

# Notice of annual general meeting and explanatory notes

Opthea Limited  
ACN 006 340 567

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Date: 28 November 2016  
Time: 11.00 am (Melbourne time)  
Location: Computershare Conference Centre  
Yarra Falls  
452 Johnston Street  
Abbotsford, Melbourne, Victoria

In this document you will find:

- a notice of annual general meeting
- explanatory notes which have an explanation of and information about, the resolutions set out in the notice of annual general meeting.

Enclosed separately is a proxy form with attendance and registration details.

# Notice of annual general meeting

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The annual general meeting of Opthea Limited, formerly Circadian Technologies Limited (**Opthea or the Company**), will be held at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne, Victoria on Monday, 28 November 2016 at 11.00am (Melbourne time).

This notice of annual general meeting (**Notice**) should be read in conjunction with the accompanying notes (including in relation to the required voting majorities, Directors' recommendations and voting, voting exclusion statements, appointing the Chair as your proxy, how to vote and proxies), explanatory notes accompanying the resolutions to be put to Shareholders and the accompanying proxy form, all of which are incorporated in, and comprise part of, this Notice.

If you are unable to attend the annual general meeting please complete and return the enclosed proxy form in accordance with the specified directions.

## Business

### 1. Financial statements and reports

To receive and consider:

- (a) the financial statements;
  - (b) the directors' report; and
  - (c) the auditor's report,
- of Opthea for the year ended 30 June 2016.

### 2. Other business

To deal with any other business that may legally be brought before the annual general meeting in accordance with Opthea's constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

## Resolutions

### 3. Re-Election of Director (Resolution 1)

To consider and, if thought fit, to pass a resolution re-electing as a Director of the Company Geoffrey Kempler, who retires by rotation in accordance with 58.1 of the Company's constitution.

### 4. Adoption of remuneration report (Resolution 2)

To consider and, if thought fit, to pass a resolution adopting the remuneration report for the Company for the year ending 30 June 2016.

**Note:** *In accordance with section 250R(3) of the Corporations Act, the vote on this resolution will be advisory only and will not bind Opthea or its Directors.*

## 5. Approval of additional placement capacity (Resolution 3)

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

That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Notes to this Notice, be and is hereby approved.

By order of the Board

28 October 2016

A handwritten signature in black ink, appearing to read 'Mike Tonroe', followed by a horizontal line extending to the right.

Mike Tonroe  
Company Secretary

# Notes

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## Required voting majorities

Each of Resolutions 1 and 2 require a simple majority of the eligible votes cast by Shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative, to be cast in favour of the relevant Resolution.

Resolution 3 is a special resolution requiring at least 75% of the eligible votes cast by Shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative, to be cast in favour of the relevant Resolution.

## Directors' recommendations and voting

### Resolution 1 – Re-election of Director

The Board (Mr Kempler abstaining) unanimously recommends that all Shareholders entitled to vote, vote in favour of Resolution 1.

### Resolution 2 – Adoption of remuneration report

The Board recommends that all Shareholders entitled to vote, vote in favour of Resolution 2.

Voting exclusions apply to members of the key management personnel of the Company (**KMP**) details of whose remuneration are included in the remuneration report as well as Closely Related Parties of such members. Closely Related Parties of a member of the KMP include certain family members, dependants as well as companies they control. Voting exclusions also apply to members of the Company's KMP and their Closely Related Parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

### Resolution 3 – Approval of additional placement capacity

The Board unanimously recommends that all Shareholders entitled to vote, vote in favour of Resolution 3.

Voting exclusions apply to certain persons. See the section below headed 'Voting Exclusion Statements' for further details.

## Voting Exclusion Statements

### Resolution 2 – Adoption of remuneration report

Opthea will disregard any votes cast on Resolution 2 by or on behalf of:

- (a) a member of the KMP, details of whose remuneration are included in the Company's remuneration report for the year ended 30 June 2016; and
- (b) a Closely Related Party of such a member.

However, the Company will not disregard the vote of a person described in paragraph (a) or (b) above on the Resolution if the vote is not cast on behalf of a person described in either paragraph and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In addition to the voting restrictions specified above, a member of the KMP and any of their Closely Related Parties must not vote as a proxy on Resolution 2, unless the proxy appointment specifies the way the proxy is to vote on the Resolution.

However, the restriction outlined in the previous paragraph does not apply if:

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

### **Resolution 3 – Approval of additional placement capacity**

Opthea will disregard any votes cast on Resolution 3 by any person who may participate in the issue of Equity Securities under the 10% Placement Facility and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any associate of any of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Important note:** The proposed allottees, if any, of any Equity Securities under the 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

## **Appointing the Chair as your proxy**

If you appoint the Chair of the meeting as your proxy and you do not specify how the Chair is to vote on a Resolution, the proxy appointment expressly authorises the Chair to exercise the proxy even if the Resolution may be connected directly or indirectly with the remuneration of a member of the KMP of the Company.

The Chair intends to vote all available and undirected proxies in favour of all Resolutions, subject to the above voting exclusions. In exceptional circumstances the Chair's intentions may change subsequently. If there is a change to how the Chair intends to vote undirected proxies, the Company will make an immediate announcement to ASX stating that fact and explaining the reasons for the change.

## **How to Vote**

### **Voting entitlements**

Opthea has determined that for the purposes of voting at the annual general meeting or at any adjourned meeting, Shares will be taken to be held by those persons recorded on the register of members at the Voting Entitlement Time (as specified below).

## **Voting Entitlement Time**

In accordance with Regulation 7.11.37 of the Corporations Regulations, all securities of the Company that are quoted on ASX at 7.00pm Melbourne time on Saturday, 26 November 2016 being the Voting Entitlement Time, are taken, for the purposes of the above meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the annual general meeting on Monday, 28 November 2016.

## **Joint Holders**

When joint holders are named in the register of members only one joint holder may vote. If more than one of the joint holders is present at the meeting, only the person whose name appears first in the register of members will be entitled to vote. If more than one holder votes at the meeting, only the vote of the first named of the joint holders in the register of members will be counted.

## **Voting in person or by attorney**

Shareholders or their attorneys wishing to vote in person should attend the meeting. Attendees are asked to arrive at least 15 minutes prior to the time the meeting is to commence, so that their shareholding may be checked against the register of members and their attendance noted. Shareholders should bring their bar coded proxy form with them to assist in Shareholder identification and registration. Attorneys should bring the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

## **Voting by corporate representative**

Corporate Shareholders or proxies wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from Computershare Investor Services Pty Limited;
- (b) complete and sign the form in accordance with the instructions on the form; and
- (c) bring the completed and signed form with them to the meeting.

## **Proxies**

- 1. A Shareholder entitled to attend and vote at the meeting has a right to appoint not more than two proxies to attend and vote in the Shareholder's place.
- 2. The proxy need not be a Shareholder of the Company. A proxy may be an individual or a body corporate.
- 3. A Shareholder who is entitled to cast two or more votes may appoint up to two proxies to attend and vote at the meeting and, in the case of such an appointment, should specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion or number is specified, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- 4. Where a Shareholder appoints two proxies, on a show of hands neither proxy may vote if more than one proxy attends and on a poll each proxy may only exercise votes in respect of those Shares or voting rights the proxy represents.
- 5. A proxy may decide whether to vote on an item of business, except where the proxy is required by law or the constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may only vote on the item as directed. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
- 6. If the abstention box on the proxy form for any item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant Shares will not be counted in calculating the required majority on a poll.

7. Shareholders who intend to appoint the Company's Chair as proxy (including an appointment by default) should have regard to the information above under the heading 'Appointing the Chair as your proxy'.
8. The proxy form included in this Notice must be signed by the Shareholder or the Shareholder's attorney and, in the case of a joint holding, by each of the joint holders.
9. If the proxy form is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the meeting, the Chair may either act as proxy or complete the proxy form by inserting the name of a Director or the Company Secretary of Opthea.
10. The appointment of one or more duly appointed proxies will not preclude a Shareholder from attending this meeting and voting personally. If the member votes on a Resolution, the proxy must not vote as the member's proxy on that Resolution.
11. To be valid, a proxy form signed under a power of attorney or other authority (if any) must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
12. Proxies given by a corporation must be signed either under seal or under the hand of a duly authorised attorney. In addition, should the constitution of a corporation permit the execution of documents without using a common seal, the documents must be signed by two directors or a director and a company secretary, or for a proprietary company that has a sole director who is also a company secretary, that sole director.
13. If a body corporate is appointed as proxy, please write the full name of that body corporate (e.g. Company X Pty Ltd). Do not use abbreviations. The body corporate will need to ensure that it:
  - (a) appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act; and
  - (b) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If no such evidence is received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

14. Shareholders wishing to vote by proxy must complete, sign, and deliver the enclosed personalised proxy form in accordance with the instructions on the form so that it is received prior to 11.00am Melbourne time on Saturday, 26 November 2016 by:
  - (a) post in the reply paid envelope provided, to:

Opthea Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box Reply Paid 242  
Melbourne, Victoria, 3001;
  - (b) hand delivery, to:

Opthea Limited  
C/- Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria, 3067; or
  - (c) fax, to:

Opthea Limited  
C/- Computershare Investor Services Pty Limited  
on 1800 783 447 (within Australia) or;  
+61 3 9473 2555 (outside Australia).

## Recording devices

In the absence of special permission, the Chair will require that any recording or broadcasting device (including tape recorders, mobile telephones, still cameras and video cameras) and any article which may be dangerous, offensive or liable to cause disruption, be turned off or deposited outside the meeting.

## Questions and comments by Shareholders at the meeting

1. In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders as a whole to ask questions about or to make comments upon the management of the Company including the remuneration report and the Resolutions at the meeting.
2. Shareholders may also provide written questions to the Company to be submitted no later than 5.00pm on Friday, 25 November 2016, and should be addressed as follows:  
  
The Company Secretary  
Opthea Limited  
Level 0403, 650 Chapel Street  
South Yarra VIC 3141
3. Any Shareholders who would like to submit a written question to Opthea's auditor, Deloitte Touche Tohmatsu (the **Auditor**), in relation to its conduct of the external audit of the Company's financial statements for the year ended 30 June 2016, or the content of its audit report, may do so:
  - (a) in the reply paid envelope by mail or delivery to:  
  
Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne, Victoria, 3001, Australia; or
  - (b) by facsimile on:  
  
1800 783 447 (within Australia); or  
+61 3 9473 2555 (outside Australia).
4. Written questions to the Auditor must be received by no later than 5:00pm Melbourne time on Monday, 21 November 2016.
5. The Auditor may answer relevant submitted questions at the meeting or may table a written answer to those questions at the meeting. Any written answers tabled will be made available as soon as practicable after the meeting by posting them on the Company's website.

## Definitions

Words that are defined in the Glossary have the same meaning when used in this Notice unless the context requires, or the definitions in the Glossary provide, otherwise.



# Explanatory notes

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These explanatory notes accompany and form part of the Notice.

## **1. Financial statements and reports**

The Corporations Act requires the financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report to be laid before the annual general meeting. There is no requirement either in the Corporations Act or Opthea's constitution for Shareholders to approve the financial report, the directors' report or the auditor's report. Rather, the purpose of presenting the reports is to give Shareholders an opportunity at the meeting to ask questions and to make comments on these reports.

## **2. Other business**

Time will be allocated in the annual general meeting to deal with any business that may legally be brought before the annual general meeting in accordance with Opthea's constitution and the Corporations Act.

## **3. Re-election of Director**

Geoffrey Kempler was appointed Chairman and non-executive Director of Opthea in December 2015. Geoffrey Kempler was re-elected by Shareholders at the Company's extraordinary general meeting held on 7<sup>th</sup> March 2016.

Pursuant to article 58.1 of Opthea's constitution, at the close of each annual general meeting one third of the Directors must retire from office by rotation. The Directors to retire by rotation at an annual general meeting are those Directors who have been longest in office since their last election. Accordingly, Geoffrey Kempler offers himself for re-election as a Director.

### **Biography**

Geoffrey Kempler has extensive experience in the global biopharmaceutical industry having led Prana Biotechnology, a company he founded, for nearly 20 years. His investment markets experience includes a strong domestic and international network of specialist and sophisticated investors. He was responsible for the listing of Prana Biotechnology on both the ASX and NASDAQ and has raised approximately \$150 million in capital via traditional equity transactions and value accretive alternative financing models.

Since founding Prana in 1997, Geoffrey has been responsible for setting the operational and commercial objectives which has included the conduct of multiple global patient trials. Geoffrey is a qualified psychologist and holds a B.Sc degree in science from Monash University and Grad. Dip. App. Soc. Psych. degree from Swinburne University.

### **Other current Directorships**

Geoffrey Kempler is currently a director of these companies:

Prana Biotechnology Limited  
Sadarajak Pty Ltd

### **Independence**

Geoffrey Kempler is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders. Accordingly, the Board considers that Geoffrey Kempler is an independent Director.

## Recommendation

The Board (Mr Kempler abstaining) unanimously supports the re-election of Geoffrey Kempler as a Director and recommends that all Shareholders *vote in favour* of Resolution 1.

## 4. Adoption of remuneration report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the remuneration report as disclosed in the Company's 2016 annual report be adopted. The remuneration report is set out on pages 22 to 28 of the 2016 annual report which is available at [http://www.opthea.com/template/annualreport/2016\\_annual\\_report.pdf](http://www.opthea.com/template/annualreport/2016_annual_report.pdf) and on the ASX's website at: <http://www.asx.com.au/asxpdf/20160829/pdf/439qdy76xc9kqc.pdf>, and which has been sent to those Shareholders who have requested the annual report in hard copy form.

Please note that the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Chair will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report at the meeting. The Company will take the outcome of the vote on Resolution 2 into consideration and the comments made by Shareholders at the meeting when reviewing the Company's remuneration practices and policies.

In accordance with the Corporations Act, if twenty-five percent (25%) or more of the eligible votes cast are voted against the adoption of the Company's remuneration report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that another meeting of Shareholders be held within 90 days at which all of the Company's Directors (other than the Managing Director and Chief Executive Officer) who were in office at the date of issue of the relevant second consecutive remuneration report must be put up for re-election.

## Recommendation

Noting that each Director has a personal interest in his/her own remuneration from the Company, the Directors recommend that all Shareholders *vote in favour* of Resolution 2, approving the adoption of the Company's 2016 remuneration report.

## 5. Approval of additional placement capacity

### 5.1 General

ASX Listing Rule 7.1A enables an eligible entity to issue Equity Securities (as that term is defined in the ASX Listing Rules) representing up to 10% of its issued share capital over a period not exceeding 12 months after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the date of the annual general meeting at which approval is sought under ASX Listing Rule 7.1A. As at 24 October 2016, the Company's market capitalisation was approximately \$105,165,692 (based on the number of Shares currently on issue and the closing price of Shares on 24 October 2016 (being 70 cents)). Accordingly, the Company is an eligible entity as at 24 October 2016 and is expected to be an eligible entity as at the date of the annual general meeting.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 5.2(c) below). The Company may use funds raised from any 10% Placement Facility for funding of specific projects and/or general working capital. It may also use the 10% Placement Facility for non-cash consideration purposes such as joint venture, licensing or collaboration agreements or the acquisition of new products (although the Company presently has no intention to do so).

## **5.2 Description of ASX Listing Rule 7.1A**

### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to the approval of the holders of ordinary securities by way of a special resolution at an annual general meeting.

### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company currently has two classes of quoted Equity Securities - ordinary shares and options.

### **(c) Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

*A* is the number of fully paid ordinary securities on issue 12 months before the date of the issue or agreement:

- (A) plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (B) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (C) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rules 7.1 and 7.4;
- (D) less the number of fully paid ordinary securities cancelled in the 12 months.

*Note: A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

*D* is 10%

*E* is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rules 7.1 or 7.4.

### **(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 2(c) above).

#### **(e) 10% Placement Period**

The approval of the holders of ordinary securities of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by holders of ordinary securities of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),  
(the **10% Placement Period**).

#### **5.3 ASX Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Company to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1.

#### **5.4 Specific Information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) Any Equity Securities issued will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table to the extent Shareholders do not receive any Shares under such issues. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the annual general meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		50% decrease in Deemed Price	Deemed price	100% increase in Deemed Price
		\$ 0.35	\$ 0.70	\$ 1.40
Current variable 'A'	10% voting dilution	15,023,670	15,023,670	15,023,670
150,236,703	Funds raised	\$ 5,258,285	\$ 10,516,569	\$ 21,033,138
50% increase in current variable 'A'	10% voting dilution	22,535,505	22,535,505	22,535,505
225,355,055	Funds raised	\$ 7,887,427	\$ 15,774,854	\$ 31,549,708
100% increase in current variable 'A'	10% voting dilution	30,047,341	30,047,341	30,047,341
300,473,406	Funds raised	\$ 10,516,569	\$ 21,033,138	\$ 42,066,277

**The table above has been prepared on the following assumptions:**

- (i) Variable A is 150,236,703 being the number of ordinary securities on issue as at the date of this Notice;
- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
- (iii) No options have been exercised into Shares before the date of the issue of Equity Securities under ASX Listing Rule 7.1A. The Company has 10,625,000 unlisted options and 49,676,297 listed options (CIRO) on issue at the date of this Notice;
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (v) The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
- (vi) The table only demonstrates the effect of issues of Equity Securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the “15% rule”; and

- (vii) The price of ordinary securities is deemed for the purposes of the table above to be \$0.70, being the closing price of the Company's listed securities on ASX on 24 October 2016.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) non-cash consideration including for joint venture, licensing or collaboration agreements or the acquisition of new products (although the Company presently has no intention to do so). In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing specific Company projects and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
  - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial position of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company has not previously obtained Shareholder approval under ASX Listing Rule 7.1A.
- (g) A voting exclusion statement for Resolution 3 is included in the Notice preceding this Explanatory Memorandum.

## 5.5 Recommendation

The Directors believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders *vote in favour* of this Resolution.

## 6. Glossary

**10% Placement Facility** has the meaning given to that term in section 5.1 of the explanatory notes.

**10% Placement Period** has the meaning given to that term in section 5.2(e) of the explanatory notes.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

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

**Auditor** means Deloitte Touche Tohmatsu.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Company's annual general meeting. The Company intends to appoint Geoffrey Kempler, the Company's current non-executive chair, to act as chair at this meeting.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Opthea Limited ACN 006 340 567.

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

**Directors** means the directors of the Company and **Director** means any one of them.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Glossary** means this glossary.

**KMP** has the meaning given to that term in the Accounting Standards.

**Listing Rule or ASX Listing Rule** means the official listing rules of ASX.

**Notice** means this notice of annual general meeting.

**Resolution** means a resolution set out in this Notice.

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

**Shareholder** means a holder of at least one Share.

**VWAP** means the volume weighted average price.

If you have any questions about the annual general meeting, the Resolutions to be put to Shareholders or the proposals being considered, please contact the Company Secretary, Mike Tonroe on +61 3 9826 0399.



Opthea Limited  
ABN 32 006 340 567

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

OPT

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

XX

For your vote to be effective it must be received by 11:00am (Melbourne time) on Saturday, 26 November 2016

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- ☒ Review your securityholding
- ☒ Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Opthea Limited hereby appoint

☐ the Chairman of the Meeting

 OR 

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Opthea Limited to be held at the Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne, Victoria on Monday, 28 November 2016 at 11.00am (Melbourne time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Director - Geoffrey Kempler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /