
ZELDA THERAPEUTICS LIMITED

ACN 103 782 378

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.00am (WST)
DATE: 18 February 2019
PLACE: Blackwall Legal Boardroom
Level 26, 140 St Georges Terrace
Perth WA 6000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 9:00am (WST) on 16 February 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL FOR THE ISSUE OF OPTIONS TO DR RICHARD HOPKINS

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

“That, for the purposes of ASX Listing Rule 10.11.1 and for all other purposes, approval is given for the Company to issue 25,000,000 Options to Dr Richard Hopkins (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Richard Hopkins (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 17 January 2019

By order of the Board

Tim Slate
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6558 0886.

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – APPROVAL FOR THE ISSUE OF OPTIONS TO DR RICHARD HOPKINS

1.1 General

The Company received Shareholder approval on 30 November 2018 to issue 25,000,000 Options (**Related Party Options**) to Dr Richard Hopkins (or his nominee) in consideration for his services to the Company, which include but are not limited to, managing the business of the Company, including implementing strategic and tactical plans and managing operational functions to achieve the Company's goals and outcomes, and otherwise on the terms and conditions set out below and in Schedule 1 of this Notice. However, due to an administrative oversight during the holiday period, these options were not issued in the required timeframe.

Resolution 1 seeks Shareholder approval for the grant of the Related Party Options to Dr Hopkins (or his nominee).

1.2 Chapter 2E of the Corporations Act

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

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

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

The grant of Related Party Options constitutes giving a financial benefit and Dr Hopkins is a related party of the Company by virtue of being a Director.

The Directors (other than Dr Hopkins who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options, reached as part of the remuneration package for Dr Hopkins, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

1.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

1.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in respect of Resolution 11:

- (a) the Related Party to whom the Related Party Options are to be issued under this Resolution is Dr Richard Hopkins (or his nominee);
- (b) 25,000,000 Related Party Options will be issued to Dr Hopkins (or his nominee) in the following allotments:
 - (i) 5,000,000 Related Party Options, exercisable at \$0.10 each and expiring on the date that is three years from the date of issue (**Class A Options**);
 - (ii) 5,000,000 Related Party Options exercisable at \$0.15 each and expiring on the date that is three years from the date of issue (**Class B Options**);
 - (iii) 5,000,000 Related Party Options exercisable at \$0.20 each and expiring on the date that is three years from the date of issue (**Class C Options**);
 - (iv) 5,000,000 Related Party Options exercisable at \$0.28 each and expiring on the date that is three years from the date of issue (**Class D Options**); and
 - (v) 5,000,000 Related Party Options exercisable at \$0.30 each and expiring on the date that is three years from the date of issue (**Class E Options**).
- (c) The Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date permitted by any modification of the listing rules) and it is intended to issue all of the Related Party Options on the same date;
- (d) the Related Party Options to be issued will be issued for nil cash consideration as they constitute a fee for services provided;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (f) no funds will be raised by the issue of the Related Party Options; however, if all of the Related Party Options to be issued to Dr Hopkins are exercised, the Company will receive \$5,150,000, being 25,000,000 multiplied by the relevant exercise price of the Options.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to Dr Hopkins (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

1.5 Board recommendation

The Board (other than Dr Hopkins) recommend that Shareholders vote in favour of Resolution 1.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

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

Company means Zeld Therapeutics Limited (ACN 103 782 378).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolution 1 with the terms and conditions set out in Schedule 1.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS OF THE OPTION INCENTIVE PACKAGE

- (a) Dr Hopkins or his nominee may be issued, subject to Shareholder approval, up to 25,000,000 Related Party Options comprising:
- (i) 5,000,000 Related Party Options with an exercise price of \$0.10 (**Class A Options**);
 - (ii) 5,000,000 Related Party Options with an exercise price of \$0.15 (**Class B Options**);
 - (iii) 5,000,000 Related Party Options with an exercise price of \$0.20 (**Class C Options**);
 - (iv) 5,000,000 Related Party Options with an exercise price of \$0.28 (**Class D Options**);
and
 - (v) 5,000,000 Related Party Options with an exercise price of \$0.30 (**Class E Options**),
- (the **Options Package**).
- (b) The Related Party Options will expire on the date that is three (3) years from the date of issue (**Expiry Date**). The Related Party Options may be exercised at any time after the satisfaction of the relevant vesting conditions and prior to the Expiry Date.
- (c) Exercise of the Related Party Options will be subject to the satisfaction of the following vesting conditions:
- (i) the Class A Options will vest and be capable of exercise immediately;
 - (ii) the Class B Options and Class C Options will vest and be capable of exercise on 16 October 2019; and
 - (iii) the Class D Options and Class E Options will vest and be capable of exercise on 16 October 2020.
- (d) Should Dr Hopkins cease to be employed or engaged by the Company and:
- (i) Dr Hopkins is a Bad Leaver, Dr Hopkins will have 30 days to exercise any vested Related Party Options, otherwise they lapse.
 - (ii) Dr Hopkins is not a Bad Leaver, the Board has discretion to determine the period in which any vested Related Party Options will remain exercisable.
- (e) The Related Party Options may be exercised by notice in writing to the Company in the manner specified on the Related Party Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Related Party Options being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Related Party Options being exercised in cleared funds (**Exercise Date**).
- (f) Within 15 Business Days after the Exercise Date, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Related Party Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

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

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

- (g) Shares issued on exercise of the Related Party Options rank equally with the then issued shares of the Company.
- (h) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (i) There are no participation rights or entitlements inherent in the Related Party Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Related Party Options without exercising the Related Party Options.
- (j) A Related Party Options does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Related Party Options can be exercised.
- (k) The Related Party Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.