



26 April 2023

## **Notice of Annual General Meeting and Proxy Form**

InhaleRx Limited (ASX:IRX) (InhaleRx or the Company) an Australian healthcare company developing unique medicinal cannabinoid drug-device products to address unmet medical needs in pain management and mental health sectors, advises that the Company's Annual General Meeting (AGM) will be held Virtually at 10.30am (AEST) on 26 May 2023.

In accordance with Listing Rule 3.17, attached are the following documents:

- Letter to Shareholders;
- Notice of Annual General Meeting; and
- Proxy Form

This announcement has been approved for release to ASX by the InhaleRx board of directors.

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ENDS

### **About InhaleRx Limited (ASX: IRX) – [www.inhalerx.com.au](http://www.inhalerx.com.au)**

InhaleRx Limited (ASX: IRX) ("InhaleRx" or "the Company") is an Australian healthcare company which is developing novel cannabinoid derived drug device combination medications to serve unmet needs in pain management and mental health sectors.

The overarching goal is to pursue U.S. FDA approval and registration to treat Panic Disorder and Complex Regional Pain Syndrome using rapid and cost effective regulatory pathways, such as 505(b)(2). A 505(b)(2) application is a New Drug Approval (NDA) that contains full reports of investigations of safety and effectiveness, where at least some of the information required for approval comes from studies available in the public domain.

There is a significant economic opportunity for InhaleRx and the Company's shareholders as these carefully selected medical indications under investigation currently have extremely limited treatment options, whilst also offering a low side effect profile.

InhaleRx holds an innovation patent and will be developing further defensible IP as the two clinical trial programmes enter the execution phase.



26 April 2023

## Annual General Meeting – Letter to Shareholders

**InhaleRx Limited** (ASX:IRX) (**IRX** or the **Company**) advises that an Annual General Meeting of Shareholders will be held at 10.30am (AEDT) on Friday, 26 May 2023 as a virtual meeting (**AGM** or **Meeting**)

In accordance with Part 1.2AA of the *Corporations Act 2001*, the Company will only be dispatching physical copies of the Notice of Meeting (**Notice**) to Shareholders who have elected to receive the Notice in physical form. For further information on your right to elect to receive documents from the Company electronically or physically, please refer to the Company's website at <https://inhalerx.com.au/>.

The Notice is being made available to Shareholders electronically and can be viewed and downloaded online on the Company's ASX market announcements page (ASX: IRX)

This Notice is given based on circumstances as at the date of this letter. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://inhalerx.com.au/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

### **Virtual Meeting**

If you are a shareholder and you wish to virtually attend the AGM (which will be broadcast as a live webinar), please pre-register in advance for the virtual meeting here:

[https://us02web.zoom.us/webinar/register/WN\\_0o50-RAvQd2ygoqRaWwfgw#/registration](https://us02web.zoom.us/webinar/register/WN_0o50-RAvQd2ygoqRaWwfgw#/registration)

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of the Notice) and ask questions at the virtual meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to the Joint Company Secretaries at [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au) at least 48 hours before the AGM.

### **Your vote is important**

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

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting. Shareholders attending the meeting virtually and wishing to vote on the day of the Meeting can find further instructions on how to do so in the Notice. Alternatively, shareholders are strongly encouraged to complete and submit their vote by proxy by using one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Log into the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
<b>By post</b>	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	Completing the enclosed Proxy Form and emailing it to: <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting.  
**Proxy Forms received later than this time will be invalid.**

**The Chair intends to vote all open proxies in favour of all resolutions, where permitted.**

Yours Faithfully,

Nova Taylor

Company Secretary

**InhaleRx Limited**

Level 5, 126 Phillip Street

Sydney, NSW, 2000

ACN: 611 845 820

[info@inhalerx.com.au](mailto:info@inhalerx.com.au)

<https://inhalerx.com.au>

# InhaleRx Limited

## **Notice of 2022 Annual General Meeting**

Explanatory Statement | Proxy Form

26 May 2023

**10.30AM (AEST)**

**Address**

To be held as a **virtual meeting**

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.

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## Important Information for Shareholders about the Company's 2022 AGM

This Notice is given based on circumstances as at 21 April 2023. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://inhalerx.com.au/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30am (AEST) on Friday, 26 May 2023 as a **virtual meeting**.

The Company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic.

If you wish to virtually attend the AGM (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

[https://us02web.zoom.us/webinar/register/WN\\_0o50-RAvQd2ygoqRaWwfqw#/registration](https://us02web.zoom.us/webinar/register/WN_0o50-RAvQd2ygoqRaWwfqw#/registration)

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to Nova Taylor, Joint Company Secretary at [nova.taylor@automicgroup.com.au](mailto:nova.taylor@automicgroup.com.au) at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

## Your vote is important

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

## Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM will need to login to the online meeting platform powered by Automic.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link [investor.automic.com.au](https://investor.automic.com.au) and then clicking on “**register**” and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to [investor.automic.com.au](https://investor.automic.com.au)
2. Login with your username and password or click “**register**” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps.
5. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen.
6. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

## Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on ‘View Meetings’ – ‘Vote’. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.  For further information on the online proxy lodgement process please see the <b>Online Proxy Lodgement Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	Completing the enclosed Proxy Form and emailing it to: <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>

Your Proxy instruction must be received no later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of InhaleRx Limited ACN 611 845 820 will be held at 10.30am (AEST) on Friday, 26 May 2023 as a **virtual meeting (Meeting)**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (AEST) on Wednesday, 24 May 2023.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*"To receive and to consider the Annual Financial Report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.



# Resolutions

## **Remuneration Report**

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

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 31 December 2022.”*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting Exclusion Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors) (**KMP**), whose remuneration details are included in the Remuneration Report, or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as **Restricted Voter**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## **Election of Directors**

### **2. Resolution 2 – Election of John Crock as Director**

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

*"That John Crock, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with clause 108 of the Company's Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company, effective immediately."*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **3. Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Equity Securities**

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

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) 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.

## **Issue of Incentive Securities under the Incentive Entitlements Plan**

### **4. Resolution 4 – Approval of Issue of Incentive Securities to Mr Sean Williams, Director of the Company**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 2,000,000 unlisted Options, exercisable at \$0.15 (15 cents), and expiring 3 years from the issue date, under the Incentive Entitlements Plan to Mr Sean Williams, Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Entitlements Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) 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 vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either:
  - (i) a member of the Company's KMP; or
  - (ii) a closely related party of a member of the Company's KMP; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's KMP.

## 5. **Resolution 5 – Removal of Auditor**

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

*“That, for the purposes of section 329 of the Corporations Act and for all other purposes, the current auditor of the Company, HLB Mann Judd (VIC Partnership) ABN 20 696 861 713, be removed as the auditor of the Company, effective immediately”.*

## 6. **Resolution 6 – Appointment of Auditor**

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

*“That, subject to Resolution 5 being passed, for the purposes of section 327D of the Corporations Act and for all other purposes, RSM Australia Partners ABN 36 965 185 036, having been nominated and consented in writing to act as auditor of the Company, be appointed as auditor of the Company, effective immediately.”.*

## 7. **Resolution 7 – Amendment of Constitution**

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

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, approval is given that the Constitution of InhaleRx Limited is amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the meeting.”*

### **BY ORDER OF THE BOARD**

Nova Taylor  
Joint Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.30am (AEST) on Friday, 26 May 2023 as a **virtual meeting**.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://inhalerx.com.au/>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by Friday, 19 May 2023.

# Resolutions

## **Remuneration Report**

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

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <https://inhalerx.com.au/>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2023 Annual General Meeting (**2023 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2023 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2023 AGM. All of the Directors who were in office when the 2023 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report for the financial year ended 31 December 2021 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 31 May 2022. Accordingly, if at least 25% of votes cast on this Resolution are against the adoption of the Remuneration Report, it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

## **Election of Director**

### **Resolution 2 – Election of John Crock as Director**

Clause 108.2 of the Company's Constitution provides that any Director appointed in addition to the existing Directors will hold office until the next following annual general meeting and is then eligible for re-election.

ASX Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next annual general meeting and is then eligible for election as a Director of the Company.

John Crock was appointed as an additional Director of the Company on 27 September 2022 and has since served as a Director of the Company.

Under this Resolution, John Crock seeks election as a Director of the Company at this AGM.

John Crock is a highly experienced plastic surgeon with over 40 years of clinical experience. He has received multiple awards over the course of his career.

Dr Crock is the founder of Aussie Health Abroad, an international aid organisation that focuses on training surgeons in developing nations, but also interfaces with many other disciplines of medicine in the global community - particularly in the USA and Europe.

Dr Crock has practiced as a clinical supervisor/ senior lecturer at Monash Health and as well as having an academic appointment at Monash University, also teaches at Melbourne University and is on the faculty for the Graduate Diploma of Surgical Anatomy.

Dr Crock has completed an MD thesis which has been published in international journals and has been presented at major scientific forums in the USA, UK and Australia.

Dr Crock has been an active member of many medical advisory boards including Knox Private Hospital. He has also been actively involved in the Royal Flying Doctor Service and has coordinated international retrieval exercises on numerous occasions.

#### **Directors' recommendation**

The Directors (excluding John Crock) recommend that Shareholders vote in favour of this Resolution.

## **ASX Listing Rule 7.1A**

### **Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

#### **General Information**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$8.5 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

#### **Information Required by ASX Listing Rule 7.3A**

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

##### Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

##### Minimum price at which the Equity Securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's Equity Securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; and



- (b) if the Equity Securities are not issued within 10 trading days of the date in paragraph (a), the date on which the Equity Securities are issued.

Purposes for which the funds raised by an issue of Equity Securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any Equity Securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of Equity Securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) the current clinical development pathway for inhaled medicinal formulations targeting treatments for Panic Disorder and Complex Regional Pain Syndrome;
- (b) The development of additional inhaled medicinal formulations which target the treatment of medical conditions for which there are no or limited existing effective treatments; and
- (c) Potential acquisitions and due diligence on acquisitions.

Risk of economic and voting dilution to existing ordinary Shareholders

If this Resolution is approved, and the Company issues Equity Securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted.

There is a risk that:

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

which may have an effect on the amount of funds raised by the issue of Equity Securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.0225 50% decrease in issue price	\$0.045 issue price <sup>(b)</sup>	\$0.09 100% increase in issue price
<b>"A" is the number of shares on issue,<sup>(a)</sup> being 189,766,957 Shares</b>	<b>10% voting dilution<sup>(c)</sup></b>	18,976,695	18,976,695	18,976,695
	<b>Funds raised</b>	\$426,976	\$853,951	\$1,707,903
<b>"A" is a 50% increase in shares on issue, being 284,650,435 Shares</b>	<b>10% voting dilution<sup>(c)</sup></b>	28,465,043	28,465,043	28,465,043
	<b>Funds raised</b>	\$640,463	\$1,280,927	\$2,561,854
<b>"A" is a 100% increase in shares on issue, being 379,533,914 Shares</b>	<b>10% voting dilution<sup>(c)</sup></b>	37,953,391	37,953,391	37,953,391
	<b>Funds raised</b>	\$853,951	\$1,707,903	\$3,415,805

**Notes:**

- (a) Based on the total number of fully paid ordinary Shares on issue as at 19 April 2023.
- (b) Based on the closing price of the Company's Shares on ASX as at 19 April 2023.

- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of Equity Securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of Equity Securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

#### Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of Equity Securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of Equity Securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue Equity Securities in relation to any parties, investors or existing Shareholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to determine at the time of any issue of Equity Securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of Equity Securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of Equity Securities.

#### Issue or agreement to issue Equity Securities under Listing Rule 7.1A in the 12 months prior to AGM

The Company has issued or agreed to issue Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM. Details of these issues or agreements to issue are set out in the table below:

Number/Class of equity securities issued	Terms of the securities issued	Price and discount to closing market price on the date of issue (if any) or agreement to issue	Consideration details	Allottees of the Securities
<i>Issued on 3 October 2022</i>				
16,846,695 fully paid ordinary shares	Issue of shares to institutional and sophisticated investors under a	Issue price of \$0.06 (6 cents) per share. The issue price of \$0.06 per share	Cash consideration of \$1,010,801.70 Funds raised under the Placement have	Institutional and sophisticated investors

	<p>placement announced by the Company on 19 September 2022. The placement was completed by utilising existing capacity under ASX Listing Rule 7.1 and 7.1A</p> <p>The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.</p>	<p>represented a ~13.04% discount to the closing price of \$0.069 on the issue date, being 3 October 2022</p>	<p>and will be used for ongoing regulatory work required with the Food and Drug Administration (FDA) and to support drug / device development for use in the company's two clinical programmes. Each programme requires the use of meticulously designed inhaled cannabinoid formulations to investigate if cannabinoids can address unmet medical needs for treating Complex Regional Pain Syndrome (CRPS) and Panic Disorder (PD).</p>	
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<b>Total equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months prior to AGM ("A")</b>	16,846,695
<b>Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12 month period (fully diluted)</b>	10%

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour of this Resolution.

## **Issue of Incentive Securities under Incentive Entitlements Plan**

### **Resolution 4– Approval of Issue of Incentive Securities to Sean Williams, a Director of the Company**

#### **Background**

The Company's Incentive Entitlements Plan (**Incentive Plan**) was approved by Shareholders of the Company on 31 May 2022.

The Company seeks to invite Mr Sean Williams, subject to Shareholder approval that is sought under this Resolution, to participate in the Incentive Plan by subscribing for 2,000,000 unlisted options, exercisable at \$0.15 (15 cents) per option expiring 3 years from the issue date (**Incentive Securities**).

#### **Director and Related Party Approvals**

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons

to acquire securities under an employee incentive scheme unless it obtains the approval of its shareholders:

- (a) a director of the Company;
- (b) an associate of a director of the Company; or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

As Mr Sean Williams is a Director of the Company, the proposed issue of Incentive Securities constitutes the acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14 and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

To this end, Resolution 4 seeks the required Shareholder approval to issue the Incentive Securities to Mr Sean Williams under and for the purposes of Listing Rule 10.14.

If approval is obtained under Listing Rule 10.14, in accordance with Listing Rule 10.12 (exception 8), separate approval is not required under Listing Rule 10.11.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Incentive Securities.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue and there is a risk that the Company will not be able to retain the services of Mr Williams. Alternatively, the Company may be forced to increase Mr William's salary and short-term cash-based incentive remuneration in order to adequately compensate and incentivise him.

## **Chapter 2E of the Corporations Act**

Section 208 of the Corporations Act prohibits the Company from giving a financial benefit to a 'related party' of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions set out in sections 210-216 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

One of the exceptions, under section 211 of the Corporations Act, includes circumstances where the financial benefit is remuneration that is reasonable given the circumstances of the public company and related party.

The proposed issue of Incentive Securities constitutes the giving of a financial benefit and Mr Sean Williams is a related party of the Company by virtue of his position as Director of the Company.

The non-conflicted Directors of the Company (being Dr John Crock and Dr Andrew Saich) carefully considered the issue of these Incentive Securities to Mr Sean Williams, and formed the view that the giving of this financial benefit as part of his remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Incentive Securities, and the responsibilities held by Mr Williams in his role as Director of the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Incentive Securities to Mr Williams fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act, and relies on this exception for the purposes of this Resolution. Therefore, the proposed issue of Incentive Securities to Mr Williams requires Shareholder approval under and for the purposes of Listing Rule 10.14 only.

## **Information Required by ASX Listing Rule 10.15**

The following information in relation to the issue of Incentive Securities to Mr Williams is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (i) The allottee is Mr Sean Williams - Non-Executive Director of the Company and therefore falls within Listing Rule 10.14.1;
- (ii) The maximum number of Incentive Securities that may be acquired is 2,000,000 unlisted Options, exercisable at \$0.15 (15 cents) and expiring 3 years from the date of issue;
- (iii) The current total remuneration package received by Mr Sean Williams is \$76,650 per annum plus superannuation;
- (iv) Since the Incentive Plan was last approved by Shareholders on 31 May 2022, the Company has issued the following Incentive Securities to Mr Williams:

Name	Number of securities received	Acquisition price for each security
Mr Sean Williams	2,000,000 unlisted Options exercisable at \$0.20 per Option and expiring 14/12/2026	Nil

- (v) The material terms of the Incentive Securities are as follows:

- (i) Exercise price of \$0.15 (15 cents) per Option
- (ii) The Options vest on the date of issue
- (iii) Expiring 3 years from the date of issue.

The Company has chosen this type of security because it provides a tax effective form of incentive which preserves the Company's short-term cash reserves.

As at 6 April 2023 a preliminary valuation of the Incentive Securities using the Black-Scholes model indicated a value of \$0.0165 per Option (based on a one day VWAP as at 6 April 2023 (\$0.05)). The value of 2 million Options was therefore \$32,923 in total.

- (vi) The Incentive Securities will be issued within 3 years from the date of this Meeting, if approved by Shareholders of the Company.
- (vii) The Incentive Securities are being issued for nil consideration pursuant to the terms of the Incentive Plan.
- (viii) The material terms of the Incentive Plan are set out in Annexure A of this Notice of Meeting.

Details of any securities issued under the Incentive Plan will be published in each annual report of the Company relating to a period which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the Incentive Plan after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

### **Directors' recommendation**

The Board of Directors (excluding Mr Williams) recommend that Shareholders vote in favour of this Resolution.

## **Removal and Appointment of Auditor**

### **Resolution 5 – Removal of Auditor**

Under section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given. However, it should be noted that under this section, if a company calls a meeting after the notice of intention is given under section 329(1A) of the Corporations Act, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

An auditor may be removed in a general meeting provided that the notice of intention to remove the auditor has been received by the Company. The Company confirms that it received a notice of intention to move a resolution to remove HLB Mann Judd (VIC Partnership) ABN 20 696 861 713 (**HLB Mann Judd**) as auditor of the Company.

Pursuant to section 329(2) of the Corporations Act, a copy of the notice of intention was sent to HLB Mann Judd.

This Resolution seeks Shareholder approval to remove HLB Mann Judd as the auditor of the Company.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour of this Resolution.

### **Resolution 6 – Appointment of Auditor**

Shareholder approval is being sought under Resolution 5 for the removal of HLB Mann Judd as auditor of the Company pursuant to section 329 of the Corporations Act.

Under section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under section 329 of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated RSM Australia Partners ABN 36 965 185 036 (**RSM**) to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Annexure B of this Notice of Meeting.

RSM has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, under this Resolution (which is subject to the approval of Resolution 5), Shareholder approval is being sought to appoint RSM as the new auditor of the Company.

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour of this Resolution.

## **Amendment of Constitution**

### **Resolution 7 – Amendment of Constitution**

The Company's current constitution was adopted by the Company following receipt of Shareholder approval on 31 May 2022.

Section 136 of the Corporations Act allows a Company to modify its Constitution by a Special Resolution passed at a general meeting of the Company. A Special Resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the Resolution.

As part of the Company's regular review of its operations to streamline administration, minimise costs and incorporate recent regulatory updates, the Company proposes to amend the Constitution as set out below.

For the following reasons, the Board of the Company wishes to amend its existing Constitution:

- (a) The Issue Cap is the maximum percentage of the Company's share capital that it is permitted to issue over a three-year period under its Incentive Plan. Under the previous ASIC Class Order regime (specifically ASIC Class Order 14/1000), the Issue Cap equivalent was fixed at 5% of its issued capital. Under the new Corporations Act provisions, the Company must not issue more Securities (as a percentage of the Company's issued capital) than is specified in the Constitution or, if no percentage is specified, 5% of its issued capital.
- (b) This means that the Company has the ability to increase the percentage of its share capital that it is permitted to issue under the Incentive Plan, from the default position of 5%, by specifying the Issue Cap in the Constitution. As a consequence, and to enhance the Company's ability to incentivise eligible participants of the Incentive Plan, the Company proposes to include an Issue Cap of 10% in the Constitution.

Accordingly, the Company has prepared an updated Constitution (**Amended Constitution**) which incorporates the following key amendments:

- (a) By inserting a new clause 16A

#### **16A Employee Share Scheme Issue Cap Limit**

For the purposes of section 1100V(2)(a) of Division 1A of Part 7.12 of the Corporations Act, the issue cap percentage for the Company is 10.0%.

Prior to the Meeting, a copy of the Amended Constitution is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the Amended Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary.

A complete signed copy of the amended Constitution will be tabled at the Meeting.

#### **Professional Advice**

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour this Resolution.

## **Enquiries**

Shareholders are asked to contact the Company Secretary on 03 8678 4091 if they have any queries in respect of the matters set out in these documents.



# Glossary

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**Annual Financial Report** means the 2022 Annual Report to Shareholders for the period ended 31 December 2022 as lodged by the Company with ASX on 30 March 2023.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of HLB Mann Judd dated 30 March 2023 as included in the Annual Financial Report.

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

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means InhaleRx Limited ACN 611 845 820

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

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

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or "\$" means Australian dollars.

**Equity Security** has the meaning given to that term in ASX Listing Rule 19.12.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**Incentive Plan** means the employee incentive scheme entitled "Incentive Entitlements Plan"

**Incentive Securities** means the Securities that may be granted by the Company pursuant to the terms of the Incentive Plan.



**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 21 April 2023 including the Explanatory Statement.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

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

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

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

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (as the context requires).

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

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

**Share Registry** means Automic Pty Ltd.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average market (closing) price, with respects to the price of Shares.

## APPENDIX A

### TERMS OF INCENTIVE PLAN

The following terms and phrases have the meanings ascribed to them below when used in this summary of the Rules:

<b>Blackout Period</b>	a period when the Eligible Participant is prohibited from trading in the Company's securities by the Company's Securities Trading policy or other similar policy.
<b>Board</b>	the Board of Directors of the Company or a committee appointed by the Board for the purposes of the Plan
<b>Change of Control</b>	<p>the occurrence of any of the following events (each a <b>Change of Control Event</b>) that results in a person or group of persons which did not have Control of the Company immediately prior to the completion or occurrence of the relevant Change of Control Event as the case may be (<b>Completed Transaction</b>), having Control of the Company immediately following the Completed Transaction:</p> <ul style="list-style-type: none"> <li>(a) a takeover bid (as that term is defined in the Corporations Act) being made for the Company;</li> <li>(b) a Court sanctioned compromise or arrangement under Part 5.1 of the Corporations Act;</li> <li>(c) a selective capital reduction for the purposes of Chapter 2J of the Corporations Act; or</li> <li>(d) any other event that the Board considers has resulted or will result in a change of Control of the Company.</li> </ul>
<b>Control</b>	the same meaning as is given to that term in section 50AA of the Corporations Act.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth)
<b>Eligible Participant</b>	<p>a person who:</p> <ul style="list-style-type: none"> <li>(a) would be an 'eligible participant' for the purposes of the ASIC Relief, or a person who the Board has otherwise determined to be an 'eligible participant';</li> <li>(b) the Board Invites to participate in this Plan; and</li> <li>(c) where the context requires, a person fitting within paragraphs (a) and (b), who accepts the Invitation.</li> </ul>
<b>Exemption Conditions</b>	the exemption conditions set out in section 83A-35 of the ITAA 1997.
<b>Incentive Entitlement</b>	<p>any form of equity based incentive that entitles the recipient to be issued a Share as determined by the Board, including:</p> <ul style="list-style-type: none"> <li>(a) Options; and</li> <li>(b) Performance Rights.</li> </ul>
<b>Invitation</b>	an invitation issued by the Board to an Eligible Participant to apply for

	a specified number of Incentive Entitlements pursuant to the Plan.
<b>ITAA 1997</b>	the Income Tax Assessment Act 1997 (Cth) as amended from time to time.
<b>Plan</b>	the InhaleRx Limited Incentive Entitlements Plan
<b>Rules</b>	the Plan Rules.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Trading Lock</b>	a mechanism arranged or approved by the Board and administered by the Company (including through its share registry or relevant securities exchange trading systems) that prevents Shares being disposed of by an Eligible Participant during the Trading Lock Period to ensure the Exemption Conditions are satisfied.

### 1. Objectives

The objectives of the Plan are to:

- (a) provide Incentive Entitlements to Eligible Participants who are considered to be key to the future success of the Company, in order to retain the services of those Eligible Participants in the future and incentivise their performance;
- (b) provide a means by which Eligible Participants may acquire Shares in the Company in addition to their remuneration; and
- (c) recognise and reward the performance of Eligible Participants and their contribution to the future success of the Company by providing Incentive Entitlements to those Eligible Participants.

### 2. Principal Conditions

This Plan may be operated so that Incentive Entitlements issued to or acquired by Eligible Participants under the Plan satisfy the Exemption Conditions so as to permit the application of section 83A-35 of the ITAA 1997.

### 3. Invitation

The Board may from time to time in its absolute discretion issue Invitations to Eligible Participants.

Participation in the Plan by Eligible Participants is voluntary, and no eligible participant is required to participate in the Plan.

### 4. Payment for Incentive Entitlements

In determining Incentive Entitlements, the Board may from time to time:

- (a) issue Incentive Entitlements to the Eligible Participants for such amount as determined by the Board in its absolute discretion, including but not limited to issuing Incentive Entitlements for nil consideration; and
- (b) may require or invite an Eligible Participant to pay money on account of Incentive Entitlements to be acquired under the Plan, either by cash or salary sacrifice.

## 5. Disposal restrictions on rights transfer of Incentive Entitlements

- (a) Incentive Entitlements issued under the Plan are not generally transferable without the prior written consent of the Board.
- (b) An issue of Shares may be subject to a Trading Lock for a specified period of time. The Board can take whatever actions it deems necessary in order to enforce that Trading Lock, or to ensure that the Exemption Conditions are satisfied.
- (c) The Board has a broad discretion to refuse to register the transfer of an Incentive Entitlement, or a Share issued on the exercise of an Incentive Entitlement, where that transfer would be in breach of:
  - (i) the terms of this Plan;
  - (ii) the terms of any restriction on dealing with that Incentive Plan (whether a Trading Lock or otherwise);
  - (iii) the Corporations Act; or
  - (iv) the ASX Listing Rules,
- (d) A holder of the Incentive Entitlement may not grant a security interest over it unless the Board approval gives its prior written consent. Where attempts are made to do so without that consent, that Incentive Entitlement will immediately lapse.
- (e) ( Any offer for the sale or issue of securities must be made under a disclosure document (such as a prospectus) or under Division 1A of Part 7.12 of the Corporations Act.

## 6. Vesting of Incentive Entitlements

- (a) The Board may issue Incentive Entitlements subject to any vesting conditions that it sees fit including such conditions as length of tenure, or meeting key performance indicators (Vesting Conditions).
- (b) In certain circumstances the Incentive Entitlements may lapse including where the Board deems that they shall lapse as a result of the Incentive Entitlements Holder:
  - (i) acting fraudulently or dishonestly, being grossly negligent, demonstrating serious and wilful misconduct, or causing material damage to the reputation of the Company in any of its subsidiaries;
  - (ii) having his or her employment office terminated due to serious wilful misconduct or otherwise for cause without notice; or
  - (iii) dealing with any Incentive Entitlement contrary to the provisions of this Plan, the relevant Invitation, or applicable law.
- (c) Part 2D.2 Division 2 of the Corporations Act (Part 2D.2 Division 2) prohibits the payment of termination benefits to certain senior executives unless the benefits are approved by shareholders or specific exemptions apply. There are additional requirements imposed by the Listing Rules. The Plan allows the Board to not issue an Incentive Entitlement if it would be contrary to Part 2D.2 Division 2.
- (d) All Incentive Entitlements will immediately vest if a Change of Control occurs.

## 7. Issue of Options

- (a) One type of Incentive Entitlement that may be granted to Eligible Participants are

Options.

- (b) Holders of Options may exercise them by lodging a duly completed Notice of Exercise and paying the Exercise Price which has been set out in the relevant Invitation.
- (c) The Eligible Participant may elect to pay the Exercise Price by setting off the total Exercise Price that it pays for exercising of its Options against the number of Shares that they would be entitled to receive on exercise of the relevant Options.

## 8. Exercise of Options

- (a) Each Option or other type of Incentive Entitlement entitles the holder to one Share upon vesting of the Incentive Entitlement.

The Company will apply for the listing on the ASX of each Share issued on the exercise of an Incentive Entitlement and each Share will rank equally in all respects with all other Shares already.

- (b) There will be no transfer restrictions on Shares unless they are subject to a Trading Lock or their issue would require the preparation of a disclosure document (such as a prospectus).
- (c) No Shares will be issued during a Blackout Period, or if to do so would breach the insider trading or takeover provisions of the Corporations Act.

## 9. Bonus Issues, Reconstruction

There may be adjustments to the number of Incentive Entitlements that an Eligible Participant is entitled to if the Company makes a bonus issue of shares, or there is a reorganisation of the Shares on issue (such as a consolidation, subdivision, reduction or return). Apart from this the holders of Incentive Entitlements are not entitled to participate in any new issue of Shares.

## 10. Amendments

- (a) The Board may make amendments to the Plan and the Rules provided that it may not do so if this would reduce the rights of the Incentive Entitlement holders in respect of their Incentive Entitlements, other than where it is necessary to do so in order to:
  - (i) comply with any applicable law, any practice of the ASIC, or ASX;
  - (ii) to correct a manifest error; or
  - (iii) take into account any adverse effects of tax on the plan arising from, amongst other things a change to the taxation law.
- (b) Unless expressly stated in any contract of employment or service between the Company and any Eligible Participant or set out in the relevant Invitation, neither the Plan nor the Rules form part of, and are not incorporated into, any contract of employment or service. No holder of any Incentive Entitlement will have any right to compensation or damages for loss of any entitlement to Incentive Entitlements as a consequence of the termination of their office or employment.

**APPENDIX B**  
**AUDITOR NOMINATION**

The Board of Directors  
InhaleRx Limited  
Level 5, 126 – 130 Phillip Street  
SYDNEY NSW 2000

Dear Directors

**NOTICE AUDITOR NOMINATION**

Pursuant to section 328B of the Corporations Act 2001, I, Sean Williams, being a Director of InhaleRx Limited (**Company**), hereby nominate RSM Australia Partners ABN 36 965 185 036 of Level 21, 55 Collins Street Melbourne VIC 3000 for appointment as Auditor of the Company.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'Sean Williams', with a large circular flourish on the left and a horizontal line extending to the right.

Sean Williams

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.30am (AEST) on Wednesday, 24 May 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:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBSITE:** <https://automicgroup.com.au/>

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

