Movement Disorder Society.

Professor Sue was appointed to the Board on 16 May 2019.

The Board (with Professor Sue not participating) recommends that shareholders vote in **FAVOUR** of resolution 3. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of resolution 3.

### Resolution 4 – Approval to grant options to Professor Carolyn Sue or her nominee in accordance with Listing Rule 10.11

The Board is recommending that Members approve the grant of a total of 600,000 options over fully paid ordinary shares in the capital of the Company to Professor Carolyn Sue.

The proposed grant is in respect of 600,000 options to be granted to Professor Carolyn Sue within one month of the date of the Annual General Meeting and if approved will comprise a component of her remuneration. Remunerating Directors in this manner reduces the cash cost to the Company and aligns the reward of Directors with the interests of shareholders. The 600,000 options are exercisable at an exercise price determined by calculating the VWAP of the 10 day period culminating on 21 November 2019.

Since Professor Carolyn Sue is a Director of the Company, ASX Listing Rule 10.11 requires shareholder approval for the proposed grant of options. If shareholder approval is given under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1.

The securities will be issued for nil consideration and accordingly no funds will be raised by the grant of options to the Directors. However upon exercise of the options the funds subscribed for shares will be employed for working capital.

The terms of the options are as follows:

- The Company will grant Carolyn Sue or her nominee 600,000 options within one month of the Annual General Meeting if shareholders give their approval to the grant;
- The Director options will vest immediately;
- The options may not be assigned or transferred;
- The options expire 4 years from the issue date;
- The options may be retained in the event that a Director ceases in that role;
- The options are subject to the ASX Listing Rules relating to capital reorganisation. The rights of an option holder may be changed to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation;
- There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options without exercising the options.

Notwithstanding that the terms of the options provide for them to be granted within three months of the meeting, ASX Listing Rule 10.13 provides that such securities be granted no later than one month after the date of this meeting.

The Board (with Professor Sue not participating) recommends that shareholders vote in **FAVOUR** of resolution 4. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of resolution 4.

## EXPLANATORY NOTES

### PART B: RESOLUTIONS REQUISITIONED PURSUANT TO SECTION 203D AND 249N OF THE CORPORATIONS ACT – NOT SUPPORTED BY THE BOARD

Part B of these Explanatory Notes sets out the resolutions requisitioned by Members and the Board's response to those resolutions. In accordance with 249P of the Corporations Act the Members' statement is set out in Annexure A.

#### BOARD RESPONSE TO RESOLUTIONS 5 - 9

Major changes to the LCT Board are sought by a small group (the Requisitioners) who appear to represent or at least be aligned with Pacific Channel, a New Zealand venture capital firm. These changes would remove from the LCT Board quality input in very important areas: corporate governance, commercial, finance and global pharmaceutical and biotechnology experience.

The Requisitioners nominate two replacements. One has agricultural science experience and the other a consultant with Pacific Channel with a varied background but no well known global biotechnology experience. The essence of the Requisitioners' submission in support of their proposal to remove sitting LCT directors and replacing them with their own nominees is that LCT is too conservative in reporting trial results.

LCT's corporate guidelines require timely reporting of the actual trial data to comply with the Australian Securities Exchange Rules and the law. It follows that manipulation of data to produce a desired outcome but that does not so comply, is not and could never be, countenanced.

Furthermore nothing has been put forward to show what value the Requisitioners' nominees can add to the board.

It can only be concluded that there is no good reason for board changes.

If there were a good enough fundraising story of the kind Pacific Channel suggests one would expect Pacific Channel to have put a convincing proposal to the board. It has not done so.

This raises the question as to Pacific Channel's true agenda.

The LCT board is made up of four highly qualified biotech professionals, a financier with a great deal of commercial experience and a highly experienced corporate lawyer. The Requisitioners seek to remove one of the biotech professionals, the financier and the lawyer.

This is something that you, the shareholders, should resist by casting your votes as recommended in favour of the sitting directors and against the nominees of the Requisitioners.

#### Statement from Mr Robert Willcocks

I am a former senior partner with the international law firm now known as King & Wood Mallesons and have a Master of Laws degree from the University of Sydney as well as bachelor degrees in Arts and Law from the Australian National University.

My area of experience is Corporate Law. In that capacity clients I represented ranged from well known multi-national companies to public companies listed on Securities Exchanges including smaller capitalisation Australian listed public companies. One result of this experience was that I was invited to join the Board of Directors of client companies, some listed, others the Australian subsidiaries of overseas companies carrying on business in Australia.

This experience gave me a platform to become a Corporate Adviser and a professional company director. As an Adviser, I have advised in a range of areas including private equity (representing one of the largest Global private equity firms), offshoring, big data, litigation, fundraising and promotion.

As a professional company director I have been a director (and in some cases chairman) of many Securities Exchange listed companies. Current directorships include a Hong Kong listed company. I am also Independent Non-Executive Chairman of Trilogy Funds Management, a Responsible Entity under Australian law. It is this experience which allows me to bring balance and a steady hand to the LCT board.



### Statement from Dr Ken Taylor

I am the Chief Executive Officer of Living Cell Technologies Ltd. I graduated from the University of Otago, Dunedin, New Zealand with BPharm.,MPharm (Hons) and PhD degrees in pharmaceutical chemistry and pharmacology. I completed a postdoctoral fellowship in Pharmacology and Experimental Therapeutics at the Johns Hopkins University School of Medicine in Baltimore, Maryland and subsequently held a joint appointment in neurosciences at Princeton University and the Squibb Institute of Medical research in Princeton, New Jersey.

In 1975 I joined Roche to establish a pharmacology research and clinical pharmacology program in Sydney, Australia and later was appointed Medical Director then Managing Director for Roche in New Zealand.

In 1990, after completing a business management program at IMD,Lausanne,Switzerland I was appointed Managing Director of Roche United Kingdom based in Welwyn Garden City, Herts.

Following the Roche acquisition of Syntex in 1994 I was appointed President, Syntex, Palo Alto, California to convert the corporate pharmaceutical company to Roche Bioscience, a research centre. I later returned to New Zealand to manage the Roche affiliate and also to help Roche find research alliances in the Asia Pacific area. I am a consultant to the University of Auckland commercialisation company Uniservices, a board member of Antipodean Pharmaceuticals Inc, a biotechnology company I founded to successfully commercialise MitoQ-a University of Otago invention, and a board member of Pharmaco a NZ and Australian pharmaceutical distributor.

I have extensive experience in drug development,including direct interaction with regulatory authorities in USA, Europe, Australia and New Zealand.

I joined LCT in 2014 as a consultant to their NTCELL/Parkinsons Disease project. I successfully got their First clinical trial restated and completed. I then worked with regulatory authorities, neurologists and neurosurgeons to design the second clinical study. This study was demanding but completed.

Moreover I successfully undertook three fund raising rounds to finance the clinical studies. I have extensive contacts in the global pharmaceutical industry and healthcare venture capital investors.

Biotechnology is about time and money. Commercialisation of a healthcare product is highly challenging. To meet that challenge you need global experience in product research, development, marketing, investment and licensing.

I have that experience which is really needed by LCT at this time to create shareholder value.

### RESOLUTIONS NOT SUPPORTED BY THE BOARD

Resolution 5 Appointment of Dr Andrew Kelly

For the reasons outlined above the Board considers that this resolution is not in the best interests of the Company, and recommends that Members vote **AGAINST** resolution 5.

The Chair intends to vote undirected proxies **AGAINST** resolution 5.

Resolution 6 Appointment of Dr Roland Toder

For the reasons outlined above the Board considers that this resolution is not in the best interests of the Company, and recommends that Members vote **AGAINST** resolution 6.

The Chair intends to vote undirected proxies **AGAINST** resolution 6.

Resolution 7 Removal of Robert Willcocks

For the reasons outlined above the Board (with Mr Willcocks not participating) considers that this resolution is not in the best interests of the Company, and recommends that Members vote **AGAINST** resolution 7.

The Chair intends to vote undirected proxies **AGAINST** resolution 7.

Resolution 8      Removal of Laurie Hunter

For the reasons outlined above the Board (with Mr Hunter not participating) considers that this resolution is not in the best interests of the Company, and recommends that Members vote **AGAINST** resolution 8.

The Chair intends to vote undirected proxies **AGAINST** resolution 8.

Resolution 9      Removal of Dr Ken Taylor

For the reasons outlined above the Board (with Dr Taylor not participating) considers that this resolution is not in the best interests of the Company, and recommends that Members vote **AGAINST** resolution 9.

The Chair intends to vote undirected proxies **AGAINST** resolution 9.

## NOTES

### 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 2:00pm (NZT) 12:00pm (AEDT) on Tuesday 5 November 2019.**

Address (hand deliveries):      Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street,  
Sydney NSW 2000

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

Online:                                [www.investorvote.com.au](http://www.investorvote.com.au)

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

### Custodian Voting

For Intermediary Online subscribers only (custodians), please submit your votes electronically via [www.intermediaryonline.com](http://www.intermediaryonline.com)

### 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 Tuesday 5 November 2019. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## **Annexure A**

**Note:** The following Members' statement has been reproduced by the Company in accordance with 249P of the Corporations Act. By reproducing this statement, the Company does not make any representations as to its truth or accuracy and disclaims any liability for its contents.

## Schedule 2

### Section 249P Statement to Members

Dear fellow Living Cell Technologies Limited (LCT) shareholder

The undersigned members, being the registered holders of at least 5% of the votes that may cast at a general meeting of LCT (**Requisitioning Members**), have notified LCT of resolutions that they propose to move at LCT's 2019 Annual General Meeting to allow shareholders to consider appointing two new directors and removing three existing directors.

The Requisitioning Members are doing this as they have concerns regarding LCT's:

1. corporate governance;
2. failure to report its successful phase IIb NTCELL study in a clear and consistent way;
3. capability to communicate its progress and plans to capital markets, especially given the likely requirement of a capital raise to exploit its opportunity to conduct a phase III trial.

Shareholders have suffered substantial value destruction as measured by a circa ten-fold share price decline since its first report of clinical progress in the phase IIb NTCELL study in November 2017 to today. Given that LCT has since announced the successful completion of this study such value destruction is deplorable.

The Requisitioning Members are putting forward these resolutions after careful consideration and discussion with fellow shareholders, LCT management and directors.

#### **1. Corporate governance**

We are concerned that the scientific analysis and interpretation of trial data has been left to academic scientists and trial clinicians who are skilled in assessing science concisely and factually but who are inexperienced at addressing the 'plain' outcome and potential commercial impact in a way that wider stakeholder groups can understand. Experienced commercial biotechnology director(s) would be better suited to determining and communicating to capital markets NTCELL's commercial opportunity.

In our view, LCT's board would benefit from the addition of biotechnology industry experience and expertise in production, commercialisation, capital markets, valuation and investor relations. We put forward two new directors for consideration that possess such expertise and are known to specialist industry investors and investment banks. We believe our nominated directors can assist in positioning LCT as it seeks additional resources to commercialise NTCELL.

Furthermore, management responsibility is best clearly separated from governance. We recognise the significant expertise and experience of Dr Ken Taylor, especially in pharmacology and experimental small molecule therapeutics both in academia and industry. His removal as director would allow him to fully focus on his role as CEO, which we understand aligns to his views.

#### **2. LCT's failure to report its successful phase IIb NTCELL study in a clear and consistent way**

In our view, LCT's directors have not reported clinical progress in a clear and consistent way. Jargon-rich technical analysis, including graphs with non-intuitive scales and sometimes unlabelled axes are provided to shareholders. On these graphs, a decreasing slope can illustrate patient improvement, which is not clearly explained and is counterintuitive to the average reader.

Incomplete announcements and a lack of detail have also caused significant destruction in value as measured by share price. For example, on 13 May 2019, LCT advised that the 4 patients who received 80 capsules of NTCELL all continued to show at 24 months a benefit greater than the 2 placebo group patients from that section of the trial; and then inexplicably referenced the results from this treatment

group against placebo groups from other sections of the trial. LCT also announced that it was seeking advice from its statistician and advisory panel to help interpret data. In our view the board was delinquent to have made such an announcement before it had completed sufficient statistical analysis to be able to clearly describe the results. Not providing an updated analysis until over 10 weeks later further eroded market confidence.

NTCELL 80 treatment remains the first and only therapeutic asset identified globally to show statistical and clinically relevant improvements in Parkinson's patient motor skills for periods as long as 24 months. In the recently concluded phase IIb trial, the NTCELL 80 treatment showed sustained efficacy and clinical relevance from 52 until 104 weeks, when compared with its placebo group. NTCELL 80 should be considered a promising therapy to reduce symptoms linked to Parkinson's. We do not believe that LCT's clinical progress nor this result have been communicated clearly nor as broadly as the results merit.

### **3. LCT's capability to communicate its progress and plans to industry stakeholders and capital markets**

We are concerned that LCT has not produced clear plans to continue the clinical development of NTCELL, to scale-up production or to commercialise NTCELL. Additionally, we do not see that LCT has communicated any plan to secure further funding, nor its vision to drive growth and ultimately increase shareholder value.

It is likely that an additional larger, confirmative Phase III trial will be required prior to approval of NTCELL as a Parkinson's treatment. Given the likely requirement for a capital raise to exploit this opportunity to conduct a phase III trial, we are concerned that the board has not demonstrated the capability to develop and communicate its plans to capital markets.

We believe that LCT's board should take leadership in engaging with existing shareholders and supporting management in capital raising and key stakeholder engagement including with government, regulatory and relevant patient organisations.

Notwithstanding regulatory approval, there is no evidence or announced plans to suggest that LCT can scale up for commercial provision of NTCELL in a timely way.

#### **Summary**

The Requisitioning Members believe that LCT could only benefit from the appointment of the proposed directors given their significant biotechnology industry experience in production, commercialisation, capital markets, valuation and investor relations. We believe these new directors will also inject a necessary sense of urgency, which is critical given global competition in therapeutic development.

We strongly encourage you to vote for the appointment of Drs Andrew Kelly (see: <https://tinyurl.com/y4pga6jl>) and Roland Toder (see: <https://tinyurl.com/y3yxoxkl>) and the removal as directors of Robert Willcocks, Laurie Hunter and Dr Ken Taylor.

#### **Disclosure of interest:**

Pacific Channel has assisted LCT secure new equity investment in the past and is a shareholder through related entities of LCT and NZeno Limited, a private company and potential supplier to LCT.







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

## Need assistance?



**Phone:**  
1300 343 593 (for callers in Australia)  
0800 487 012 (for callers in New Zealand)  
+61 3 9415 4024 (for callers outside Australia  
and New Zealand)



**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 **2:00pm (NZT) on Tuesday 5 November 2019.**

# 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.

### ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "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:

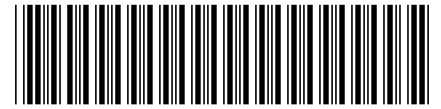
1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

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 Living Cell Technologies Ltd 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 Living Cell Technologies Ltd to be held at Pullman Auckland, Regatta Room, Lower Lobby Level, Cnr Princes St & Waterloo Quadrant, Auckland City, New Zealand on Thursday, 7 November 2019 at 2:00pm (NZT) 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 Resolutions 1 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 are 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 Resolutions 1 and 4 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
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Robert Willcocks as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Carolyn Sue as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of options to Carolyn Sue or her nominee in accordance with Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Dr Andrew Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Dr Roland Toder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Removal of Robert Willcocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Removal of Laurie Hunter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolutions 9	Removal of Dr Ken Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote in **FAVOUR** of resolutions 1-4 and **AGAINST** resolutions 5-9. If a Shareholder appoints the Chairman of the Annual General Meeting as proxy and does not direct the Chairman how to vote on a resolution then, if that Shareholder is entitled to vote on that resolution, the Chairman will vote in **FAVOUR** of resolutions 1-4 and **AGAINST** resolutions 5-9.

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





LCTRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SURBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Living Cell Technologies Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**Living Cell Technologies Limited**