

## Arovella Therapeutics Limited ACN 090 987 250 Notice of Extraordinary General Meeting

**Date** Wednesday 23 August 2023

Time 11:00 am AEST

Registration starts from 10:30 AEST

Location The Meeting will be held in in person at The CFO Solution, Level 3, 62 Lygon Street,

Carlton, Victoria 3053.

If Shareholders are unable to attend the Meeting, they are encouraged to return the Proxy Form to the Company in accordance with the instructions on the form. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting, should they elect to do so.

#### **IMPORTANT INFORMATION**

#### **Questions from Shareholders**

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company. Please send your questions via email to:

The Company Secretary Phillip Hains investor@arovella.com.au

Written questions must be received by no later than 5:00pm AEST on Tuesday 22 August 2023.

Your questions should relate to matters that are relevant to the business of the Extraordinary General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

The Chair of the Meeting will endeavour to address as many Shareholder questions and comments as possible during the course of the Meeting. However, there may not be sufficient time available at the meeting to address all of the questions and comments raised. Please note that individual responses may be sent to the enquiring party only, and may not be sent to all Shareholders.



#### **Voting information**

#### **Entitlement to vote at the Extraordinary General Meeting**

A determination has been made by the Board under regulation 7.11.37 of the *Corporations Regulations 2001* that that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company as at **7.00pm AEST** on **Monday 21 August 2023**, subject to any applicable voting exclusion.

Voting on all items of business will be conducted on a poll.

#### **Voting by proxy**

- (a) A Shareholder entitled to attend and vote at the Extraordinary General Meeting may appoint one proxy or, if the Shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the Shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the Meeting.
- (c) A proxy need not be a Shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.
- (e) A proxy form accompanies this Notice. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this Notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by 11:00 am AEST on Monday 21 August 2023, at the share registry, being Automic Registry Services as follows:

Online https://investor.automic.com.au

**By post** Automic Registry Services

Level 35, 447 Collins Street

Melbourne VIC 3000

GPO Box 5193, Sydney 2001

By email hello@automicgroup.com.au

#### **Proxy voting by the Chair**

The Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction



to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

The Chair of the Meeting intends to vote all available undirected proxies in favour of each item of business.

If you complete a Proxy Form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 4A, 4B and 4C.

In accordance with this express authority provided by you, the Chair will vote in favour of Resolutions 4A, 4B and 4C. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the Proxy Form.

If you appoint as your proxy any Director of the Company, except the Chair, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 4A, 4B and 4C, he or she will not vote your proxy on those resolutions.



# Business of the Meeting Agenda

#### Resolution 1 – Ratification of issue of Placement Shares

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

'That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 91,111,111 Placement Shares on 14 June 2023, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.'

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

#### Resolution 2 – Ratification of issue of Advisor Options

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

'That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,100,000 Advisor Options on 26 June 2023, on the terms and conditions in the Explanatory Memorandum accompanying this Notice.'

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

#### **Resolution 3 – Ratification of issue of Placement Options**

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

'That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,045,000 Placement Options on 26 June 2023, on the terms and conditions in the Explanatory Memorandum accompanying this Notice.'

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

## Resolution 4A – Approval for issue of Shares to Non-Executive Chair Dr Thomas Duthy

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

'That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,250,000 Shares to Non-Executive Chair Dr Thomas Duthy (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum accompanying this Notice.'

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



## Resolution 4B – Approval for issue of Director Options to Non-Executive Chair Dr Thomas Duthy

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

'That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 3,043,478 Director Options to Non-Executive Chair Dr Thomas Duthy (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum accompanying this Notice.'

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

## Resolution 4C – Approval for issue of Incentive Options to Non-Executive Chair Dr Thomas Duthy

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

'That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 3,478,261 Incentive Options to Non-Executive Chair Dr Thomas Duthy (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum accompanying this Notice.'

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

Dated: 21 July 2023

By order of the Board

Phillip Hains Company Secretary



### **Voting Exclusion Statements**

#### Resolution 1 – Ratification of issue of Placement Shares

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- (a) Mann Beef Pty Ltd and its Associates; and
- (b) any other person who participated in the issue of Placement Shares on 14 June 2023, or an Associate of that person or those persons.

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

- (c) 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
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holding 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.

#### Resolution 2 – Ratification of issue of Advisor Options

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- (a) Blue Ocean Equities (and/or its nominee(s)) and Baker Young (and/or its nominee(s)); or
- (b) any Associates of the persons named in sub-paragraph (a).

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

- (c) 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
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holding 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 resolutions; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### Resolution 3 -Ratification of issue of Placement Options

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- (a) Baker Young Limited and its Associates;
- (b) Mann Beef Pty Ltd and its Associates;
- (c) Merchant Group Pty Ltd and its Associates;



### **Voting Exclusion Statements**

- (d) Scintilla Capital and its Associates;
- (e) Spark Plus Pte Ltd and its Associates; and
- (f) Tiga Trading Pty Ltd and its Associates.

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

- (g) 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
- (h) 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
- (i) a holding 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 resolutions; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### Resolutions 4A, 4B and 4C — Approval of issue of Shares and Options to Dr Thomas Duthy

The Company will disregard any votes cast:

- (a) in favour of Resolutions 4A, 4B and 4C by or on behalf of:
  - (i) Dr Thomas Duthy, or any other person who will obtain a material benefit as a result of the proposed issue of Shares, Director Options or Incentive Options (as applicable), except a benefit solely by reason of being a holder of ordinary securities in the Company; or
  - (ii) any Associates of the persons named in subparagraph (a)(i); and
- (b) on Resolutions 4A, 4B and 4C as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party.

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

- (c) 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
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holding 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 resolutions; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



### Explanatory memorandum

#### Arovella Therapeutics Limited ACN 090 987 250

This Explanatory Memorandum accompanies the notice of Extraordinary General Meeting of the Company to be held at 11:00 am AEST on Wednesday, 23 August 2023.

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

#### Resolution 1 – Ratification of issue of Placement Shares

#### **Background**

- 1 On 7 June 2023, the Company announced a capital raising comprising:
  - (a) a Placement of Shares to sophisticated and professional investors, at an offer price of \$0.045 per Share, to raise approximately \$4.1 million (before costs); and
  - (b) a share purchase plan, to be conducted after completion of the Placement, under which eligible Shareholders were given the opportunity to apply for up to \$30,000 of new Shares (per eligible Shareholder) at an offer price of \$0.045 per Share, to raise up to approximately \$1 million (before costs) (**Share Purchase Plan**). Further details of the Share Purchase Plan are set out in the Company's Share Purchase Plan offer booklet lodged with ASX on 15 June 2023.
- The Company issued a total of 91,111,111 Placement Shares to the Placement investors on 14 June 2023, raising a total of \$4.1 million (before costs).
- The Board intends to use the proceeds of the Placement to progress manufacturing of the Company's lead iNKT cell therapy product, ALA-101, and to prepare for first-in-human clinical trials. Proceeds will also be used to strengthen Arovella's iNKT cell therapy pipeline and provide general working capital.
- 4 Resolution 1 seeks Shareholder ratification under Listing Rule 7.4 for the issue of 91,111,111 Placement Shares on 14 June 2023, so that the Shares will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1, and will not deplete the Company's 15% Placement Capacity (as further detailed below)

#### **Explanation**

- 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 (**15% Placement Capacity**).
- In addition, Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to Shareholder approval, to issue Equity Securities of up to an additional 10% of their issued capital by way of placements over a 12 month period, in addition to their 15% Placement Capacity



(**10% Placement Capacity**). At the Company's annual general meeting on 17 November 2022, the Company obtained Shareholder approval for an additional 10% Placement Capacity.

- 7 The Placement Shares were issued on 14 June 2023 using the Company's available 15% and 10% Placement Capacities under Listing Rules 7.1 and 7.1A. Specifically:
  - (a) 75,518,769 Placement Shares were issued using the Company's 10% Placement Capacity; and
  - (b) 15,592,342 Placement Shares were issued using the Company's 15% Placement Capacity.
- Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue of those Equity Securities is treated as having been made with shareholder approval for the purposes of Listing Rule 7.1, and accordingly will no longer be deducted from the Company's 10% Placement Capacity or 15% Placement Capacity (as applicable).
- The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without needing to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 1 seeks shareholder ratification for the issue of Placement Shares on 14 June 2023, for the purposes of Listing Rule 7.4. If Shareholder approval is obtained, the Placement Shares will no longer be deducted from the Company's 10% and 15% Placement Capacities (as applicable).

#### Specific information required under Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the issue of Placement Shares the subject of this Resolution:

Issue date and number and class of securities issued	91,111,111 fully paid ordinary shares were issued on 14 June 2023.
Consideration received for the issue	The Placement Shares were issued for \$0.045 per Placement Share.
	The Company raised a total of \$4,100,000 (before costs) through the issue of Placement Shares on 14 June 2023.
Terms of securities	The Placement Shares will rank equally with all existing Shares on issue.
Allottees	The Placement Shares were allotted to professional and sophisticated investors introduced to the Company by Blue Ocean Equities and Baker Young (the lead manager and co-lead manager to the Placement respectively), and/or known to the Company.
	One such investor was Mann Beef Pty Ltd which, together with its Associates, is a substantial Shareholder of the Company and was issued more than 1% of the Company's issued capital under the Placement - therefore constituting a "material investor" for the purposes of ASX Guidance Note 21.
Purpose of issue / use of funds raised	The purpose of the Placement was to raise funds, which will be used to progress manufacturing of the Company's lead iNKT cell



	therapy product, ALA-101, prepare for first-in-human clinical trials and strengthen Arovella's iNKT cell therapy pipeline.
Voting exclusion statement	A voting exclusion statement applies to Resolution 1, as set out in the Notice.

#### If Resolution 1 is approved/not approved

- If Resolution 1 is passed, the issue of Placement Shares on 14 June 2023 will be excluded when calculating the Company's 10% and 15% Placement Capacities (as applicable), effectively increasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12-month period following the issue date.
- If Resolution 1 is not passed, the issue of Placement Shares on 14 June 2023 will be included in calculating the Company's 10% and 15% Placement Capacities (as applicable), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

#### **Directors' recommendation**

13 The Directors unanimously recommend that Shareholders vote in favour of this resolution.

#### **Chair's available proxies**

14 The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1.

#### Resolution 2 – Ratification of issue of Advisor Options

#### **Background**

- As announced on 7 June 2023, the Company appointed Blue Ocean Equities to act as lead manager, and Baker Young to act as lead co-lead manager, for the Placement.
- In accordance with the terms of the Mandate Agreement between Blue Ocean Equities and the Company (as further detailed in the table at paragraph 20 below), the Company paid the following fees to Blue Ocean Equities in connection with the Placement:
  - (a) a management fee of 2% of the total proceeds raised under the Placement (a total of \$82,000);
  - (b) a selling fee of 4% of the proceeds raised under the Placement (excluding funds raised from directors and their related parties) (a total of \$164,000); and
  - (c) an option fee comprised of 1 Advisor Option for every \$1 raised under the Placement (with two thirds of the total Advisor Options to be issued to Blue Ocean Equities, and one third to be issued to Baker Young). The Company raised \$4.1 million under the Placement, and accordingly Blue Ocean Equities and Baker Young became entitled to receive an aggregate of 4,100,000 Advisor Options.
- The 4,100,000 Advisor Options were issued to a nominee of Blue Ocean Equities, and Baker Young and its nominee, on 26 June 2023, using the Company's available 15% Placement Capacity under Listing Rule 7.1. Accordingly, the Company seeks shareholder ratification for the issue of the 4,100,000 Advisor Options, in accordance with Listing Rule 7.4.



#### **Explanation**

- As outlined in the explanatory notes to Resolution 1 above, Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue of those Equity Securities is treated as having been made with shareholder approval for the purposes of Listing Rule 7.1, and accordingly will no longer be deducted from the Company's 15% Placement Capacity.
- The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without needing to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 2 seeks Shareholder ratification for the issue of Advisor Options on 26 June 2023, for the purposes of Listing Rule 7.4. If Shareholder approval is obtained, the Placement Shares will no longer be deducted from the Company's 15% Placement Capacity.

#### **Specific information required under Listing Rule 7.5**

In accordance with Listing Rule 7.5, the following information is provided in relation to the issue of Advisor Options the subject of this Resolution:

Recipient	A nominee of Blue Ocean Equities Pty Ltd.	Baker Young Limited and its nominee.
Number and class of securities issued	2,733,333 Advisor Options, each to acquire a fully paid ordinary share in the Company.	1,366,667 Advisor Options, each to acquire a fully paid ordinary share in the Company.
Date of issue	26 Jun	ne 2023
Consideration received for the issue	2,733,333 Advisor Options were issued for nil cash consideration, as part of fees payable to Blue Ocean Equities for its role as lead manager for the Placement.	1,366,667 Advisor Options were issued for nil cash consideration, as part of fees payable to Baker Young for its role as co-lead manager for the Placement.
Terms of Advisor Options	Each Advisor Option is exercisable into a Share at an exercise price of \$0.0675, on or before the expiry date of 26 June 2025.  The Advisor Options shall otherwise be governed by the terms set out in Annexure A.	
Purpose of issue and use of funds raised	No funds were raised from the issue of the Advisor Options as they were issued for nil cash consideration, in lieu of fees, to Blue Ocean Equities and Baker Young (and/or their nominees) for capital raising services.  In the event that the 4,100,000 Advisor Options are fully exercised, the Company will raise approximately \$276,750. It is intended that any funds raised through the exercise of Advisor Options will be applied towards the Company's current projects and general working capital requirements.	
Summary of agreement	The Company is party to a mandate agreement with Blue Ocean Equities, under which Blue Ocean Equities agreed to act as lead manager and book runner for the Placement ( <b>Mandate Agreement</b> ). Under the Mandate Agreement, Blue Ocean Equities has the right to nominate a joint lead manager or co-lead manager, and on this basis Baker Young was appointed as co-lead manager for the Placement. The	



	Company agreed to pay the following fees to Blue Ocean Equities under the Mandate Agreement: (a) a management fee of 2% of the total proceeds raised under the Placement (a total of \$82,000); and (b) a selling fee of 4% of the proceeds raised under the Placement (excluding funds raised from directors and their related parties) (a total of \$164,000). The Company also agreed to issue an option fee to Blue Ocean Equities and Baker Young comprising the Advisor Options, on the basis of 1 Advisor Option for every \$1 raised under the Placement (with two thirds of the total Advisor Options to be issued to Blue Ocean Equities, and one third to be issued to Baker Young). The Mandate Agreement otherwise contains terms which are customary for an agreement of this nature.
Voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 2.

#### If Resolution 2 is approved/not approved

- If Shareholders ratify the issue of the Advisor Options by way of approving Resolution 2, those Advisor Options will be deemed to have been issued with Shareholder approval for the purposes of Listing Rule 7.1, and will no longer be deducted from the Company's 15% Placement Capacity.
- If Shareholders do not ratify the issue of Advisor Options by way of approving Resolution 2, those Advisor Options will continue to be deducted from the Company's 15% Placement Capacity, and the Company's ability to issue Equity Securities without Shareholder approval will be reduced by the corresponding amount.

#### **Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of this resolution.

#### Chair's available proxies

24 The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2.

#### Resolution 3 – Ratification of issue of Placement Options

#### **Background**

- The Company issued an aggregate of 4,045,000 Placement Options on 26 June 2023, in conjunction with the Placement.
- The 4,045,000 Placement Options were issued using the Company's available 15% Placement Capacity under Listing Rule 7.1.
- 27 Resolution 3 seeks shareholder approval under Listing Rule 7.4 for the issue of 4,045,000 Placement Options on 26 June 2023. If Shareholders approve Resolution 3, the Placement Options will be deemed to have been issued with Shareholder approval for the purposes of ASX Listing Rule 7.1, and will not deplete the Company's 15% Placement Capacity.

#### **Explanation**



- As outlined in the explanatory notes to Resolutions 1 and 2 above, Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue of those Equity Securities is treated as having been made with shareholder approval for the purposes of Listing Rule 7.1, and accordingly will no longer be deducted from the Company's 15% Placement Capacity.
- The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without needing to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 3 seeks Shareholder ratification for the issue of Placement Options on 26 June 2023, for the purposes of Listing Rule 7.4. If Shareholder approval is obtained, the Placement Options will no longer be deducted from the Company's 15% Placement Capacity.

#### Specific information required under Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the issue of Advisor Options the subject of this Resolution:

Name of recipients	The Placement Options were allotted to certain investors under the Placement who were jointly part of bids for \$1 million or more of Placement Shares, as well as the co-lead manager to the Placement, Baker Young.		
	Recipient	Number of Options	
	Merchant Group Pty Ltd	1,500,000	
	Baker Young (or nominee)	1,000,000	
	Mann Beef Pty Ltd and Associates	1,000,000	
	Spark Plus Pte Ltd and Associates	250,000	
	Tiga Trading Pty Ltd and Associates	250,000	
	Scintilla Capital and Associates	45,000	
	Total	4,045,000	
Number and class of securities issued	4,045,000 Placement Options, each to acqui share in the Company.		
	4,045,000 Placement Options, each to acqui	re a fully paid ordinary	
securities issued	4,045,000 Placement Options, each to acqui share in the Company.	re a fully paid ordinary une 2023.	
Date of issue  Consideration received for the	4,045,000 Placement Options, each to acqui share in the Company.  The Placement Options were issued on 26 Ju  The Placement Options were issued for nil company.	re a fully paid ordinary une 2023. ash consideration under Share at an exercise	



Purpose of issue and use of funds raised	No funds were raised from the issue of the Placement Options as they were issued for nil cash consideration, in order to incentivise participation in the Placement to raise up to \$4.1 million (before costs). In the event that the 4,045,000 Placement Options are fully exercised, the Company will raise approximately \$273,037. It is intended that any funds raised through the exercise of Placement Options will be applied towards the Company's general working capital requirements.
Summary of agreement	For the purposes of Listing Rule 7.5.7, there was no agreement between the Company and the Placement Option recipients.
Voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 3.

#### If Resolution 3 is approved / not approved

- If Shareholders ratify the issue of the Placement Options by way of approving Resolution 3, those Placement Options will be deemed to have been issued with Shareholder approval for the purposes of Listing Rule 7.1, and will no longer be deducted from the Company's 15% Placement Capacity.
- If Shareholders do not ratify the issue of Placement Options by way of approving Resolution 3, those Placement Options will continue to be deducted from the Company's 15% Placement Capacity, and the Company's ability to issue Equity Securities without Shareholder approval will be reduced by the corresponding amount.

#### **Directors' recommendation**

The Directors unanimously recommend you vote in favour of this resolution.

#### Chair's available proxies

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 3.

## Resolutions 4A, 4B and 4C – Approval for the issue of Shares, Director Options and Incentive Options to Dr Thomas Duthy

#### **Explanation**

- On 13 March 2023, Dr Thomas Duthy was appointed as Non-Executive Chair of Arovella. The Company proposes to issue Shares and Director Options to Dr Duthy (or his nominee(s)) in lieu of Directors' fees for the period of 13 March 2023 to 13 March 2024 that would otherwise accrue. The Company proposes to issue to Dr Duthy (or his nominee(s)):
  - (a) 2,250,000 Shares at a deemed issue price of \$0.04 per Share (equivalent to \$90,000); and
  - (b) 3,043,478 Director Options, valued at \$70,000.
- In addition to the Director Options, the Company proposes to issue Dr Duthy (or his nominee(s)) 3,478,261 Incentive Options, valued at \$80,000. The Incentive Options are proposed to be issued as a one-off incentive in order to attract and retain Dr Duthy as Non-Executive Chair, and to align his interests with those of the Company's Shareholders.



- Given the current stage of development of the Company, and the necessity for cash resources to be preserved and directed into the growth of the Company's business, Dr Duthy agreed to forego 100% of his cash remuneration for the first year, and to be issued Shares and Director Options instead.
- An alternative to the issue of the Shares, Director Options and Incentive Options to Dr Duthy would be to remunerate and incentivise him in cash only. Whilst the Board remains mindful of the need to minimise dilution to Shareholders, the Board considers that the issue of Shares, Director Options, and Incentive Options to Dr Duthy in lieu of his cash remuneration (and incentive payment) is an appropriate and responsible cash-free method of reducing corporate overhead expenditure, whilst concurrently aligning the interests of Dr Duthy with those of Shareholders.
- The number of Shares to be issued to Dr Duthy has been determined in accordance with the following formula: *No. of Shares = Amount of cash remuneration X 56.25% / face value of each Share*, where the face value of each Share has been determined as \$0.04 per Share, representing a 29% premium to the 10-day volume-weighted average price (VWAP) up to and including 13 March 2023, being the 10 days prior to Dr Duthy's appointment.
- The number of Director Options to be issued to Dr Duthy has been determined in accordance with the following formula: *No. of Director Options = Amount of cash remuneration X 43.75% / fair value of Director Option,* where the fair value of each Director Option has been determined as A\$0.023 per Director Option, on the basis of the Black-Scholes valuation model.
- The number of Incentive Options to be issued to Dr Duthy has been determined in accordance with the following formula: *No. of Incentive Options = \$80,000 / fair value of Incentive Option*, where the fair value of each Incentive Option has been determined as A\$0.023 per Incentive Option, on the basis of the Black-Scholes valuation model.

The key terms of the Director Options and Incentive Options are as follows:

	Director Options	Incentive Options
Exercise price of Option	\$0.04, being 120% of the volume weighted average share price (VWAP) over the 30 days ending on the date that the Director Options were approved by the Board, being 9 March 2023.	\$0.032, being the share price on the date that the Incentive Options were approved by the Board, being 9 March 2023.
Expiry date	60 months from date of grant	48 months from date of grant
Vesting conditions	25% to vest on the later of the date of Shareholder approval or 30 June 2023 25% to vest on 30 September 2023 25% to vest on 31 December 2023 25% to vest on 31 March 2024	
Value of Option	\$0.023 based on Black Scholes valuation model using a risk-free rate of 3.4%, volatility of 100%, and a closing share price on 9 March 2023 of \$0.032.	\$0.023 based on Black Scholes valuation model using a risk-free rate of 3.4%, volatility of 100%, and a closing share price on 9 March 2023 of \$0.032.



#### **Listing Rule 10.11**

- Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue, or agree to issue, equity securities to:
  - (a) a related party;
  - (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
  - (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holding in the entity and who has nominated a director to the board pursuant to a relevant agreement which gives them the right or expectation to do so;
  - (d) an Associate of a person referred to in paragraphs (a), (b), or (c) above; or
  - (e) a person whose relationship with the entity or a person referred to in any of paragraphs (a) to (d) above is such that, in ASX's opinion the issue or agreement should be approved by security holders,

unless it obtains the approval of its ordinary security holders.

- As a Director of the Company, Dr Duthy is a "related party" of the Company for the purposes of Listing Rule 10.11. The issue of Shares and Options to Dr Duthy therefore constitutes an issue of Equity Securities to a related party of the Company. On this basis Shareholder approval is required pursuant to Listing Rule 10.11 to issue the Shares, Director Options and Incentive Options to Dr Duthy under Resolutions 4A, 4B, and 4C. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.
- The Company therefore seeks the required Shareholder approval for the issue of Shares, Director Options and Incentive Options to Dr Thomas Duthy (and/or his nominee(s)), for the purposes of Listing Rule 10.11.
- Under Listing Rule 7.2 exception 14, approval pursuant to Listing Rule 7.1 is not required for the issue of the Equity Securities to a Director (or their nominee(s)), if approval is obtained under Listing Rule 10.11. Accordingly, the issue of the Shares to Dr Thomas Duthy, if approved, will not deplete the Company's 15% Placement Capacity.

#### Approval not sought under Chapter 2E of the Corporations Act

- As noted above, Dr Duthy, as a Director of the Company, is a related party of the Company, and accordingly the giving of a financial benefit to him by the Company would ordinarily be prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of Shareholders or where an exception applies.
- A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of Shareholders or where an exception applies. One exception to the general rule is where the provision of the financial benefit constitutes "reasonable remuneration" in respect of the duties and responsibilities of the related party in the management of the public company.
- The Board has formed the view that the issue of Shares, Director Options and Incentive Options to Dr Duthy constitutes "reasonable remuneration" to Dr Duthy, given the Company's



circumstances and the responsibilities involved in Dr Duthy's role within the Company. As the provision of such benefits is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider that the Company is required to seek shareholder approval Under Chapter 2E of the Corporations Act in order to give Dr Duthy the financial benefit that is inherent in the issue to him of the Shares, Director Options and Incentive Options.

#### **Specific information required under Listing Rule 10.13**

In accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares and Director Options the subject of this Resolution:

Name of recipient	Dr Thomas Duthy and/or his nominee(s)
Which category in rules 10.11.1 – 10.11.5 the person falls within and why	Dr Thomas Duthy is a Director of the Company, and therefore a related party of the Company under Listing Rule 10.11.1.
Maximum number and class of securities to be issued to the person	The Company proposes to issue to Dr Duthy:  2,250,000 Shares;  3,043,478 Director Options; and  3,478,261 Incentive Options.
Date by which the Company will issue the Shares	The Company will issue the Shares, Director Options and Incentive Options as soon as practicable, and in any event no later than one month after the date of the Meeting.
Terms of securities	The Shares will be fully paid ordinary shares in the Company, ranking pari-passu with other existing fully paid ordinary shares on issue.  The terms of the Director Options and Incentive Options are set out in paragraphs 35-42 above. Each Director Option and Incentive Option is exercisable into one fully paid ordinary share in the Company.
Price or consideration the Company will receive from the issue	The Shares and the Director Options will be issued for nil consideration, in lieu of Director fees.  If Resolutions 4A and 4B are approved, the Company will save a total of \$160,000 in cash relating to Director fees that would otherwise be payable to Dr Duthy.  The Incentive Options will be issued for nil consideration as a one-off incentive to attract and retain Dr Duthy as Non-Executive Chair.
The purpose of the issue, and the use (or intended use) of the funds raised	The purpose of the issue of Shares and Director Options is to remunerate Dr Duthy for his role as Chair and to conserve the Company's cash resources.  The purpose of the issue of Incentive Options is to provide a one-off incentive to attract and retain Dr Duthy as Non-Executive Chair, and to align his interests with those of the Company's Shareholders.  In the event that the 6,521,739 Options are fully exercised, the Company will raise approximately



	\$233,043. It is intended that any funds raised through
	the exercise of Director Options and Incentive Options will be applied towards the Company's general working capital requirements.
Details of the Director's current total remuneration package	The details of Dr Duthy's current total remuneration package (for the period of 13 March 2023 - 13 March 2024) are as follows:  \$\\$\\$\$ \\$90,000 \text{ worth of Shares, issued at a 29% premium to the 10-day VWAP as at the date of Dr Duthy's appointment; and  \$\\$70,000 \text{ worth of Options calculated on the basis of the Black-Scholes valuation model.}
Summary of agreement between Dr Duthy and the Company	Dr Duthy is party to a letter of appointment with the Company, under which he was appointed as Non-Executive Director and Non-Executive Chair ( <b>Letter of Appointment</b> ). Under the Letter of Appointment, Dr Duthy is entitled to receive:
	(a) a fee of \$160,000 per annum (excluding superannuation), of which \$70,000 is payable in Options, and \$90,000 is payable in Shares (subject to shareholder approval); and
	(b) a one-off issue of Options upon appointment, to the value of \$80,000, subject to Shareholder approval.
	The Board will review the fees payable to Directors from time to time.
	The Letter of Appointment otherwise contains terms which are customary for an agreement of this nature, including provisions in relation to retirement and resignation, director duties, securities trading and disclosure requirements, which are governed by the Corporations Act and/or the Company's Constitution.
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolutions 4A, 4B and 4C.

#### If Resolution 4A, 4B and 4C are approved/not approved

- If Resolutions 4A, 4B and 4C are approved by Shareholders, 2,250,000 Shares, 3,043,478 Director Options and 3,478,261 Incentive Options respectively will be issued to Dr Duthy (or his nominee(s)), and those securities will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby not depleting the Company's 15% Placement Capacity.
- If Resolutions 4A, 4B and 4C are not passed, the respective Shares, Director Options and Incentive Options will not be issued to Dr Duthy (or his nominee(s)), and Dr Duthy will instead will be remunerated in cash (\$160,000 in lieu of the Shares and Director Options), and will receive no value for the Incentive Options.



#### **Directors' recommendation**

The Directors, with Dr Thomas Duthy abstaining, unanimously recommend that Shareholders vote in favour of Resolutions 4A and 4B and 4C.

#### Chair's available proxies

The Chair of the Meeting intends to vote all available proxies in favour of Resolutions 4A and 4B and 4C.



## Glossary

### Arovella Therapeutics Limited ACN 090 987 250

Advisor Options	means the unlisted Options issued to Blue Ocean Equities and Baker Young on 26 June 2023, each exercisable into a Share at \$0.0675 on or before the expiry date of 26 June 2025, the detailed terms of which are set out in Annexure A.	
ASIC	means the Australian Securities and Investments Commission.	
Associate	has the meaning given to that term in the Listing Rules.	
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).	
Baker Young	means Baker Young Limited (ABN 92 006 690 320)	
Blue Ocean Equities	means Blue Ocean Equities Pty Ltd (ABN 53 151 186 935)	
Board	means the board of directors of the Company.	
Closely Related Party	<ul> <li>has the definition given to it by section 9 of the Corporations Act, and means:</li> <li>a) a spouse or child of the member; or</li> <li>b) a child of the member's spouse; or</li> <li>c) a dependant of the member or of the member's spouse; or</li> <li>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 entity; or</li> <li>e) a company the member controls; or</li> <li>f) a person prescribed by the regulations for the purposes of this definition.</li> </ul>	
Company or Arovella	means Arovella Therapeutics Limited (ACN 090 987 250).	
Constitution	means the constitution of the Company, as amended or varied from time to time.	
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).	
<b>Corporations Regulations</b>	means the Corporations Regulations 2001 (Cth).	
Directors	means the directors of the Company.	
<b>Director Options</b>	Means the unlisted Options with an exercise price of \$0.04 to be issued to Dr Duthy in lieu of cash remuneration, as further detailed under Resolution 3B in the Explanatory Memorandum.	
Equity Security	means:  (a) a share; (b) a right to a share or option; (c) an option over an issued or unissued security; (d) a convertible security; or (e) any security that ASX decides to classify as an equity security.	
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.	
General Meeting	means the Company's extraordinary general meeting the subject of this Notice of Meeting.	

Incentive Options	means the unlisted Options with an exercise price of \$0.032 proposed to be issued to Dr Duthy as a one-off incentive, as further detailed under Resolution 3C of the Explanatory Memorandum.	
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.	
Listing Rules	means the listing rules of ASX.	
Meeting	means the Extraordinary General Meeting of the Company to be held at 11:00 am AEST on Wednesday, 23 August 2023.	
Notice or Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.	
Option	means an option to acquire a Share.	
Placement	means the Company's capital raising placement of Shares to institutional and sophisticated investors to raise approximately \$4.1m (before costs), as announced by the Company to the ASX on 7 June 2023.	
Placement Options	means the unlisted Options issued on 26 June 2023 in conjunction with the Placement, each exercisable into a Share at \$0.0675 on or before the expiry date of 26 June 2025, the detailed terms of which are set out in Annexure B.	
Placement Shares	means the Shares issued to investors under the Placement, with an issue price of \$0.045 per Share.	
Shares	means the existing fully paid ordinary shares in the Company.	
Shareholder	means a person who is the registered holder of Shares.	

## Annexure A – Advisor Option terms

### Resolution 2

#### **SUMMARY OF ADVISOR OPTION TERMS**

Company upon exercise of the Advisor Option.  Exercise price The amount payable upon exercise of each Advisor Option will be \$0.0675 (Exercise Price)  Expiration of Advisor Options Each Advisor Option will expire at 5.00 pm (AEST) on 26 June 2025 (Expiry Date). If such date falls on a day that is not a business day, the final date will be the next business day. Any Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.  Vesting of Advisor Options  Exercise period  Advisor Options may be exercised at any time after they have vested, and before the Expiry Date (Exercise Period).  Exercise of Advisor Options  The Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in a manner acceptable to the Company (Notice of Exercise) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company.  The exercise of each Advisor Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).  Minimum exercise  requirement  Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Advisor Options being		
\$0.0675 (Exercise Price)  Expiration of Advisor Options  Each Advisor Option will expire at 5.00 pm (AEST) on 26 June 2025 (Expiry Date). If such date falls on a day that is not a business day, the final date will be the next business day. Any Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.  Vesting of Advisor Options  The Advisor Options vest immediately upon issue.  Advisor Options may be exercised at any time after they have vested, and before the Expiry Date (Exercise Period).  Exercise of Advisor Options  The Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in a manner acceptable to the Company (Notice of Exercise) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company.  The exercise of each Advisor Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).  Minimum exercise  Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Advisor Options being	Entitlement	Each Advisor Option entitles the holder to subscribe for one Share in the Company upon exercise of the Advisor Option.
(Expiry Date). If such date falls on a day that is not a business day, the final date will be the next business day. Any Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.  Vesting of Advisor Options vest immediately upon issue.  The Advisor Options may be exercised at any time after they have vested, and before the Expiry Date (Exercise Period).  Exercise of Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in a manner acceptable to the Company (Notice of Exercise) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company. The exercise of each Advisor Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).  Minimum exercise requirement  Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Advisor Options being	Exercise price	
Advisor Options may be exercised at any time after they have vested, and before the Expiry Date (Exercise Period).  Exercise of Advisor Options  The Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in a manner acceptable to the Company (Notice of Exercise) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company.  The exercise of each Advisor Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).  Minimum exercise requirement  Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Advisor Options being		( <b>Expiry Date</b> ). If such date falls on a day that is not a business day, the final date will be the next business day. Any Advisor Option not exercised
and before the Expiry Date (Exercise Period).  The Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in a manner acceptable to the Company (Notice of Exercise) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company.  The exercise of each Advisor Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).  Minimum exercise requirement  Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Advisor Options being		The Advisor Options vest immediately upon issue.
notice in writing to the Company in a manner acceptable to the Company (Notice of Exercise) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company. The exercise of each Advisor Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).  Minimum exercise requirement  Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Advisor Options being	Exercise period	
Corporations Act).  Minimum exercise requirement  Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Advisor Options being		notice in writing to the Company in a manner acceptable to the Company ( <b>Notice of Exercise</b> ) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company.  The exercise of each Advisor Option is subject to compliance with the
L exercised)		Holders of Advisor Options may only exercise a minimum of \$5,000 of Advisor Options on any particular occasion (to be calculated by
If the optionholder has, in total, less than \$5,000 of Advisor Options, in which case they must exercise all of their Advisor Options at the same time.		If the optionholder has, in total, less than \$5,000 of Advisor Options, in which case they must exercise all of their Advisor Options at the same
<b>Timing of Shares issued</b> on exercise  Within 5 business days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Advisor Options specified in the Notice of Exercise, and for which cleared funds have been received by the Company.		the number of Shares required under these terms and conditions in respect of the number of Advisor Options specified in the Notice of Exercise, and for which cleared funds have been received by the
<b>Terms of Shares issued</b> Any Shares issued as a result of exercising an Advisor Option will rank equally in all respects with the then issued Shares of the Company.	Terms of Shares issued	

Reconstruction of capital	If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the Advisor Option terms will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
No adjustment for pro rata issue of Shares	There will be no adjustment to the terms of the Advisor Options if there is a pro rata issue of Shares.
Adjustment for bonus shares or stock dividends	If there is a bonus or cash issue of Shares, the number of Shares issued upon exercise of the Advisor Options will be adjusted as specified in Listing Rule 6.22.3.
Participation in new issues	The Advisor Options do not confer a right to participate in new issues of Shares unless the Advisor Options have been exercised on or before the record date for determining entitlements to the issue.
Change in Exercise Price	An Advisor Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Advisor Option can be exercised.
Dividend rights	While they remain unexercised, the Advisor Options will not give a holder an entitlement to receive any dividends declared and paid by the Company.
Transferability	The Advisor Options are non-transferable, unless the transfer is made with the Company's consent.
Quotation	The Advisor Options will not be quoted on the ASX.  If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Advisor Options within 3 business days of issue.

## Annexure B – Placement Option terms

### Resolution 3

#### **SUMMARY OF PLACEMENT OPTION TERMS**

Entitlement	Each Placement Option entitles the holder to subscribe for one Share in the Company upon exercise of the Placement Option.
Exercise price	The amount payable upon exercise of each Placement Option will be \$0.0675 ( <b>Exercise Price</b> )
Expiration of Placement Options	Each Placement Option will expire at 5.00 pm (AEST) on 26 June 2025 ( <b>Expiry Date</b> ). If such date falls on a day that is not a business day, the final date will be the next business day. Any Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Vesting of Placement Options	The Placement Options vest immediately upon issue.
Exercise period	Placement Options may be exercised at any time after they have vested, and before the Expiry Date ( <b>Exercise Period</b> ).
Exercise of Placement Options	The Placement Options may be exercised during the Exercise Period by notice in writing to the Company in a manner acceptable to the Company ( <b>Notice of Exercise</b> ) and payment of the Exercise Price for each Placement Option being exercised in Australian currency, by electronic transfer or other means of payment acceptable to the Company. The exercise of each Placement Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).
Minimum exercise requirement	Holders of Placement Options may only exercise a minimum of \$5,000 of Placement Options on any particular occasion (to be calculated by multiplying the Exercise Price by the number of Placement Options being exercised).  If the option holder has, in total, less than \$5,000 of Placement Options, in which case they must exercise all of their Placement Options at the
	same time.
Timing of Shares issued on exercise	Within 5 business days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise, and for which cleared funds have been received by the Company.
Terms of Shares issued	Any Shares issued as a result of exercising a Placement Option will rank equally in all respects with the then issued Shares of the Company.

Reconstruction of capital	If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the option terms will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
No adjustment for pro rata issue of Shares	There will be no adjustment to the terms of the Placement Options if there is a pro rata issue of Shares.
Adjustment for bonus shares or stock dividends	If there is a bonus or cash issue of Shares, the number of Shares issued upon exercise of the Placement Options will be adjusted as specified in Listing Rule 6.22.3.
Participation in new issues	The Placement Options do not confer a right to participate in new issues of Shares unless the Placement Options have been exercised on or before the record date for determining entitlements to the issue.
Change in Exercise Price	A Placement Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Placement Option can be exercised.
Dividend rights	While they remain unexercised, the Placement Options will not give a holder an entitlement to receive any dividends declared and paid by the Company.
Transferability	The Placement Options are non-transferable, unless the transfer is made with the Company's consent.
Quotation	The Placement Options will not be quoted on the ASX.  If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Placement Options within 3 business days of issue.



Aroyella Therapeutics Limited | ABN 35 090 987 250

### **Proxy Voting Form**

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 **11.00am (AEST) on Monday, 21 August 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.

 $\textbf{\textit{Joint holding}} : \textbf{Where the holding is in more than one name, all Shareholders should sign.}$ 

**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/#/log insah

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

#### 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)

Individual or Securityholder 1								Securityholder 2										Securityholder 3											
Sole Director and Sole Company Secretary Contact Name:									Director										Director / Company Secretary										
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