

19 January 2023

Dear Shareholder

Upcoming General Meeting of Shareholders

Race Oncology Limited (ASX: RAC) is convening a General Meeting of shareholders, to be held at Race's office location: Level 36, Gateway Building, 1 Macquarie Place, Sydney, NSW 2000. The meeting will take place on Tuesday 21 February 2023 at 10.30 am (AEDT) (**Meeting**).

The Company **strongly encourages Shareholders to lodge a directed proxy form by Sunday, 19 February 2023 at 10.30 am (AEDT)**. Shareholder questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare answers. Further details of how to participate are set out in the Notice of Meeting.

The Notice of Meeting can be viewed and downloaded from: <https://www.raceoncology.com/investors/>

Shareholders who have nominated an email address and have elected to receive electronic communications from the Company, will receive an email to their nominated email address with a link to an electronic copy of the important Meeting documents.

In accordance with sections 110C-110H and 110J-110K the Corporations Act, as amended by the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), no hard copy of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated, unless a shareholder has requested a hard copy.

If you are unable to access any of the important Meeting documents online or if you wish to receive a hard copy of the Meeting documents please contact our share registry, Automic, on 1300 288 664 (within Australia) or +612 9698 5414 or via email at hello@automic.com.au.

Your right to elect to receive documents electronically or in hard copy

Race Oncology will no longer send a hard copy of the meeting documents unless a shareholder requests a copy be mailed.

We encourage all shareholders to provide an email address so that we can send investor communications electronically when they become available online, which includes items such as meeting documents and annual reports.

Shareholders can still elect to receive some or all their communications in hard copy or electronic form or elect not to receive certain documents such as annual reports.

To review your communications preferences or sign up to receive your shareholder communications via email, please update your communication preferences at <https://investor.automic.com.au/>.



If you are a shareholder and would like a hard copy of a communication, need further information about the options available to you or have questions about your holding, visit <https://investor.automic.com.au/> or contact our share registry:

Telephone (within Australia): 1300 288 664

Telephone (outside Australia): +61 2 9698 5414

Email: hello@automicgroup.com.au

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

About Race Oncology (ASX: RAC)

Race Oncology is an ASX listed precision oncology company with a Phase 2/3 cancer drug called Zantrene®.

Zantrene is a potent inhibitor of the Fatso/Fat mass and obesity associated (FTO) protein. Overexpression of FTO has been shown to be the genetic driver of a diverse range of cancers. Race is exploring the use of Zantrene as a new therapy for melanoma and clear cell renal cell carcinoma, which are both frequent FTO over-expressing cancers.

In breakthrough preclinical research, Race has also discovered that Zantrene protects from anthracycline-induced heart damage, while in tandem acting with anthracyclines and proteasome inhibitors to improve their ability to target cancer.

The Company also has compelling clinical data for Zantrene as a chemotherapeutic agent and is in two clinical trials in Acute Myeloid Leukaemia (AML).

Race is pursuing outsized commercial returns for shareholders via its 'Three Pillar' strategy.

Learn more at <https://www.raceoncology.com>

Race encourages all investors to go paperless by registering their details with the Company's share registry, Automic Registry Services, at www.automicgroup.com.au

Media contact:

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of the Race Board of Directors

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RACE ONCOLOGY LIMITED
ACN 149 318 749
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.30am (AEDT)

DATE: 21 February 2023

PLACE: Race Oncology Limited, Level 36, Gateway Building, 1 Macquarie Place, Sydney NSW 2000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.30 am (AEDT) on 19 February 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF OPTIONS TO DIRECTOR - DANNY SHARP

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 110,392 Options to Danny Sharp (or his nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – ISSUE OF OPTIONS TO DIRECTOR – DAMIAN CLARKE-BRUCE

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 755,671 Options to Damian Clarke-Bruce (or his nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR – MARY HARNEY

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 110,392 Options to Mary Harney (or her nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS


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

“That, for the purposes of clause 15.8 of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the total aggregate amount of fees payable to non-executive Directors from \$400,000 per annum to \$500,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 18 January 2023

By order of the Board



**Mr Peter Webse
Company Secretary**

Voting Prohibition Statements

Resolution 1 – Issue of Options to Director – Danny Sharp	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 2 – Issue of Options to Director – Damian Clarke-Bruce	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 3 – Issue of Options to Director – Mary Harney	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 4 – Increase in Total Aggregate Remuneration for Non-Executive Directors	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Issue of Options to Director – Danny Sharp	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Sharp) or an associate of that person or those persons.
Resolution 2 – Issue of Options to Director – Damian Clarke-Bruce	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Clarke-Bruce) or an associate of that person or those persons.
Resolution 3 – Issue of Options to Director – Mary Harney	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Ms Harney) or an associate of that person or those persons.
Resolution 4 – Increase in Total Aggregate Remuneration for Non-Executive Directors	A Director 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) a person as a 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
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a 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 holder 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 holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 409 328 19.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 TO 3 – ISSUE OF OPTIONS TO DIRECTORS

1.1 General

As announced to the Company's ASX platform (ASX: RAC) on 5 December 2022 and 14 December 2022, the Company appointed Mr Daniel (Danny) Sharp and Mr Damian Clarke-Bruce to the Board as Non-Executive Director and CEO and Managing Director respectively.

Pursuant to Messrs Sharp and Clarke-Bruce's respective employment agreements with the Company, the Company has agreed, subject to Shareholder approval, to issue each of Messrs Sharp and Clarke-Bruce, Options and under the Company's Incentive Option Plan (**Option Plan**) as follows:

- (a) 110,392 Options to Mr Sharp (the subject of Resolution 1); and
- (b) 755,671 Options to Mr Clarke-Bruce (the subject of Resolution 2).

As disclosed in the Company's 5 December 2022 ASX announcement, Company has also agreed, subject to Shareholder approval, to issue to Non-Executive Director, Ms Mary Harney, 110,392 Options under the Company's Incentive Option Plan (the subject of Resolution 3).

The Options to be issued to Ms Harney, Messrs Sharp and Clarke-Bruce are herein referred to as the **Director Options**.

The exercise price of the Director Options to be issued to Mr Sharp and Ms Harney is \$3.32 per Director Option and the exercise price of the Director Options to be issued to Mr Clarke-Bruce is \$3.30 per Director Option. All Director Options will expire on the date that is 5 years from the date of issue. Shareholders may refer to Schedule 1 for the full terms and conditions attaching to the Director Options.

1.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Director Options to Ms Harney, Messrs Sharp and Clarke-Bruce (or their respective nominee) constitutes giving a financial benefit and Ms Harney, Messrs Sharp and Clarke-Bruce are each a related party of the Company by virtue of being a Director.

The non-interested Directors, comprising Messrs John Cullity, Phillip Lynch and Daniel Tillett, who do not have a material personal interest in Resolutions 1 to 3 consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Director Options because the agreement to issue the Director Options, reached as part of the remuneration package for Ms Harney, Messrs Sharp and Clarke-Bruce, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

1.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of the Director Options to Ms Harney, Messrs Sharp and Clarke-Bruce falls within Listing Rule 10.14.1 by virtue of each of Ms Harney, Messrs Sharp and Clarke-Bruce being a Director, and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 1 to 3 seek the required Shareholder approval for the issue of the Director Options under and for the purposes of Listing Rule 10.14.

1.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 to 3 are passed, the Company will be able to proceed with the issue of the Director Options to Ms Harney, Messrs Sharp and Clarke-Bruce under

the Option Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Options (because approval is being obtained under Listing Rule 10.14), the issue of the Director Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 1 to 3 are not passed, the Company will not be able to proceed with the issue of the Director Options to Ms Harney, Messrs Sharp and Clarke-Bruce under the Option Plan. In such circumstances, the Company will seek to determine alternative incentive arrangements for Ms Harney, Messrs Sharp and Clarke-Bruce which as closely as possible align with the intention of the proposed issue of the Director Options.

1.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolutions 1 to 3:

- (a) the Director Options will be issued to Ms Harney, Messrs Sharp and Clarke-Bruce (or their respective nominees), who fall within the category set out in Listing Rule 10.14.1 by virtue of each of Ms Harney, Messrs Sharp and Clarke-Bruce being a Director;
- (b) the maximum number of Director Options to be issued is 976,455 comprising:
 - (i) 110,392 Director Options to Mr Sharp (the subject of Resolution 1);
 - (ii) 755,671 Director Options to Mr Clarke-Bruce (the subject of Resolution 2); and
 - (iii) 110,392 Director Options to Ms Mary Harney (the subject of Resolution 3),
- (c) the current total remuneration package for Mr Sharp is \$77,350 per annum comprising of directors' fees of \$70,000 and a superannuation payment of \$7,350. If the Director Options are issued to Mr Sharp, the current total remuneration package of Mr Sharp for the financial year ending 30 June 2023 will increase by \$25,577.52 to \$69,777.52, being the value of the Director Options (based on the Black Scholes methodology);
- (d) the current total remuneration package for Mr Clarke-Bruce is \$502,500 per annum comprising of directors' fees of \$475,000 and a superannuation payment of \$27,500. If the Director Options are issued to Mr Clarke-Bruce, the current total remuneration package for the financial year ending 30 June 2023 of Mr Clarke-Bruce will increase by \$173,561.74 to \$384,124.74, being the value of the Director Options (based on the Black Scholes methodology);

- (e) the current total remuneration package for Ms Harney is \$77,350 per annum comprising of directors' fees of \$70,000 and a superannuation payment of \$7,350. If the Director Options are issued to Ms Harney, the current total remuneration package of Ms Harney for the financial year ending 30 June 2023 will increase by \$25,577.52 to \$98,322.52, being the value of the Director Options (based on the Black Scholes methodology);
- (f) for further details with respect to the valuation of the Director Options proposed to be issued to Mr Sharp and Ms Harney, please refer to Schedule 2 and for further details with respect to the valuation of the Director Options proposed to be issued to Mr Clarke-Bruce, please refer to Schedule 3;
- (g) no Options have previously been issued to Ms Harney, Messrs Sharp and Clarke-Bruce under the Option Plan;
- (h) a summary of the material terms and conditions of the Director Options is set out in Schedule 1;
- (i) the Director Options are unquoted Options. The Company has chosen to issue Director Options to Ms Harney, Messrs Sharp and Clarke-Bruce for the following reasons:
 - (i) the Director Options are unquoted, therefore, the issue of the Director Options has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Director Options to Ms Harney, Messrs Sharp and Clarke-Bruce will align the interests of Ms Harney and Messrs Sharp and Clarke-Bruce with those of Shareholders;
 - (iii) the issue of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Ms Harney, Messrs Sharp and Clarke-Bruce; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options on the terms proposed;
- (j) the Director Options will be issued to Ms Harney, Messrs Sharp and Clarke-Bruce (or their respective nominees) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Options will be issued within 3 days of the Company obtaining Shareholder approval for the issue of the Director Options;
- (k) the issue price of the Director Options will be nil, as such no funds will be raised from the issue of the Director Options (other than in respect of funds received on exercise of the Director Options);

- (l) a summary of the material terms and conditions of the Option Plan is set out in Schedule 4;
- (m) no loan is being made to Ms Harney, Messrs Sharp or Clarke-Bruce in connection with the acquisition of the Director Options;
- (n) details of any other Options issued under the Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Option Plan after Resolutions 1 to 3 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

2. RESOLUTION 4 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

2.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

Clauses 15.7 and 15.8 of the Constitution also provide that total aggregate remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increased by ordinary resolution of Shareholders in a general meeting.

The maximum aggregate amount of fees payable to the non-executive Directors is currently set at \$400,000.

Resolution 4 seeks Shareholder approval for the purposes of clause 15.8 of the Constitution and Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to \$500,000.

The maximum aggregate amount of fees proposed to be paid to non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

2.2 Technical information required by Listing Rule 10.17

If Resolution 4 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by \$400,000 to \$500,000. Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the increase to maximum aggregate amount of fees payable may enable the Company to:

- (a) fairly remunerate both existing and any new non-executive directors joining the Board;
- (b) bring additional or alternate skills, experience and independence onto the Board;
- (c) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (d) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Resolution 4 is not passed, the maximum aggregate amount of fees payable to non-executive Directors will remain at \$400,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past three years, the Company has not issued any Securities to non-executive Directors pursuant to Listing Rules 10.11 and 10.14.

2.3 Board Recommendation

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Race Oncology Limited ACN 149 318 749.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Director Options has the meaning given to it in Section 1.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Option Plan means the incentive option plan as summarised in Schedule 4.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be:

- (i) in respect of the Options proposed to be issued to Mr Sharp (Resolution 1), \$3.32 per Option, each being equal to a 48% premium to the volume weighted average price of Shares calculated over the 20 days prior to 3 December 2022, which was the first business day prior to the date of approval by the Board of Mr Sharp's appointment as a Director of the Company;
- (ii) in respect of the Options proposed to be issued to Mr Clarke-Bruce (Resolution 2), \$3.30 per Option, each being equal to a 48% premium to the volume weighted average price of Shares calculated over the 20 days prior to 14 December 2022, which was the date of execution of Mr Clarke-Bruce's employment agreement with the Company; and
- (iii) in respect of the Options proposed to be issued to Ms Harney (Resolution 3), \$3.32 per Option, each being equal to a 48% premium to the volume weighted average price of Shares calculated over the 20 days prior to 3 December 2022,

(each, an **Exercise Price**).

(c) **Cashless Exercise Facility**

In lieu of paying the aggregate Exercise Price to purchase Shares, an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (**Cashless Exercise Facility**):

$$A = \frac{B (C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder;

B = the number of Shares otherwise issuable upon the exercise of the Options or portion of the Options being exercised;

C = the market value of one Share determined as of the date of exercise where market value is determined to be the volume weighted average price for

Shares on the ASX over the last 20 trading days immediately prior to the date that the Company receives the notice of option exercise; and

D = the Exercise Price.

(d) **Expiry Date**

Each Option will expire at 5:00 pm (AEST) on the date that is 5 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

(i) Subject to paragraph (e)(ii) the Options shall vest as follows:

(A) one third of the Options will vest and become exercisable on the date which is 12 months from the date of issue of the Options (**Initial Tranche Date**); and

(B) the remaining two thirds of the Options will vest incrementally in equal lots each month after the Initial Tranche Date for a period of 24 months and become exercisable.

provided that each Optionholder remains engaged by the Company during the relevant periods set out in (A) and (B) above. Upon vesting, the vested Options shall be exercisable at any time prior to the Expiry Date (**Exercise Period**).

(ii) Upon a Change of Control (as defined in the Option Plan) occurring, all unvested Options will immediately vest and become exercisable.

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company or, if elected by the holder, by utilising the Cashless Exercise Facility.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

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.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(o) **Lapse of Options**

The Options will lapse in accordance with the terms of the Option Plan.

(p) **Transferability**

The Options are not transferable, unless otherwise determined in accordance with the Option Plan.

SCHEDULE 2 – DIRECTOR OPTION VALUATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 - MR SHARP AND MS HARNEY

The Director Options to be issued to Mr Sharp and Ms Harney pursuant to Resolutions 1 and 3 respectively have been valued by internal management.

Using the Black-Scholes option pricing model and based on the assumptions set out below, the Director Options to be issued to Mr Sharp and Ms Harney were ascribed the following value range for the financial year ended 30 June 2023:

Assumptions:	
Valuation date	2 December 2022
Market price of Shares	\$2.241
Exercise price	\$3.32
Expiry date (length of time from issue)	5 years
Risk free interest rate	3.21%
Volatility	57.31%
Indicative value per Director Option to be issued to Mr Sharp (Resolution 1) and Ms Harney (Resolution 3)	\$0.9512
Total value of Director Options to be issued to Mr Sharp (Resolution 1) and Ms Harney (Resolution 3) for the financial year ended 30 June 2023	\$51,155.04
Mr Sharp (Resolution 1)	\$25,577.52
Ms Harney (Resolution 3)	\$25,577.52

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options to be issued to Mr Sharp and Ms Harney could be traded at and they are not automatically the market prices for taxation purpose.

**SCHEDULE 3 – DIRECTOR OPTION VALUATION FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2023 - MR CLARKE-BRUCE**

The Director Options to be issued to Mr Clarke-Bruce pursuant to Resolution 2 have been valued by internal management.

Using the Black-Scholes option pricing model and based on the assumptions set out below, the Director Options to be issued to Mr Clarke-Bruce were ascribed the following value range for the financial year ended 30 June 2023:

Assumptions:	
Valuation date	13 December 2022
Market price of Shares	\$2.231
Exercise price	\$3.30
Expiry date (length of time from issue)	5 years
Risk free interest rate	3.18%
Volatility	50.009%
Indicative value per Director Option to be issued to Mr Clarke-Bruce (Resolution 2)	\$0.9429
Total value of Director Options to be issued to Mr Clarke-Bruce (Resolution 2) for the financial year ended 30 June 2023	\$173,561.74

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options to be issued to Mr Clarke-Bruce could be traded at and they are not automatically the market prices for taxation purpose.

SCHEDULE 4 – TERMS OF THE INCENTIVE OPTION PLAN

The material terms of the Incentive Option Plan (**Option Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Exercise price:** The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the Listing Rules specify or require a minimum price, the Option exercise price must not be less than any minimum price specified in the Listing Rules.
- (f) **Cashless Exercise:** The cashless exercise facility entitles an Eligible Participant to set-off the Option exercise price against the number of Shares which the Eligible Participant is entitled to receive upon exercise of the Eligible Participant's Options. By using the cashless exercise facility, the participant will receive Shares to the value of the surplus after the option exercise price has been set-off.

- (g) **Vesting conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option (**Vesting Conditions**).
- (h) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) special circumstances arising in relation to a Relevant Person in respect of those Options, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(**Special Circumstances**), or
 - (ii) a change of control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (i) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Option occurring;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (h) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;

- (iii) in respect of unvested Option only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (h) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Options granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;
 - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option; and
 - (vii) the expiry date of the Option.
- (j) **Not transferrable:** Subject to the Listing Rules, Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (k) **Shares:** Shares resulting from the exercise of the Options shall, subject to any sale restrictions (refer to paragraph (l)), from the date of issue, rank on equal terms with all other Shares on issue.
- (l) **Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Options (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (m) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Option Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 5 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the disposal of Shares ends. The Company will not apply for quotation of any Options on the ASX.
- (n) **No participation rights:** There are no participation rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) **Change in exercise price or number of underlying securities:** An Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.

- (p) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (q) **Amendments:** Subject to express restrictions set out in the Option Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Option Plan, or the terms or conditions of any Option granted under the Option Plan including giving any amendment retrospective effect.

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

Holder Number:

Your proxy voting instruction must be received by **10.30am (AEDT) on Sunday, 19 February 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

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

or scan the QR code below using your smartphone

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



BY MAIL:

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IN PERSON:

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Sydney NSW 2000

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BY FACSIMILE:

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All enquiries to Automic:

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