



INVEX THERAPEUTICS LTD

ACN 632 145 334

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4:00pm (WST)

DATE: 29 June 2020

PLACE: The Company is closely monitoring the impact of the COVID-19 virus in Western Australia and following guidance from the Federal and State Governments, the Meeting will be held virtually. There will not be a physical meeting where shareholders can attend in person.

A live webcast and electronic voting via web.lumiagm.com/323893779 will be offered to allow Shareholders to listen to the Meeting and vote online.

The business of the Meeting affects your shareholding and your vote is important. The Directors strongly encourage all shareholders to lodge a directed proxy form prior to the 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.

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 4:00pm (WST) on 27 June 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1 – FIRST TRANCHE

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (including Tattarang Pty Ltd) or an associate of that person or those persons.

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

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A – FIRST TRANCHE

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,500,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (including Tattarang Pty Ltd) or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
 - (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
 - (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
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3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES – SECOND TRANCHE

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 7,653,847 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of 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) (including Tattarang Pty Ltd) or an associate of that person (or those persons).

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

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

4. RESOLUTION 4 – PARTICIPATION IN CAPITAL RAISING – DR JASON LOVERIDGE

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 38,462 Shares to Dr Jason Loveridge (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 Jason Loveridge (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

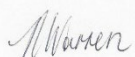
5. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 28 May 2020

By order of the Board



Narelle Warren
Company Secretary

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who If you sign the enclosed Proxy Form and no direction is given, the Chair will be appointed as your proxy. The Chair intends to vote undirected proxies on, and in favour of, all resolutions.

Voting in person

Generally, to vote in person, Shareholders would be able to attend the Meeting at the time, date and place set out above. In light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to either lodge a directed proxy form prior to the Meeting or attend and vote online at the Virtual Meeting.

Voting online during meeting

In light of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of this Notice of Meeting, the Company invites shareholders to attend and participate in a virtual Meeting through an online meeting platform powered by 'Lumi' (**Virtual Meeting**). Shareholders who attend the Virtual Meeting will be able to watch, listen, submit written questions and participate in all poll votes put to the Meeting.

To vote online at the Virtual Meeting, attend the Virtual Meeting at the date and time set out in this Notice, being 4:00pm WST on 29 June 2020, and following the instructions below:

1. Open your internet browser and go to web.lumiagm.com/323893779. Alternatively, the Lumi AGM app can be downloaded for free from Apple or Google Play stores.
2. Enter the Meeting ID: 323-893-779.
3. Enter your SRN or HIN, and your registered postcode when prompted.

Further information and support on how to use the Virtual Meeting platform is available on the Company's website.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6382 0137.

EXPLANATORY STATEMENT

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

1. BACKGROUND

As announced on 22 May 2020, the Company is undertaking a capital raise of up to \$26,200,001 to fund its clinical and other objectives, including the completion and publication of top-line results of the Phase III study for Presendin™, drug manufacture and supply for the trials and the commencement of a Phase II study for Presendin™ in a second indication (**Capital Raising**).

The Capital Raising will be undertaken in two tranches. The first tranche comprised of the issue of 12,500,000 Shares at an issue price of \$1.30, raising \$16,250,000 (**First Tranche**). The Company undertook the First Tranche by relying on its placement capacity under ASX Listing Rules 7.1 and 7.1A. Resolutions 1 and 2 seek Shareholder approval to ratify the issue under the First Tranche.

Resolution 3 seeks Shareholder approval to permit the Company to undertake the second tranche of the Capital Raising. The second tranche will comprise of the issue of 7,653,847 Shares at an issue price of \$1.30 to raise up to \$9,950,001 (**Second Tranche**). The Second Tranche includes the 38,462 Shares to be issued to Dr Jason Loveridge, in accordance with his participation in the Capital Raising, as detailed at Resolution 4. The Company will still seek approval under Resolution 3 for the full 7,653,847 Shares under the Second Tranche, so as to allow the full amount to be issued if Resolution 4 is rejected by Shareholders.

The proposed use of funds from the Capital Raising is set out below.

Use of Funds	Total Amount
Funds available 1 June 2020	\$9,220,000
Funds to be raised	\$26,200,001
Total	\$35,420,001
Rat tolerability Study	\$150,000
Human PK study	\$1,100,000
phase III IIH WOP (or alternate 2 nd indication)	\$16,000,000
phase II IIH WOP	\$3,700,000
Regulatory (US, EU)	\$1,025,000
Presendin Manufacture GMP	\$2,000,000
Exenatide purchase GCP	\$1,000,000
Presendin CMC development	\$2,000,000
Administration and compliance costs	\$5,700,000
Unallocated working capital	\$1,213,001
Costs of the Offer	\$1,532,000
TOTAL	\$35,420,001

Assuming no Options are exercised, no convertible securities are converted or other Shares issued and the maximum number of Shares under the Second Tranche is issued, the number of Shares on issue would increase from 67,500,001 (being the number of Shares on issue as at the date of this Notice, including the First Tranche) to 75,153,848 and the shareholding of existing Shareholders would be diluted by 10.18%.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF SHARES - LISTING RULES 7.1 AND 7.1A – FIRST TRANCHE

2.1 General

On 28 May 2020, as the First Tranche of the Capital Raising, the Company issued 12,500,000 Shares at an issue price of \$1.30 per Share to raise \$16,250,000.

7,000,000 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 5,500,000 Shares were issued pursuant to the Company's 7.1A mandate (being, the subject of Resolution 2) which was approved by Shareholders at the annual general meeting held on 21 November 2019.

The Company engaged the services of Bell Potter, to manage the issue of the Capital Raising. The Company agreed to pay Bell Potter a fee of \$1,422,000. The amount includes the following:

- (a) a selling/management fee of 6% of proceeds raised under the Capital raising (excluding amounts raised from parties nominated by the Company); and
- (b) management fee of 3% of amounts raised from those parties nominated by the Company; and

2.2 Listing Rules 7.1 and 7.1A

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 12 month 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 increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21 November 2019.

The issue of the First Tranche does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the First Tranche.

2.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the First Tranche.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the First Tranche.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the First Tranche will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Tranche.

If Resolutions 1 and 2 are not passed, the First Tranche will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the First Tranche.

2.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the First Tranche were issued to institutional, professional and sophisticated investors who are clients of Bell Potter, CPS Securities and Forrest Capital. The recipients were identified through a bookbuild process, which involved Bell Potter seeking expressions of interest to participate in the capital raising from non-related parties of the Company. In addition, the Company nominated Tattarang Pty Ltd (ACN 055 961 361) (a substantial shareholder) to participate. None of the recipients are related parties of the Company.
- (b) Shares were issued, as part of the First Tranche, on the following basis:
 - (i) 7,000,000 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 5,500,000 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (c) the First Tranches Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the First Tranches Shares were issued on 28 May 2020;
- (e) the issue price was \$1.30 per Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of the First Tranche was to raise \$16,250,000, which will be applied in accordance with the use of funds detailed at section 1 of this Explanatory Memorandum;
- (g) a voting exclusion statement is included in Resolutions 1 and 2 of the Notice.

3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES – SECOND TRANCHE

3.1 General

The Company is proposing to issue up to 7,653,847 Shares at an issue price of \$1.30 per Share to raise up to \$9,950,001, as the Second Tranche of the Capital Raising.

As noted above, the Company engaged the services of Bell Potter, to manage the issue of the Capital Raising. The Company agreed to pay Bell Potter a fee of \$1,422,000, as detailed at section 2.1.

As summarised in Section 2.2 above, 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 shares it had on issue at the start of that period.

The proposed issue of Shares under the Second Tranche does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Shares under the Second Tranche. In addition, the issue of the Second Tranche Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Second Tranche Shares. As a result, the Company will need to significantly scale back its use of funds and proposed Phase III trials. There is a risk, if Resolution 3 is not passed the Company will not be able to complete its Phase III trials, thereby preventing the development of its repurposing of Exenatide.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Second Tranche Shares.

3.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Second Tranche Shares will be issued to institutional, professional and sophisticated investors who are clients of Bell Potter, CPS Securities and Forrest Capital. The recipients will be identified through a bookbuild process, which will involve Bell Potter seeking expressions of interest to participate in the capital raising from non-related parties of the Company. In addition, the Company nominated Tattarang Pty Ltd (ACN 055 961 361) (a substantial shareholder) to participate. None of the recipients will be related parties of the Company.
- (b) the maximum number of Second Tranche Shares to be issued is 7,653,847. The Second Tranche Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Second Tranche Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Second Tranche Shares will occur on the same date;
- (d) the issue price of the Second Tranche Shares will be \$1.30 per Share. The Company will not receive any other consideration for the issue of the Second Tranche Shares;
- (a) the purpose of the issue of the Second Tranche is to raise \$9,950,001, which will be applied in accordance with the use of funds detailed at section 1 of this Explanatory Memorandum;
- (e) the Second Tranche Shares are not being issued under, or to fund, a reverse takeover; and
- (f) a voting exclusion statement is included in Resolution 3 of the Notice.

4. RESOLUTION 4 – PARTICIPATION IN CAPITAL RAISING – DR JASON LOVERIDGE

4.1 General

Director Dr Jason Loveridge wishes to participate in the Capital Raising on the same terms as unrelated participants in the Capital Raising (**Participation**), as set out in section 1 above.

Accordingly, Resolution 4 seeks Shareholder approval for the issue of 38,462 Shares to Dr Jason Loveridge (or their nominee), as a result of the Participation on the terms set out below.

4.2 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 Participation will result in the issue of Shares which constitutes giving a financial benefit and Dr Jason Loveridge, is a related party of the Company by virtue of being a Director.

The Directors (other than Dr Jason Loveridge 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 Participation because the Shares will be issued to Dr Jason Loveridge (or their nominee) on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

4.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Shares under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 1 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Shares under the Participation and no further funds will be raised in respect of the Capital Raising.

4.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Shares will be issued to Dr Jason Loveridge (or their nominee), who falls within the category set out in Listing Rule 10.11.1, as Dr Loveridge is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Dr Jason Loveridge (or their nominee) is 38,462;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price will be \$1.30 per Share, being the same issue price as Shares issued to other participants in the Capital Raising. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of Shares under the Participation is to raise capital, which the Company intends to use in the manner set out in Section 1 above;
- (g) the Shares to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (h) a voting exclusion statement is included in Resolution 4 of the Notice.

5. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION

5.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2019.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to updates to account for recent changes to the ASX Listing Rules.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.investtherapeutics.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6382 0137). Shareholders are invited to contact the Company if they have any queries or concerns.

5.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements. The new clause 2.12 will note:

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- (a) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (b) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;
- (c) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and
- (e) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to

any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Partial (proportional) takeover provisions (clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (a) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (b) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

GLOSSARY

\$ means Australian dollars.

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.

Bell Potter means Bell Potter (ABN 25 006 390 772) (AFSL 243480).

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.

Company means Invex Therapeutics Ltd (ACN 632 145 334).

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.

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

IIH means Idiopathic Intracranial Hypertension.

Listing Rules means the Listing Rules of ASX.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

Holder Number:

Vote by Proxy: IXC

Your proxy voting instruction must be received by **4.00pm (WST) on Saturday, 27 June 2020**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE VIRTUAL MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the virtual Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the virtual Meeting online, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the virtual Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).