

**ACRUX LIMITED ABN 72 082 001 152
(the Company)**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the members of Acrux Limited will be held at the offices of Pitcher Partners, Level 13, 664 Collins Street, Docklands, Melbourne, Victoria, Australia on Thursday 28 November 2019 at 10:00 am (AEDT).

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the financial report of the Company and the reports of the Directors and Auditor for the year ended 30 June 2019.

1. Re-election of Dr Geoff Brooke as a Director

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

That Dr Geoff Brooke, who in accordance with clauses 58.3 and 58.4 of the Company's constitution ceases to hold office and offers himself for re-election as a Director, be re-elected as a Director of the Company.

2. Re-election of Dr Simon Green as a Director

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

That Dr Simon Green, who in accordance with clauses 58.3 and 58.4 of the Company's constitution ceases to hold office and offers himself for re-election as a Director, be re-elected as a Director of the Company.

3. Adoption of Remuneration Report

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

That the Company's remuneration report for the year ended 30 June 2019 (**Remuneration Report**) be adopted and approved.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report; or



- (b) a closely related party of such a member, as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**).

However, a person (**voter**) described above may cast a vote on this resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter 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 this Resolution; and
 - ii expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

4. Approval of 10% Placement Capacity – Shares

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

That for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities in the Company (**Equity Securities**) totalling up to 10% of the Company's fully paid ordinary shares on issue (**Shares**), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion

The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under this resolution (except a benefit solely by reason of being a holder of ordinary securities or any associates of those persons, if the resolution is passed). However, the Company will 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.

5. Grant of Rights to Non-executive Directors

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of Rights to the Non-executive Directors under the Company's Omnibus Equity Plan and in accordance with the terms set out in the Explanatory Statement.

Voting Exclusion

The Company will disregard any votes cast in favour of this resolution by or on behalf of the Directors or any associates of such persons. 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.



6. Election of Mr Norman Gray as a Director

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

That Mr Norman Gray, having been nominated by members of the Company in accordance with clause 59.1 of the Company's Constitution, section 249N of the Corporations Act and the ASX Listing Rules, and being eligible for election, be elected as a Director of the Company.

By order of the Board



Deborah Ambrosini
Company Secretary
21 October 2019



EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held on Thursday 28 November 2019 at 10:00 am (AEDT).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to shareholders in deciding whether or not to pass the resolutions in the notice of meeting. This Explanatory Statement is important and should be read carefully by all shareholders.

Receipt of Financial Statements and Reports

The Company's financial report and the reports of the Directors and Auditor for the year ended 30 June 2019 are placed before the meeting, giving shareholders the opportunity to discuss these documents and to ask questions. No resolution is required in respect of these documents.

The Company's financial report and the reports of the Directors and Auditor for the year ended 30 June 2019 are available on the Company's website at: www.acrux.com.au

1. Resolution 1: Re-election of Dr Geoff Brooke as Director

Resolution 1 seeks approval for the re-election of Dr Geoff Brooke as a Director of the Company. In accordance with clauses 58.3 and 58.4 of the Company's constitution, Dr Brooke will hold office until the conclusion of the Annual General Meeting and, being eligible, offers himself for re-election as a Director of the Company.

Set out below are biographical details for Dr Geoff Brooke.

Dr Brooke joined the Board in June 2016. He is also Chair of the Company's Audit and Risk Committee and a member of the Human Capital and Nomination Committee. Dr Brooke founded GBS Venture Partners Limited in 1996 and has more than 30 years' venture capital experience. In January 2014, he reduced his involvement in GBS and is now Special Adviser to the firm and its funds.

Dr Brooke was formerly President of Medvest Inc., a US-based early-stage venture capital group he founded with Johnson & Johnson. Dr Brooke's experience includes company formation and acquisitions, as well as public listings on stock exchanges including the NYSE, NASDAQ and ASX.

He was appointed Chairman of Actinogen Medical Limited (ASX: ACW) in March 2017 and Non-executive Director of Cynata Therapeutics Ltd (ASX: CYP) in May 2019. From 2009 until 2015, he was an independent director of the Victorian WorkCover Authority.

Dr Brooke is licensed in clinical medicine by the Medical Board of Victoria, Australia and his post-graduate work was in anaesthetics and intensive care. He earned his Bachelor of Medicine/Surgery from the University of Melbourne, Australia and a Master of Business Administration from IMEDE (now IMD) in Lausanne, Switzerland.

The Board (with Dr Geoff Brooke abstaining in relation to Resolution 1) recommends you vote in FAVOUR of Resolution 1.



2. Resolution 2: Re-election of Dr Simon Green as Director

Resolution 2 seeks approval for the re-election of Dr Simon Green as a Director of the Company. In accordance with clauses 58.3 and 58.4 of the Company's constitution, Dr Green will hold office until the conclusion of the Annual General Meeting and, being eligible, offers himself for re-election as a Director of the Company.

Set out below are biographical details for Dr Green.

Dr Green joined the Board in June 2016.

Dr Green is an experienced biotechnology professional with expertise in drug development, having worked at Genentech and Novartis in San Francisco before joining CSL Limited in 1998. At CSL, Dr Green held several roles in Project and Portfolio Management before being promoted to Senior Vice President of Global Research and Development for CSL Behring. He also held roles as General Manager of CSL Behring's plasma products manufacturing operations in Germany and Australia.

Dr Green left CSL in November 2015 to start up a biotech company, Immunosis Pty Ltd, focused on improved diagnostic outcomes for patients with immune deficiencies. He also founded a consultancy service providing advice to companies in the plasma products field.

He graduated as a biochemist from Monash University and completed his PhD in the field of immunology at Melbourne University in 1992. He is also a graduate of the Australian Institute of Company Directors and previously held Board governance roles for several CSL subsidiary companies in Australia and Germany and for the European Plasma Protein Therapeutics Association.

The Board (with Dr Simon Green abstaining in relation to Resolution 2) recommends you vote in FAVOUR of Resolution 2.

3. Resolution 3: Adoption of Remuneration Report (Non-binding Advisory Vote)

General

The Corporations Act requires the Directors to report on certain information relating to remuneration arrangements for Directors and senior executives in the Company's Remuneration Report. The Remuneration Report can be found at pages 29 to 36 of the Company's 2019 Annual Report.

The Corporations Act further requires that each Australian listed public company put to a vote at its Annual General Meeting a resolution that the Remuneration Report be adopted. The vote is advisory only and does not bind the Company or the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration policies and practices of the Company.

The Non-executive Directors' cash remuneration has not been adjusted since 2014. The Board followed the recommendations of the Company's independent remuneration consultants (Egan Associates), which was received during 2017. This recommendation led to the Company putting a resolution to shareholders at the 2018 Annual General Meeting which was approved. Under this resolution, Directors



were issued share rights ('Rights') in lieu of the recommended increase in their cash remuneration. This was done to ensure that the Company minimised cash expenditure to facilitate continued expenditure on product development. The granting of these Rights was approved by shareholders at the 2018 Annual General Meeting, with the Rights issued to Directors vesting in equal instalments over a 4-year period, with the fourth and final tranche vesting on 1 January 2022. Under the terms of this Shareholder approval, any additional Directors appointed to the Board would only participate in the Company's Omnibus Equity Plan after a shareholder approval was obtained under ASX Listing Rule 10.14. The Rights issue will align the interests of the Non-executive Directors with those of shareholders towards long term sustained superior growth.

Voting consequences

Under the Corporations Act, if, at consecutive Annual General Meetings:

- (a) at least 25% of the votes cast on a remuneration report resolution are cast against the adoption of the remuneration report; and
- (b) at the first of those Annual General Meetings a Spill Resolution (as defined below) was not put to vote,

a company is required to put to its shareholders a resolution proposing the calling of another meeting of the company's shareholders (**Spill Meeting**) to consider the composition of the board (**Spill Resolution**). If more than 50% of the votes cast are in favour of the Spill Resolution, the company must convene the Spill Meeting within 90 days of the second of those Annual General Meetings. This is commonly known as the "two-strike" rule.

Previous voting results

At the Company's 2018 Annual General Meeting, less than 25% of the votes cast on the resolution to adopt the 2018 Remuneration Report were cast against the resolution. Accordingly, a Spill Resolution is not relevant to this Annual General Meeting.

The Board unanimously recommends that you vote in FAVOUR of Resolution 3.



4. Resolution 4: Approval of 10% Placement Capacity – Shares

4.1 General

ASX Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval by special resolution passed at its annual general meeting to have the additional capacity to issue Equity Securities, in this case up to 10% of its issued capital, provided that the issue occurs over a 12-month period from the date of approval at the annual general meeting (**10% Placement Capacity**).

An entity will be an “Eligible Entity” if at the date of the relevant annual general meeting:

- (a) it is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of equal to or less than A\$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$30,011,888.

If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company’s fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company’s 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those which the Eligible Entity may issue under its 15% annual placement capacity.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being ordinary Shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula, prescribed by Listing Rule 7.1A.2 (**Formula**):

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

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:



plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;

plus the number of partly paid shares that became fully paid in the previous 12 months;

plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 or 7.4; and

less the number of Shares cancelled in the previous 12 months.

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 issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the Company provides the information below in relation to this Resolution 4:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 ASX trading days of the date at 5.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity during the period commencing on the date of Shareholder approval at the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) in which case Shareholder approval for Resolution 4 will cease to be valid.

(c) Risk of Voting Dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.



If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice of Meeting.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Formula variable "A")	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.09 (50% decrease in current issue price)	Funds raised based on issue price of \$0.018 (Current issue price)	Funds raised based on issue price of \$0.27 (50% increase in current issue price)
166,732,711 (Current)	16,673,271	\$1,500,594	\$3,001,189	\$4,501,783
250,099,067 (50% increase)*	25,009,907	\$2,250,892	\$4,501,783	\$6,752,675
333,465,422 (100% increase)*	33,346,542	\$3,001,189	\$6,002,378	\$9,003,566

*The number of Shares on issue (variable "A" in the Formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer under Part 5.1 of the Corporations Act) or that are otherwise issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The number of Shares on issue is current as at 17 October 2019.
2. The issue price set out above is the closing price of the Shares on the ASX on 17 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with Shareholder approval under ASX Listing Rule 7.1.

5. The calculations above do not show the dilution relevant to any one particular Shareholder. All Shareholders should consider the effects of dilution on their own shareholding, depending on their specific circumstances.
6. This table does not set out any dilution pursuant to Shareholder approvals under ASX Listing Rule 7.1.

Shareholders should note the possible risks that:

- i. the market price for the Company's Shares may be significantly lower on the issue date than on the date of Shareholder approval at the Meeting; and
- ii. the Shares may be issued at a discounted price to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration, in which case the Company intends to use funds raised for further development of its current and future pipeline and the general working capital of the Company.

(e) Allocation under the 10% Placement Capacity

The Company has not yet determined the recipients who will be allotted Equity Securities under the 10% Placement Capacity. However, these recipients are likely to be either or both of the Company's current Shareholders or new investors, none of who will be related parties of the Company.

The Company will determine the recipients of the Equity Securities at the time of the issue under the 10% Placement Capacity, by having regard to the following factors:

- i. the purpose of the issue;
- ii. alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- iii. the effect of the issue of the Equity Securities on the control of the Company;
- iv. the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- v. prevailing market conditions; and
- vi. advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained Shareholder approval under ASX Listing Rule 7.1A.



4.4 Voting Exclusion

A voting exclusion statement is included in this Notice of Meeting, above at item 4 to the agenda of Meeting. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

The Board unanimously recommends that you vote in FAVOUR of Resolution 4.

5. Resolution 5: Grant of Rights to Non-executive Directors

ASX Listing Rule 10.14 provides that a company must not issue securities to its directors under an employee incentive scheme, unless specific shareholder approval for the issue of securities to eligible directors is obtained.

Resolution 5 has been included in response to a proposal received by the Company from Samuel Terry Asset Management Pty Ltd requesting all Non-executive Directors receive 50% of their remuneration in the form of equity issued at \$0.15 per share.

As part of continuous review of remuneration policy and strategy, the Board has taken the Samuel Terry Asset Management proposal into account in the most recent review of its Non-executive Director remuneration. The Non-executive Board has agreed in principle to accept half (50%) of their cash remuneration as equity in the form of Rights, consistent with the previous arrangement in lieu of an increase in Board remuneration accepted by shareholders at last year's Annual General Meeting.

It should be noted that all Non-executive Directors are currently shareholders in the Company and details of the individual Directors' shareholdings are set out in both the Notes to the statutory accounts (Page 9) and the following table:

Non-executive Director	Current Shares Held	Current Rights Held ¹
Ross Dobinson	1,560,143	320,000
Dr Timothy Oldham	96,150	160,000
Dr Simon Green	130,435	160,000
Dr Geoff Brooke	75,750	160,000
	1,862,478	800,000

¹. The rights were issued on 23 November 2018 after they were approved by shareholders at the 2018 Annual General Meeting.

Consistent with the advice provided to shareholders by the Board last year, Directors are committed to the Company's success and are conscious of the need to minimise expenditure to maximise the Company's product development capacity. If Resolution 5 is approved, the proposed change to Directors' remuneration will take effect from 2 December 2019. Under the resolution, eligible Non-executive directors will receive the cash component of their Directors' fees monthly and their equity entitlements will vest on a quarterly basis, over a period of 3 years.

In relation to pricing of the Rights under this proposal, the Board believes that, the pricing should be closely aligned with the share price at the time of issue and is proposing an issue price of \$0.18 per share. The proposed price is also closely aligned with the Volume Weighted Average Price ('VWAP') of

the Company's shares at the time of preparing the notice of meeting. The VWAP is based on the weighted average of the share price for the 15 trading days preceding 15 October 2019.

If approved, the Rights will vest on a quarterly basis in arrears, subject to the continuing employment of the relevant Non-executive Director. If shareholders do not support the approach detailed above, the Board is amenable to leaving the current remuneration arrangements approved by shareholders at last year's Annual General Meeting in place.

Shareholder approval is therefore sought for the purposes of ASX Listing Rule 10.14 for the Company to issue Rights to the Non-executive Directors under the Omnibus Equity Plan (OEP). The number of Rights will be calculated using a price of \$0.18 per share.

If approval is given for the grant of the Rights to the Non-executive Directors under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1 and the Rights issued to Non-executive Directors (and any shares issued pursuant to the issue of the Rights) will not count towards the 15% share placement cap available under ASX Listing Rule 7.1.

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Rights to the Non-executive Directors:

- Mr Ross Dobinson is the Non-executive Chairman of the Company and Dr Timothy Oldham, Dr Simon Green and Dr Geoff Brooke are Non-executive Directors of the company. Collectively, all these Directors, who are eligible to participate in the scheme, are referred to as Non-executive Directors and are related parties of the Company for whom approval must be obtained.
- The rights will be issued as follows:

Non-executive Director	Current cash remuneration per annum ¹	Proposed cash per annum \$	Value of proposed Rights vesting per annum	Maximum number of rights vesting per annum at \$0.18 Year 1	Maximum number of rights vesting per annum at \$0.18 Year 2	Maximum number of rights vesting per annum at \$0.18 Year 3
Mr Ross Dobinson	118,000	59,000	59,000	327,778	327,778	327,778
Dr Timothy Oldham	70,000	35,000	35,000	194,444	194,444	194,444
Dr Simon Green	70,000	35,000	35,000	194,444	194,444	194,444
Dr Geoff Brooke	70,000	35,000	35,000	194,444	194,444	194,444
Total	328,000	164,000	164,000	911,110	911,110	911,110

¹ Superannuation is payable at the current Superannuation guarantee rates for Dr Timothy Oldham, Dr Simon Green and Dr Geoff Brooke. These changes to fees will not impact the current superannuation contributions made by Acrux to the eligible Non-executive Directors.

- If this resolution is passed, the Rights will be issued to the Non-executive Directors as soon as practically possible. The first tranche will vest on 17 February 2020 and the final tranche will be vest on 16 November 2022.

- The Rights will vest quarterly in arrears commencing 17 February 2020 and in accordance with good governance principles, are subject only to continuing service and do not include a performance vesting condition.
- The Rights will be issued to the Non-executive Directors for nil cash consideration and therefore no funds will be raised.
- There will be no loan applicable to the grant of Rights.
- Each Right will give the recipient Non-executive Directors a right to acquire one ordinary share in the Company for nil consideration.
- The primary purpose of the reduction in the cash component of compensation and issue of the Rights to the Non-executive Directors is to provide an alternative to preserve the Company's cash reserves.
- Any additional persons (who require approval under ASX Listing Rule 10.14) who become entitled to participate in the Omnibus Equity Plan and who were not named in this explanatory statement will not participate until approval is obtained under ASX Listing Rule 10.14.
- Details of any securities issued under the Omnibus Equity Plan will be published in each annual report of the entity relating to the period in which securities have been issued, and that approval for the issue of securities was obtained under Listing Rule 10.14.
- The issue will also align the interests of the Non-executive Directors with those of shareholders towards long term sustained superior growth.

Given the Board has an interest in this resolution they do not believe it is appropriate to provide a voting recommendation on Resolution 5.

6. Resolution 6: Election of Mr Norman Gray as a Director

Resolution 6 is being proposed pursuant to a notice received by the Company from Samuel Terry Asset Management Pty Ltd pursuant to section 59.1 of the Company's constitution and section 249N of the Corporations Act.

Pursuant to Resolution 6, which was received by the Company on 20 September 2019, Samuel Terry Asset Management Pty Ltd have requisitioned an ordinary resolution to appoint one additional Director to the Board of the Company.

Clause 59.1(a) of the Company's Constitution enables members of the Company to nominate any person as a Director. Clause 59.1 provides that a person (other than a Director who retires by rotation) is not eligible to be appointed as a Director at a general meeting unless notice of nomination of the person, together with a signed consent of the candidate to be a Director, is given to the Company no later than 35 business days before the general meeting.

As the Company received the nomination on 20 September 2019 and Mr Gray has consented to act as a Director, the nomination of Mr Gray is in accordance with the Company's constitution.

Mr Gray currently operates a consulting business focussed on helping organisations to gain the benefits of the effective execution of business strategies.



He commenced this consultancy after retiring from four years as the Chief Executive Officer of Box Hill Institute and Centre for Adult Education, during which time he developed and executed a transformation of the business to ensure its long-term financial sustainability.

Prior to taking on the position as CEO of Box Hill Institute Group, Mr Gray was the Chief Operating Officer and Executive Director of Network Operations of Public Transport Victoria, a State Statutory Authority. In this role he was accountable for the business relationship with, and performance of, all contracted public transport operators in Victoria.

Mr Gray joined Public Transport Victoria, after resigning from the role of Chief Executive Officer and Managing Director of Thales Australia, a large system engineering company and leading edge provider of solutions for the commercial and defence sectors, with a turnover in excess of \$1 billion annually.

Prior to this Mr Gray had completed a career in the Department of Defence. He served in The Royal Australian Air Force, having held several leadership positions and rising to the rank of Vice Air Marshall. Other positions held include: Deputy CEO Defence Materiel Organisation; Head, Airborne Surveillance and Control division; and Director General Aerospace Development.

Mr Gray's service was recognised in June 1993 when he was made a Member of the Order of Australia. He was also awarded the Australian Service Medal South East Asia and the Australian Service Medal Irian Jaya.

Mr Gray is a Fellow of the Australian Institute of Company Directors, and a former Member of the Business Council of Australia (2006-2008).

Throughout his career he has obtained a number of qualifications including postgraduate qualifications in Corporate Leadership and Strategy. He also holds tertiary qualifications in aviation, management, administration, air navigation and engineering.

Mr Gray has a Diploma in Company Directorship and is a Graduate of the Company Director Advanced Program. He has held a number of Board positions including Non-Executive Director and Deputy Chairman of the Royal Flying Doctor Service.

The Board recognises Mr Gray's achievements throughout his career. The Board had previously developed a skills matrix for prospective Board members and the skills and experience identified by the Board as necessary for any new Directors are specific to the pharmaceutical industry and the niche occupied within that industry. Experience in both commercialising biotechnology and in Australian equity markets are also seen as being among the 10 desirable skill sets for new Directors and on this basis the Board does not believe that Mr Gray is a preferred candidate for the Board.

Details of the Board's skills matrix can be found in the Company's Corporate Governance statement <http://investors.acru.com.au/investor-centre/?page=corporate-governance>.



NOTES

Entitlement to Vote and Proxies

Only registered holders of the Company's shares as at Tuesday, 26 November 2019 at 7:00 pm (AEDT) are eligible to attend and vote at the Annual General Meeting.

Voting by Proxy

A member entitled to attend and vote at this Annual General Meeting is entitled to appoint not more than two proxies using the enclosed proxy form. A proxy need not be a member of the Company. The proxy may be an individual or a body corporate. Your proxy's authority to speak and vote for you at the meeting is suspended if you are present at the meeting.

If you appoint one proxy that proxy may vote on a show of hands. Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of your voting rights on a poll but neither proxy has a vote on a show of hands. If you appoint two proxies and the appointment does not specify the proportion or number of your votes each proxy may exercise, section 249X of the Corporations Act 2001 provides that each proxy may exercise half of the votes (ignoring fractions). If you appoint another member as your proxy, that person will have only one vote on a show of hands and does not have to vote on a show of hands in accordance with any direction by you.

You may direct your proxy how to vote by marking X in one of the four boxes opposite each item of business. All your votes will be cast in accordance with your direction unless you indicate only a portion of votes are to be cast on any item by inserting the percentage of your voting rights applicable to the proxy appointed by the proxy form in the appropriate box. If you do not mark any of the boxes relating to the items of business, your proxy may vote as he or she chooses. If you mark more than one box relating to the same item of business any vote by your proxy on that item will be invalid.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. Proxies and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received not later than 10:00 am (AEDT) on Tuesday, 26 November 2019:

- by lodging it on-line at the registry's website (www.linkmarketservices.com.au) in accordance with the instructions given there. (You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website); or
- by post to Link Market Services Limited; or
- by facsimile to Link Market Services Limited on fax number (02) 9287 0309. Documents received after that time will not be valid for the scheduled meeting.

Bodies Corporate


A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.




 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Acrux Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Acrux Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) on Thursday, 28 November 2019 at the offices of Pitcher Partners, Level 13, 664 Collins Street, Docklands, Melbourne** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 3 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 6.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

1 Re-election of Dr Geoff Brooke as a Director

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Re-election of Dr Simon Green as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Approval of 10% Placement Capacity – Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------


5 Grant of Rights to Non-Executive Directors

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Mr Norman Gray is appointed as a Director of the Company, with immediate effect

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO 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 those 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 Form, including where the Resolution is 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 placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEDT) on Tuesday, 26 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Acrux Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)