



## **2022 ANNUAL GENERAL MEETING**

The Annual General Meeting (AGM) of the shareholders of Vectus Biosystems Limited will be held on Wednesday, 23 November 2022 commencing at 11:00am (AEDT). In light of the COVID-19 pandemic and the restrictions placed in relation to public gatherings, the

AGM is being held as a hybrid meeting and shareholders may join the meeting either virtually on Zoom or in person at 26-34 Dunning Avenue, Rosebery NSW. Shareholders attending the Meeting in person are requested to arrive at the venue by 10:40am as they will be required to pass a COVID-19 RAT test prior to entering the building under the health regulations of the building landlord.

**For instructions on how to join the AGM online, shareholders will need to refer to the Zoom information that was either posted out to them or emailed to them (depending on their chosen preference) by Vectus' Share Registrar, Boardroom. For further instructions on how to participate online please view the online meeting user guide at:**

**<https://www.investorserve.com.au>**

## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

Notice is hereby given that the 2022 Annual General Meeting (AGM) of the shareholders of Vectus Biosystems Limited (Vectus or the Company) will be held on Wednesday, 23 November 2022 commencing at 11:00am (AEDT). In light of the COVID-19 situation and the health issues in relation to public gatherings, the AGM is being held as a hybrid meeting.

### BUSINESS

**1. Item 1: Financial Statements and Reports**

To receive and consider the Annual Report of the Company for the year ended 30 June 2022, which includes the Annual Financial Report, the Directors' Report, the Directors' Declaration and the Auditor's Report.

*Note:* This item of business is for discussion only and is not a Resolution. However, pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity during the AGM to ask questions about, or make comments in relation to, each of the aforementioned Reports during consideration of these Reports.

**2. Resolution 1: To Elect a Director – Peter Bush**

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

That, Mr Peter Bush, who retires by rotation as a Director pursuant to clause 6.1(f) of Vectus' Constitution and, being eligible, offers himself for re-election, be elected a Director of the Company.

**3. Resolution 2: To Elect a Director – Susan Pond**

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

That, Dr Susan Pond, who retires by rotation as a Director pursuant to clause 6.1(f) of Vectus' Constitution and, being eligible, offers herself for re-election, be elected a Director of the Company.

**4. Resolution 3: To Adopt the Remuneration Report**

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

That Vectus' Remuneration Report for the financial year ended 30 June 2022, as set out in the Directors' Report in the Company's 2022 Annual Report, be received, approved and adopted.

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

**5. Resolution 4 – To Add Clause 5.2(g) to the Company's Constitution**

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

That the Company's Constitution be modified by including a new Clause 5.2(g) as follows:  
"A meeting of shareholders may be held by telephonic or electronic means so that shareholders attending the meeting can hear each other. Participation in a meeting of shareholders by telephonic or electronic means shall constitute presence of the shareholder at the meeting."

**6. Resolution 5 – To Approve the Proposed Issue of Shares**

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

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of up to 5,000,000 fully paid ordinary shares in the Company to investors that are not Related Parties of Vectus, as set out in the Explanatory Notes.

**7. Resolution 6 – To Approve the Issue of Options under the EIP to a Director – Maurie Stang**

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

That, for the purpose of ASX Listing Rule 10.11, and for all other purposes, approval be given to Vectus to issue a maximum of 316,000 Options to Director Mr Maurie Stang (or his nominee) under the Company's Employee Incentive Plan (EIP), on the terms and conditions set out in the Explanatory Notes.

8. To transact any other business brought forward in accordance with Vectus' Constitution.

Further information in relation to the matters to be considered at the AGM is set out in the attached Explanatory Notes.

### VOTING EXCLUSION STATEMENT

In respect of **Resolution 3** (To Adopt the Remuneration Report), the Company will disregard any votes cast (in any capacity) by or on behalf of any person who is a member of the key management personnel (KMP) whose remuneration details are included in the Remuneration Report in the 2022 Annual Report or a closely-related party of such a member. The prohibition in the Corporations Act 2001 (Cth) on the voting of members of Vectus' KMP does not apply to the Chairman of the AGM as proxy for a member entitled to vote where the proxy appointment expressly authorises the Chairman of the AGM to vote. However, the Company need not disregard any vote by any such persons if it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

In respect of **Resolution 5** (To Approve the Proposed Issue of Shares), Vectus will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) if Resolution 5 is passed, or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

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

In respect of **Resolution 6** (To Approve the Issue of Options under the EIP to a Director – Maurie Stang), the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of the person who is to receive the securities in question (i.e. Maurie Stang), and any of Maurie Stang's associates and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in Vectus).

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

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

## PROXIES

To be effective, Proxy Forms must be received by Vectus' Share Registrar, Boardroom Pty Limited, at least 48 hours before the time for holding the AGM:

by post to the following address:

**Boardroom Pty Limited**  
**PO Box 3993**  
**Sydney NSW 2001 Australia;** or

by facsimile on:

**02 9290 9655 (within Australia) or +61 2 9290 9655 (outside Australia);** or

by voting online at:

**<https://www.votingonline.com.au/vbsagm2022>**

(following the instructions on the attached Proxy Form).

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the Register of Shareholders as at 11:00am (AEDT) on Monday, 21 November 2022. Share transfers registered after that time will be disregarded in determining entitlements to vote during the AGM. In addition, Australian legal requirements limit the eligibility of certain people to vote on some items of business to be considered at the AGM. This voting exclusion is designed to limit the capacity of people who stand to benefit from a Resolution to influence whether or not the Resolution is passed.

A member entitled to join and vote during the AGM is entitled to appoint not more than two persons as his / her proxy to join and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. Unless under Power of Attorney (which should have been previously noted by Vectus), a Proxy Form by a corporation should be executed under its common seal or in accordance with the Corporations Act 2001.

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that Resolution as they think fit. Should any resolution, other than those specified in the Notice of AGM, be proposed at the AGM, a proxy may vote on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll that takes place and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their Proxy Forms with a direction on how to vote, but do not nominate the identity of their proxy, will be taken to have appointed the Chairman of the AGM as their proxy to vote on their behalf. If a Proxy Form is returned, but the nominated proxy does not join the AGM, or does not vote on the Resolution, the Chairman of the AGM will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the AGM, the Company Secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the Resolutions proposed in the Notice of AGM.

Dated in Sydney on this 12th day of October 2022.

By authority of the Board.

**Robert J Waring**  
Company Secretary

## EXPLANATORY NOTES

### Introduction

These Explanatory Notes set out information designed to assist the Shareholders to vote on the Resolutions outlined in the Notice of AGM. The Directors recommend that Shareholders read the accompanying Notice of AGM and these Explanatory Notes in full before making any decisions relating to the Resolutions.

### BUSINESS

#### Item 1: Financial Statements and Reports

The 2022 Annual Financial Report, including the Directors' Reports and the Auditor's Report for the year ended 30 June 2022, will be laid before the AGM, as required by the Corporations Act. There is no requirement for Shareholders to approve the Financial Report. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Financial Report and the management of Vectus. Shareholders will also be given an opportunity to ask the Auditor questions about the:

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

In addition to taking questions at the AGM, written questions to the Chairman about the management of Vectus, the Company's Auditor, the content of the Auditor's Report and the conduct of the audit may be submitted no later than five business days before the date of the AGM to PO Box 324, Crows Nest, NSW 1585.

Vectus' 2022 Annual Report is available on its website at:  
<http://www.vectusbiosystems.com.au/investor-centre/reports-and-presentations>.

#### General Explanatory Notes Applying to Resolutions 1 and 2

The Company undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director and provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. These include checks as to the person's character, experience, education, criminal record and bankruptcy history. Candidates for appointment or election as Non-Executive Directors provide the Board with the information above and a consent for Vectus to conduct any background or other checks the Company would ordinarily conduct. The candidate also provides details of his or her other commitments and an indication of time involved, and specifically acknowledges to Vectus that he or she will have sufficient time to fulfil his or her responsibilities as a Director. A candidate for election as a Director discloses to the Company all interests, positions, associations and relationships that may bear on his or her independence.

#### Resolution 1: To Elect a Director – Peter Bush

Non-Executive Director Mr Peter Bush (BCom, CA) previously acted as the Chief Financial Officer and Company Secretary of Vectus prior to the Company listing on ASX in 2016. He is an experienced senior executive having held C-suite (CEO / CFO) and Director (Executive / Non-Executive) roles in various Public (ASX/Unlisted) and Private entities in Australia, the USA, Europe and Asia (Singapore). Mr Bush began his career working for five years at BDO, a global accounting and consulting firm, and has since then spent over two decades in industry, predominantly focussed on technology commercialisation, strategy, global expansion and financing, including numerous Initial Public Offerings, private and follow-on rounds. He holds a

degree in Commerce from Macquarie University and a graduate diploma in Chartered Accounting from the Institute of Chartered Accountants in Australia.

The Board considers that Mr Bush, if re-elected, does not qualify as an Independent Director.

Directorships held in other listed entities in the past three years: Alternate Director of Aeris Environmental Ltd (ASX:AEI) from May 2011 until November 2020.

Appointed to the Board: 9 July 2015 (i.e. a term of office of seven years and three months)

Shareholders are being asked to elect Mr Peter Bush as a Non-Executive Director at the Company's AGM.

***Directors' Recommendation:***

The Board, with Mr Bush abstaining, recommends that Shareholders vote in favour of Resolution 1.

**Resolution 2: To Elect a Director – Susan Pond**

Non-Executive Director Dr Susan Pond AM (MD, DSc, FRACP) has a strong scientific and commercial background, having held executive positions in the biotechnology and pharmaceutical industry for 12 years, including as Chairman and Managing Director of Johnson & Johnson Research Pty Limited (2003 to 2009). Dr Pond has held many Board positions such as: Non-Executive Director and Chairman of AusBiotech Limited (2006 to 2008); Director of the Australian Nuclear Science and Technology Organisation (ANSTO) (2010 to 2014); Board member of Innovation Australia (2012 to 2015); and Vice President of the Academy of Technological Sciences and Engineering (ATSE) (2010 to 2015). She is a Fellow of ATSE, the Australian Institute of Company Directors, and the Academy of Health and Medical Sciences. Dr Pond obtained specialist clinical credentials in internal medicine, clinical pharmacology and clinical toxicology, and held academic appointments at the University of California in San Francisco and the University of Queensland before joining industry.

The Board considers that Dr Pond will, if re-elected, qualify as an Independent Director.

Directorships held in other listed entities in the past three years: Non-Executive Director of Biotron Limited (ASX:BIT) since 7 March 2012.

Appointed to the Board: 4 May 2016 (i.e. a term of office of seven years and five months)

Shareholders are being asked to elect Dr Susan Pond as a Non-Executive Director at the Company's AGM.

***Directors' Recommendation:***

The Board, with Dr Pond abstaining, recommends that Shareholders vote in favour of Resolution 2.

**Resolution 3: To Adopt the Remuneration Report**

Vectus' Remuneration Report is required to be considered for adoption in accordance with the Corporations Act 2001 (Cth). The Remuneration Report is contained in the Directors' Report of the Annual Report. The vote on this Resolution is advisory only and non-binding. The Resolution gives the members the opportunity to ask questions or make comments concerning the Remuneration Report during the AGM. Under the Corporations Act 2001 (Cth), if 25% or more of the votes that are cast vote against the adoption of the remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a spill resolution) that another meeting be held within 90 days at which all of a company's directors (other than the managing director) must go up for re-election. The Company encourages all Shareholders to cast their votes on this Resolution.

Any undirected proxies held by the Chairman of the AGM, other Directors, other KMP or any of their closely-related parties will not be included in the votes for this Resolution. However, Vectus need not disregard a vote by any such persons if it is cast by any of them 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 who is chairing



the AGM 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. The KMP of the Company are the Directors of Vectus, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies Vectus' KMP for the financial year to 30 June 2022. Closely-related parties are defined in the Corporations Act 2001 (Cth), and include certain family members, dependents and companies that the KMP control.

***Directors' Recommendation:***

The Board recommends that Shareholders vote in favour of Resolution 3. Voting exclusions apply.

**Resolution 4: To Add Clause 5.2(g) to the Company's Constitution**

Resolution 4 seeks Shareholder approval for an amendment to the Constitution to authorise virtual shareholder meetings. As a result of the COVID-19 pandemic, the Government introduced a range of legislative instruments to facilitate smooth running of corporate functions, including shareholders' meetings. These include the Treasury Laws Amendment (2021 Measures No. 1) Act (TLAB) which came into effect on 14 August 2021. TLAB allowed companies to undertake virtual meetings (including annual general meetings, such as the Vectus January 2022 AGM), provided certain conditions were met. However, the elements of TLAB allowing virtual meetings expired on 31 March 2022. Unless a Company's Constitution specifically allows virtual meetings, or there is some future extension of TLAB or a similar dispensation, future use of virtual meetings beyond 31 March 2022 is not available.

The Company proposes Resolution 4 in order to amend the Company's Constitution to make it clear that Vectus may utilise telephonic or electronic means to conduct meetings, and that participation in a meeting of shareholders by telephonic or electronic means shall constitute presence of the shareholder at the meeting. The purpose of seeking this addition to the Company's Constitution is to ensure that Vectus remains able to utilise technology for meeting purposes, regardless of whether TLAB or other facilitating instruments remain in place.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

***Directors' Recommendation:***

The Directors recommend that Shareholders vote in favour of Resolution 4. The Chairman intends to vote undirected proxies in favour of Resolution 4.

**Resolution 5: To Approve the Proposed Issue of Shares**

***Background***

ASX Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of its shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves, or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

***Equity Securities Proposed to be Issued***

Resolution 5 seeks Shareholder approval for the issue of up to 5,000,000 Shares for the purpose of ASX Listing Rule 7.1. By obtaining Shareholder approval for the Equity Securities the subject of Resolution 5, the Company will retain the flexibility to issue Equity Securities in the future of up to an additional approximate 10.6% placement capacity without the requirement to obtain prior Shareholder approval. Vectus regularly monitors its ongoing equity requirements for funding of the ongoing development work on its drug library and its other activities, and the need for flexibility to respond to market conditions to raise the additional equity. The passing of this Resolution will enhance the flexibility of future funding alternatives. Funds raised will be used on funding future work on the Company's drug library, including VB4-A32 (liver fibrosis, restored normal liver architecture in NASH / ASH models), VB4-A79 (pulmonary fibrosis) and VB4-P5 (treatment of renal cell death, renal fibrosis

and hepatic fibrosis). It will give the Company the flexibility to expand its laboratory facilities and to fund the next stage of work on Vectus' leading compound, VB0004 (Systolic Hypertension, cardiac, renal and pulmonary fibrosis, possible orphan indication for scleroderma).

### **ASX Listing Rule 7.3**

ASX Listing Rule 7.3 requires that a notice of meeting concerning a proposed resolution to approve an issue of Equity Securities in accordance with ASX Listing Rule 7.1 must include the following information:

- the maximum number of Equity Securities that will be issued under the approval sought through Resolution 5 is 5,000,000 Shares;
- the Shares will be issued and allotted progressively, and no later than three months after the date of the AGM (or such later date as may be permitted by the Corporations Act, the Australian Securities and Investments Commission, or by an ASX waiver of the ASX Listing Rules);
- the issue price of the Shares will be no less than 80% of the volume weighted average price (VWAP) of Vectus' Shares for the five Trading Days prior to the date of issue calculated in accordance with ASX Listing Rule 7.3.3;
- the Shares will be issued to sophisticated and professional investors or other eligible parties who are not Related Parties of the Company;
- the Shares will rank equally in all respects with existing Shares;
- funds raised by the issue of the Equity Securities will be applied as a source of funds to support the further development of the Vectus drug library, including the initial stages of post-clinical Phase Ia human trial work for VB0004, work on other compounds in the Company's drug library, particularly its more advanced A32, A79 and P5 drug compounds, laboratory facilities expansion and for costs of the issue, working capital and other general corporate purposes; and
- a Voting Exclusion Statement is contained in the Notice of AGM.

### **ASX Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Equity Securities within three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and the issue of the Equity Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Equity Securities to unrelated parties and no further funds will be raised in respect to the Resolution voted down, and the Company will be required to modify proposed expenditure accordingly. Vectus will still be able to use the Company's 15% annual placement capacity to raise funds.

### **Directors' Recommendation:**

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

### **Resolution 6: To Approve the Issue of Options under the EIP to a Director – Maurie Stang**

Non-Executive Director and Deputy Chairman Mr Maurie Stang was elected a Director of the Company on 12 December 2005. In September 2015, when the Board decided to list Vectus on ASX, it decided to commence paying Directors' Fees. Mr Stang proposed that, in order to save the Company's limited cash resources until its drug library was more advanced, his annual Director's Fees as Deputy Chairman of \$55,000 per annum be accrued and then paid after Vectus' drug library had further advanced. Now that the Company's drug VB0004 has completed Phase Ia human trials, and a number of other drugs have advanced, the Board has resolved, subject to obtaining Shareholder approval, to issue a maximum of 316,000 Options to Mr Maurie Stang (or his nominee) under the Company's EIP, which will each enable him to acquire one new ordinary share in Vectus for each Option exercised. The Options will have no exercise price and will expire, if not exercised, by 23 November 2026 (expiry date). The Share price at the date of this Notice of AGM was \$0.70, and this compares to a Share price high of \$0.75 and a low of \$0.66 in the month leading up to this Notice of AGM.



There will be no amount payable by Mr Stang to exercise his 316,000 Options. The Company's 90-day VWAP for the Shares traded prior to the completion of the Notice of AGM was \$1.10. Accordingly, the potential value of 316,000 Options at \$1.10 is \$347,600 or, at the current share price of \$0.70, amounts to \$221,200. If this Resolution is not passed, Mr Stang's remuneration for the 6.33 years ended 31 December 2021 of \$348,150 (at \$55,000 per annum) will be paid in cash.

Following Shareholder approval and the issue of these Options, the first tranche of 105,333 Options will vest on 23 November 2023, the second tranche of 105,333 Options will vest on 23 November 2024 and the final tranche of 105,334 Options will vest on 23 November 2025. In all three cases, vesting is conditional on Mr Stang remaining a director of the Company on the dates the Options vest.

The Options will be granted as the total amount of Mr Stang's remuneration for the period from 1 September 2015 to 31 December 2021 or 6.33 years. By the payment of his Director's Fees of \$348,150 as Options there is an incentive to retain his services linked to the performance of Vectus. Shareholder approval is required under ASX Listing Rule 10.11 because he is a Director and, as such, a Related Party of the Company. If Shareholder approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1.

### ***Information Required under ASX Listing Rule 10.13***

For the purpose of ASX Listing Rule 10.13, information regarding the proposed Options grant is provided as follows to the extent that such information is not disclosed elsewhere in these Explanatory Notes:

- The Options will be issued to Director Maurie Stang (or his nominee);
- Vectus will issue a maximum of 316,000 Options to Mr Stang;
- A nil exercise price per Share was selected as it has been used in past Option issues to staff under the Company's EIP;
- There is no loan scheme in relation to the Options or the subsequent issue of Shares upon the exercise of the Options;
- The Options will be issued to Mr Stang within one month of the date of the AGM;
- The Options will not be issued for cash consideration, but as the total amount of Mr Stang's remuneration by the Company for the 6.33 years ended on 31 December 2021;
- No funds will be raised on the exercise of the Options and no funds will be raised on the issue of the Options (i.e. they will be issued and exercised for nil cash consideration);
- Mr Stang was not paid any cash remuneration by Vectus for his services as a Non-Executive Director and Deputy Chairman for the 6.33 years ended 31 December 2021. His remuneration by the Company for his services as a Non-Executive Director and Deputy Chairman for the half year ended 30 June 2022 was \$27,500 and for the year ending 30 June 2023 has been set as \$55,000 per annum; and
- A Voting Exclusion Statement is contained in the Notice of AGM.

Resolution 6 is an ordinary Resolution.

### ***Directors' Recommendation:***

The Directors (other than Mr Stang) do not have an interest in the outcome of Resolution 6 and therefore recommend that Shareholders vote in favour of the Resolution. The Chairman intends to vote undirected proxies in favour of Resolution 6.

## DEFINITIONS

In these Explanatory Notes:

**Annual General Meeting** or **AGM** or **Meeting** mean the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of AGM.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**Board** means the Board of Directors of the Company.

**Company** or **Vectus** means Vectus Biosystems Limited ABN 54 117 526 137.

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

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

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

**Explanatory Notes** means the explanatory notes accompanying the Notice of AGM.

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

**Notice** means the notice convening the AGM accompanying these Explanatory Notes.

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

**Related Party** means a party so defined by section 228 of the Corporations Act.

**Resolution** means a resolution proposed to be passed at the AGM and contained in the Notice of AGM.

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

**Shareholder** means a person entered in the Company's register as a holder of a Share.

## HYBRID MEETING AND VOTING BY PROXY OR IN POLL

The conduct of the AGM has been modified to accommodate the current situation relating to COVID-19 pandemic. With the health and safety of Vectus' shareholders, employees and guests being of paramount importance, it is not feasible or advisable for many of the Company's shareholders to physically attend the Meeting due to appropriate physical distancing at gatherings. Accordingly, Vectus has arranged for its shareholders to be able to participate in the AGM online this year (via a 'hybrid' meeting). Shareholders are encouraged to vote by proxy before the AGM and to submit any questions they may have before the Meeting. Shareholders will be able to join the AGM live via Zoom (details sent to shareholders separately) or attend the Meeting in person.

Shareholders attending the Meeting in person are requested to arrive at the venue by 10:40am as they will be required to pass a COVID-19 RAT test prior to entering the building under the health regulations of the building landlord.

Shareholders will be able to ask questions online in relation to the business of the Meeting and to vote at the AGM in a poll. Instructions on how to vote in the poll will be outlined at the AGM. The Company is closely monitoring developments relating to COVID-19 and corresponding Government guidance.



#### All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Monday, 21 November 2022.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/vbsagm2022>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (AEDT) on Monday, 21 November 2022.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/vbsagm2022>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Vectus Biosystems Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held as a hybrid meeting, virtually via Zoom and at **26-34 Dunning Avenue, Rosebery, NSW on Wednesday, 23 November 2022 at 11:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 3 and 6, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolutions 3 and 6 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 3 and 6). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Elect a Director – Peter Bush	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To Elect a Director – Susan Pond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To Add Clause 5.2(g) to the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	To Approve the Proposed Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	To Approve the Issue of Options under the EIP to a Director – Maurie Stang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022