

## ASX Announcement

# Correction to Notice of Annual General Meeting

**SYDNEY Australia, 13 October 2023:** Recce Pharmaceuticals Ltd (**ASX:RCE, FSE:R9Q**) (the **Company** or **Recce**), wishes to correct an error in its Notice of Annual General Meeting (**Notice**) to be held on Wednesday, 8 November 2023 which was published on 9 October 2023 on the ASX Market Announcements Platform.

On page 4 of the Notice, it is stated that “persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00PM (AEDT) on Monday, 10 November 2023”. However, “persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00PM (AEDT) on Monday, 6 November 2023”.

There are no other changes to the Notice.

A copy of the corrected Notice is attached and is also available on the Company's [website](#).

This announcement has been approved for release by Recce Pharmaceuticals Board.



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# Recce Pharmaceuticals Ltd

## **Notice of 2023 Annual General Meeting**

Explanatory Statement | Proxy Form

**Date:** Wednesday, 8 November 2023

**Time:** 9:00AM (AEDT)

**Place:** Offices of Kardos Scanlan, Level 5, 44 Martin Place Sydney NSW 2000  
and as a **virtual 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.

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## Important Information for Shareholders about the Company's 2023 AGM

This Notice of Meeting is given based on circumstances as at 9 October 2023. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.recce.com.au/company-announcements/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00AM (AEDT) on Wednesday, 8 November 2023 at the offices of Kardos Scanlan, Level 5, 44 Martin Place Sydney NSW 2000 and as a **virtual meeting**:

If you wish to virtually attend the AGM (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

[https://us02web.zoom.us/webinar/register/WN\\_R5uYCZrcTzKYFo6wKYYzPg#/registration](https://us02web.zoom.us/webinar/register/WN_R5uYCZrcTzKYFo6wKYYzPg#/registration).

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to the Company Secretary, Maggie Niewidok, by email to [maggie.niewidok@kardosscanlan.com.au](mailto:maggie.niewidok@kardosscanlan.com.au) at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

## Your vote is important

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

## Voting in person

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

## Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM can do so through the online meeting platform powered by Automic.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link [investor.automic.com.au](https://investor.automic.com.au) and then clicking on “**register**” and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to [investor.automic.com.au](https://investor.automic.com.au)
2. Login with your username and password or click “**register**” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps
5. Once the Chair of the Meeting has declared the poll open for voting click on “Refresh” within the platform to be taken to the voting screen.
6. Select your voting direction and click “confirm” to submit your vote. Note that you cannot amend your vote after it has been submitted.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

## Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on ‘View Meetings’ – ‘Vote’. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.  For further information on the online proxy lodgment process please see the <b>Online Proxy Lodgment Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	Completing the enclosed Proxy Form and emailing it to:  <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>
<b>By facsimile</b>	Completing the enclosed Proxy Form and faxing it to +61 2 8583 3040.

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Recce Pharmaceuticals Ltd ACN 124 849 065 will be held at 9:00AM (AEDT) on Wednesday, 8 November 2023 at the offices of Kardos Scanlan, Level 5, 44 Martin Place Sydney NSW 2000 and as a **virtual meeting (Meeting)**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00PM (AEDT) on Monday, 6 November 2023.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## **Remuneration Report**

### **1. Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as a non-binding **Resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2023.”*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## **Re-election of Directors**

### **2. Resolution 2 – Re-election of Michele Dilizia as Director**

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

*“That Ms Michele Dilizia, a Director who retires by rotation in accordance with rule 14.2 of the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers herself for re-election as a Director of the Company, effective immediately.”*

### **3. Resolution 3 – Re-election of Dr Justin Ward as Director**

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

*“That Dr Justin Ward, a Director who retires by rotation in accordance with rule 14.2 the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **4. Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve 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 otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) 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); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Ratification of Prior Issue of Shares**

### **5. Resolution 5 – Ratification of Prior Issue of Placement Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 18,181,819 fully paid ordinary shares issued on 18 September 2023 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who participate in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



## **Adoption of Employee Incentive Plan**

### **6. Resolution 6 – Adoption of Employee Incentive Plan**

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

*“That, for the purposes of ASX Listing Rule 7.2 (exception 13(b)), sections 257B(1), 259B(2) and 260C(4) of the Corporations Act and for all other purposes, the Shareholders of the Company approve the adoption of an employee incentive plan (**Employee Incentive Plan**) and approve the issue of securities under the Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) any person who is eligible to participate in the Company's Employee Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- (a) the proxy is either:
  - (i) a member of the Company's Key Management Personnel; or
  - (ii) a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

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

## **Issue of Shortfall Shares to Directors**

### **7. Resolution 7 – Approval of Issue of Shortfall Shares to Dr John Prendergast, Director of the Company**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 56,819 Shortfall Shares to Dr John Prendergast (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who is to receive securities under the issue being approved 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 entity); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 8. **Resolution 8** – Approval of Issue of Shortfall Shares to Dr Alan Dunton, Director of the Company

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 56,819 Shortfall Shares to Dr Alan Dunton (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) a person who is to receive securities under the issue being approved 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 entity); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 8 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 9. **Resolution 9** – Approval of Issue of Shortfall Shares to Dr Justin Ward, Director of the Company

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 136,364 Shortfall Shares to Dr Justin Ward (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- (a) a person who is to receive securities under the issue being approved 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 entity); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 9 by:

- (i) 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
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **BY ORDER OF THE BOARD**

**Maggie Niewidok**  
Company Secretary  
9 October 2023

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9:00AM (AEDT) on Wednesday, 8 November 2023 at the offices of Kardos Scanlan, Level 5, 44 Martin Place Sydney NSW 2000 and as a **virtual meeting**.

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.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <http://www.recce.com.au>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary by email to [maggie.niewidok@kardosscanlan.com.au](mailto:maggie.niewidok@kardosscanlan.com.au). A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by Wednesday, 1 November 2023.

# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <http://www.recce.com.au>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2024 Annual General Meeting (**2024 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2024 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2024 AGM. All of the Directors who were in office when the 2024 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

#### **Directors' recommendation**

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution.

As noted in the Proxy Form, the Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Re-election of Directors**

### **Resolution 2 – Re-election of Michele Dilizia as Director**

Rule 14.2 of the Company's Constitution requires that at the Company's annual general meeting, one third of the Directors shall retire from office. The retiring Directors must not be a Managing Director. The Directors to retire at the annual general meeting are those who have been in office the longest since their last election.

It has been agreed that Michele Dilizia will retire by rotation at this Meeting.

Michele Dilizia was appointed a Director of the Company on 23 June 2015 and was last re-elected

as a Director at the 2021 AGM.

Under this Resolution, Michele Dilizia has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Ms Dilizia is a Qualified Medical Scientist with specialisation in medical microbiology. Previously, she had a successful executive career in public relations and marketing for a leading retail chain.

Ms Dilizia was a market research consultant, which included marketing development of health-care and pharmaceutical products.

#### **Directors' recommendation**

The Directors (excluding Ms Michele Dilizia) recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### **Resolution 3 – Re-election of Dr Justin Ward as Director**

Rule 14.2 of the Company's Constitution requires that at the Company's annual general meeting, one third of the Directors shall retire from office. The retiring Directors must not be a Managing Director. The Directors to retire at the annual general meeting are those who have been in office the longest since their last election.

It has been agreed that Dr Justin Ward will retire by rotation at this Meeting.

Dr Justin Ward was appointed a Director of the Company on 9 July 2019 and was last re-elected as a Director at the 2021 AGM.

Under this Resolution, Dr Justin Ward has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Dr Ward is qualified chemist with specialisation in pharmaceutical quality management and product development.

Before Recce Pharmaceuticals, he held a technical speciality and special project leadership role with Pfizer Pharmaceuticals, involving providing data for the regulatory submissions to the FDA and TGA.

After Pfizer, he was the Laboratory Manager for Solbec, involving, again as presently, drug specifications and pharmaceutical trials for the ASX-Listed company.

Most recently, he was Quality Manager at Phebra and responsible for product quality and release of all drugs of the company with the TGA.

#### **Directors' recommendation**

The Directors (excluding Dr Justin Ward) recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

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

### **Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

Listing Rule 7.1A enables an eligible entity to issue equity securities up to 10% of its issued capital over a 12 month period following Shareholder approval by way of a special resolution passed at its annual general meeting, which is additional to the entity's 15% capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX

(currently \$300 million).

As at 29 September 2023, the Company has a market capitalisation of approximately \$90.3 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote for the Company to have the additional 10% capacity.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit of both Listing Rules 7.1 and 7.1A.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities provided for in Listing Rule 7.1A and will remain subject to the 15% capacity limit.

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

The following information is provided to Shareholders for the purposes of Listing Rule 7.3A.

#### Period for which the approval will be valid

Approval under Listing Rule 7.1A commences on the date of the annual general meeting at which approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

#### Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be in an existing quoted class of the Company's equity securities and issued for cash consideration which is not less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price of the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

#### Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 can only be made for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period. Should the Company issue equity securities under Listing Rule 7.1A, the funds raised may be used for the following purposes:

- (a) to accelerate revenue growth opportunities in its core markets and products;
- (b) to target additional market segments;
- (c) to invest in platform development to support (a) and (b) above as well as new horizon product development; and,
- (d) to target inorganic opportunities.



## Risk of economic and voting dilution to existing ordinary Shareholders

There is a risk of economic and voting dilution to existing Shareholders under Listing Rule 7.1A that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of approval under Listing Rule 7.1A; and
- (b) 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 equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.2225 50% decrease in issue price	\$0.4450 issue prices <sup>(b)</sup>	\$0.8900 100% increase in issue price
<b>"A" is the number of shares on issue, being 203,003,742 Shares<sup>(a)</sup></b>	<b>10% voting dilution<sup>(c)</sup></b>	20,300,374	20,300,374	20,300,374
	<b>Funds raised</b>	\$4,516,833	\$9,033,667	\$18,067,333
<b>"A" is a 50% increase in shares on issue, being 304,505,613 Shares</b>	<b>10% voting dilution<sup>(c)</sup></b>	30,450,561	30,450,561	30,450,561
	<b>Funds raised</b>	\$6,775,250	\$13,550,500	\$27,101,000
<b>"A" is a 100% increase in shares on issue, being 406,007,484 Shares</b>	<b>10% voting dilution<sup>(c)</sup></b>	40,600,748	40,600,748	40,600,748
	<b>Funds raised</b>	\$9,033,667	\$18,067,333	\$36,134,666

### Notes:

- (a) Based on the total number of fully paid ordinary Shares on issue as at 29 September 2023.
- (b) Based on the closing price of the Company's Shares on ASX as at 29 September 2023.
- (c) 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%.
- (d) This table assumes that no options over Shares are exercised before the date of the issue of the equity securities.
- (e) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (f) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (g) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

## Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);

- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Shareholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

#### Issue or agreement to issue equity securities under Listing Rule 7.1A in the 12 months prior to AGM

The Company has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### **Ratification of Prior Issue of Shares**

#### **Resolution 5 – Ratification of Prior Issue of Placement Shares**

##### **Background**

On 11 September 2023, the Company announced that it had successfully raised approximately \$8,000,000 (before costs) via a placement of 18,181,819 Shares at an issue price of \$0.44 per Share (**Placement Shares**) to institutional, sophisticated and professional investors (**Placement**). On 18 September 2023, the Company issued the Placement Shares by utilising the Company's existing capacity under Listing Rule 7.1.

##### **ASX Listing Rule 7.1**

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of the Placement Shares, which were issued on 18 September 2023 (**Issue Date**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of Placement Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

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 Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of the Placement Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Placement Shares were issued to institutional, sophisticated and professional investors.
- (b) The Company issued 18,181,819 Placement Shares under ASX Listing Rule 7.1. In accordance with ASX Guidance Note 21, the Company confirms that:
  - (i) none of the investors were Related Parties of the Company, member of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) the following investors were issued more than 1% of the issued capital of the Company under the Placement:
    - A. Regal Funds Management Pty Ltd who was issued approximately 2.0%; and
    - B. Fil Investment Management (Australia) Limited who was issued approximately 4.6%.
- (c) Company confirms that none of the investors were:
- (d) The Placement Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (e) The Placement Shares were issued on 18 September 2023.
- (f) The Placement Shares were issued at an issue price of \$0.44 per Placement Shares, which raised \$8,000,000 (before costs) for the Company.
- (g) Funds raised from the issue of the Placement Shares have been and will be used by the Company across the following activities:
  - (i) Clinical Trials (significant, unmet medical needs):
    - Phase I/II (I.V.) - UTI/Urosepsis infections
    - Phase II (topical) - Burn wound infections
    - Phase II (topical) - Diabetic Foot infections
  - (ii) Build out of advanced pre-clinical portfolio (in vitro, in vivo and ex vivo studies);
  - (iii) Manufacturing boost including geographical expansion (USA); and
  - (iv) General working capital (operational costs delivering above).
- (h) A voting exclusion statement is included in this Notice of Meeting for Resolution 5.

### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Adoption of Employee Incentive Plan**

### **Resolution 6 – Adoption of Employee Incentive Plan**

#### **Background**

The Company's Employee Incentive Plan (**Incentive Plan**) was last approved by Shareholders of the Company on 30 November 2020. The Company seeks Shareholder approval to re-adopt the Incentive Plan for the purposes set out in this Explanatory Statement.

The purpose of the Incentive Plan is to provide eligible participants with an opportunity to share ownership of the Company and to promote the long-term success of the Company as a goal shared by all eligible participants. In addition, it is intended that the Incentive Plan will assist the Company to attract and retain skilled and experienced employees and directors and provide them with the motivation to make the Company more successful.

A summary of the key terms of the Incentive Plan is set out in Annexure A, and a copy of the rules of the Incentive Plan is available upon request from the Company.

#### **ASX Listing Rules**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

If this Resolution is approved by Shareholders for all purposes under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 7.2 (exception 13(b)), it will have the effect of enabling the securities issued by the Company under the Incentive Plan to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period using Listing Rule 7.1 (15% capacity) during the next three year period.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 6 is passed, the Company will be able to issue securities under the Incentive Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Incentive Plan (up to the maximum number of securities stated below) 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.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 6 is not passed, the Company will be able to proceed with the issue of securities under the Incentive Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

The following further information is provided for the purposes of Listing Rule 7.2 (exception 13(b)):

- (a) A summary of the key terms of the Incentive Plan is set out in Annexure A of this Notice of Meeting, and a copy of the rules of the Incentive Plan is available upon request from the Company.
- (b) Since the Incentive Plan was last approved by Shareholders on 30 November 2020, the Company advises that it has issued the following securities:

- (i) 8,050,000 unlisted Options exercisable at \$1.56 expiring 22 February 2026 issued to KMP as set out in the table below on 22 February 2021;

Name of KMP	Name of registered holder	Number of Options
James Graham	James Graham	2,250,000
Michele Dilizia	Michele Dilizia	1,500,000
John Prendergast	John Prendergast	2,175,000
Alan Dunton	Danarius, LLC	1,125,000
Justin Ward	Justin Ward	600,000
Arthur Kollaras	Arthur Kollaras	400,000

- (ii) 365,000 unlisted Options exercisable at \$1.56 expiring 22 February 2026 issued to certain employees on 22 February 2021;
- (iii) 435,000 unlisted Options exercisable at \$1.56 expiring 11 February 2027 issued to certain employees on 11 February 2022; and
- (iv) 1,125,000 unlisted Options exercisable at \$1.56 expiring 15 November 2027 to a nominee of Alistair McKeough, a Director of the Company, issued on 15 November 2022.
- (c) If this Resolution is approved by Shareholders, the Company will issue up to a maximum 15,000,000 Awards (**Limit**) under the Incentive Plan during the three year period following approval. The Limit excludes any Awards which are then subsequently cancelled or lapsed in accordance with the terms of the Incentive Plan.

### Shareholder Loans

The Board may, in its discretion, also determine that the Company will provide limited recourse loans to participants to use to pay the subscription price for the purchase of loan funded shares under the Incentive Plan, or for the exercise price for options or performance rights under the Incentive Plan.

### Permit the Company to take security over its own Shares

Section 259B(1) of the Corporations Act prohibits a company from taking security over shares in itself or in a company that controls it, unless one of the exceptions in subsections 259B(2) or 259(3) applies. Section 259B(2) of the Corporations Act permits the taking of security by a company over its own shares, if the security is taken over shares issued under an employee share scheme approved at a meeting of shareholders via an ordinary resolution.

Employee share scheme is defined widely by the Corporations Act and includes the Incentive Plan.

Accordingly, Shareholder approval is being sought under this Resolution to approve the Incentive Plan in order for the Company to take security over its own Shares issued under the Incentive Plan if required to do so.

### Exemption for financial assistance

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving of the assistance does not materially prejudice the interests of the company or its shareholders, or the company's ability to pay its creditors;
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act provides an exemption to financial assistance, if the financial assistance is given under an employee share scheme approved at a meeting of shareholders via an ordinary resolution.

As noted above and set out in Annexure A, the terms of the Incentive Plan envisages the giving of financial assistance by the Company to participants in the form of interest free, limited recourse loans to acquire loan funded shares in the Company.

Although the Board does not consider that the giving of financial benefit under the Incentive Plan will materially prejudice the interests of the Company or its Shareholders, or the Company's ability to pay its creditors, Shareholder approval is being sought under this Resolution to enable Company's ability to pay its creditors, Shareholder approval is being sought under this Resolution to enable the Company to qualify for the special exemption offered by section 260C(4) of the Corporations Act.

### **Employee share scheme buy-back**

Section 257B(1) of the Corporations Act sets out the procedure for various forms of share buy-back, including an "employee share scheme buy-back". In order for the Company to undertake a buy-back of Shares under the Incentive Plan using the employee share scheme buy-back procedure under the Corporations Act, the Incentive Plan must be approved by Shareholders of the Company.

Accordingly, Shareholder approval is being sought under this Resolution to approve the Incentive Plan in order for the Company to undertake a buy-back of Shares under the Incentive Plan in the future using the employee share scheme buy-back procedure under the Corporations Act.

### **Directors' recommendation**

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution. As noted in the Proxy Form, the Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Issue of Shortfall Shares to Directors**

### **Resolutions 7 – 9 Approval of Issue of Shortfall Shares to Directors of the Company**

#### **Background**

Resolutions 7, 8 and 9 seek Shareholder approval to issue and allot collectively 250,002 Shortfall Shares to certain Directors of the Company (or their nominees) to raise \$110,000.88 as part of the Entitlement Offer announced by the Company on 11 September 2023. The Entitlement Offer closed on 27 September 2023 (**Closing Date**) and the results were announced by the Company on 29 September 2023 and included a Shortfall of 698,023 Shares (**Shortfall Shares**), a portion of which the Directors elected to subscribe for. As noted in the Entitlement Offer booklet dated 15 September 2023, the Company retained the right to place, at its discretion, any or all of the remaining Shortfall Shares to one or more investors by no later than three months after the Closing Date of the Entitlement Offer, at the same issue price as the Shares issued under the Entitlement Offer. Accordingly, Shareholder approval is being sought to issue and allot:



- (a) 56,819 Shortfall Shares to Dr John Prendergast (or his nominee) (**Resolution 7**);
- (b) 56,819 Shortfall Shares to Dr Alan Dunton (or his nominee) (**Resolution 8**); and
- (c) 136,364 Shortfall Shares to Dr Justin Ward (or his nominee) (**Resolution 9**).

### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval. A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;
- (c) 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;
- (d) an Associate of a person referred to in (a) to (c) above; and
- (e) a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

As each of Dr John Prendergast, Dr Alan Dunton and Dr Justin Ward are Directors of the Company, each of them is a person in a position of influence for the purposes of ASX Listing Rule 10.11. The proposed issue does not fall within any of the exceptions in ASX Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

If approval is obtained under ASX Listing Rule 10.11, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under ASX Listing Rule 7.1.

To this end, Resolutions 7, 8 and 9 seek the required Shareholder approval to issue the Shortfall Shares to Dr John Prendergast, Dr Alan Dunton and Dr Justin Ward under and for the purposes of ASX Listing Rule 10.11.

If Resolutions 7, 8 and 9 are passed, the Company will be able to proceed with the proposed issue of Shortfall Shares to the Directors and complete the \$110,000.88 portion of the placement of the Shortfall from the Entitlement Offer.

If Resolutions 7, 8 and 9 are not passed, the Company will not be able to proceed with the proposed issue of Shortfall Shares to the Directors and will not raise those additional funds from the Directors.

### **Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Shortfall Shares (which is a type of equity security, for the purposes of the ASX Listing Rules) constitutes the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of "related party" also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company.

As the Shortfall Shares are being offered to each of Dr John Prendergast, Dr Alan Dunton and Dr Justin Ward are on the same terms as the offer to non-related parties under the Entitlement Offer,

the Company relies on the “arm’s length terms” exception as set out in section 210 of the Corporations Act for the purposes of Resolutions 7, 8 and 9. Therefore, the proposed issue of Shortfall Shares to Dr John Prendergast, Dr Alan Dunton and Dr Justin Ward requires Shareholder approval under and for the purposes of Listing Rule 10.11 only.

### **Information required by ASX Listing Rule 10.13**

The following information in relation to the issue of the Shortfall Shares to Dr John Prendergast, Dr Alan Dunton and Dr Justin Ward is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The allottees are:
  - (i) Dr John Prendergast (or his nominee) (**Resolution 7**);
  - (ii) Dr Alan Dunton (or his nominee) (**Resolution 8**); and
  - (iii) Dr Justin Ward (or his nominee) (**Resolution 9**).

Each of the allottees are current Directors of the Company and therefore fall within the category related party referred to in Listing Rule 10.11.1.
- (b) The maximum number of securities the Company will issue is as follows:
  - (i) 56,819 Shortfall Share to Dr John Prendergast (or his nominee) (**Resolution 7**);
  - (ii) 56,819 Shortfall Share to Dr Alan Dunton (or his nominee) (**Resolution 8**); and
  - (iii) 136,364 Shortfall Share to Dr Justin Ward (or his nominee) (**Resolution 9**).
- (c) The shares will be issued within 1 month of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) Each Shortfall Share will be issued at an issue price of \$0.44, being the same price as the Shares issued under the Entitlement Offer.
- (e) The Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) The funds raised from the issue of these Shortfall Shares will be applied to funding clinical trials, building out pre-clinical portfolio, manufacturing boost, geographical expansion and general working capital.
- (g) A voting exclusion statement is included in this Notice of Meeting for each Resolution 7, 8 and 9.

### **Directors’ recommendation**

The Board of Directors (excluding Dr John Prendergast, Dr Alan Dunton and Dr Justin Ward) recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## Enquiries

Shareholders are asked to contact the Company Secretary at [maggie.niewidok@kardosscanlan.com.au](mailto:maggie.niewidok@kardosscanlan.com.au) if they have any queries in respect of the matters set out in these documents.



# Glossary

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales, Australia.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales, Australia.

**Annual Financial Report** means the 2023 Annual Report to Shareholders for the period ended 30 June 2023 as lodged by the Company with ASX on 29 September 2023.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of BDO Audit (WA) Pty Ltd dated 29 September 2023 as included in the Annual Financial Report.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means Recce Pharmaceuticals Ltd ACN 124 849 065.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or **"\$"** means Australian dollars.

**Entitlement Offer** means the non-renounceable, pro rata entitlement offer to certain existing shareholders on the basis of one (1) new Share at an issue price of \$0.44 per new Share for every twenty six (26) existing Shares in the Company held as at 7:00 pm (AEST) on Thursday, 14 September 2023 to raise up to approximately A\$3 million (before costs) announced by the Company on 11 September 2023.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 9 October 2023 including the Explanatory Statement.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Related Party** has the meaning given to that term in ASX Listing Rule 19.12.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

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

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

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

**Shareholder** means a holder of a Share.

**Share Registry** means Automic Registry Services.

**Shortfall** means the extent to which eligible Shareholders did not subscribe for Shares under the Entitlement Offer.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2024 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting) and the 2024 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2024 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting) and the 2024 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average market (closing) price, with respects to the price of Shares.

## Annexure A – Terms of the Incentive Plan

Under the rules of the Employee Incentive Plan (**Incentive Plan**), the Board has a discretion to offer any of the following awards to senior management, directors or other nominated key employees:

- options to acquire Shares;
- performance rights to acquire Shares; and/or
- Shares, including to be acquired under a limited recourse loan funded arrangement,

in each case subject to service-based conditions and/or performance hurdles (collectively, the **"Awards"**).

The terms and conditions of the Incentive Plan are set out in comprehensive rules. A summary of the rules of the Incentive Plan is set out below:

- The Incentive Plan is open to Directors, senior management, and any other employees of the Company, as determined by the Board. Participation is voluntary.
- The Board may determine the type and number of Awards to be issued under the Incentive Plan to each participant and other terms of issue of the Awards, including:
  - what service-based conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
  - the fee payable (if any) to be paid by a participant on the grant of Awards;
  - the exercise price of any option granted to a participant;
  - the period during which a vested option can be exercised; and
  - any disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or performance rights.
- On the occurrence of cessation of employment for any reason, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with, including the application of any Clawback Policy.
- The Board may, in its discretion, also determine that the Company will issue limited recourse loans to participants to use for the purchase of Shares as part of a Share Award under the Incentive Plan.
- When any service-based conditions and/or performance hurdles have been satisfied, participants will receive fully vested Shares or their options/performance rights will become vested and will be exercisable over Shares (as applicable).
- Each vested option and performance right enables the participant to be issued or to be transferred one Share upon exercise, subject to the rules governing the Incentive Plan and the terms of any particular offer.
- If the Board determines that for a taxation, legal, regulatory or compliance reason it is not appropriate to issue or transfer Shares, the Company may in lieu and final satisfaction of the Company's obligation to issue or transfer Shares as required upon the exercise of an Award by a participant, make a cash payment to the participant equivalent to the fair market value as at the date of exercise of the Award (less any unpaid exercise price applicable to the exercise of the Award) multiplied by the relevant number of Shares required to be issued or transferred to the participant upon exercise of the Award.
- The Board may also determine in its sole and absolute discretion that a participant will not be required to provide payment of the exercise price to the Company, but that on exercise of the

Award the Company will only allot and issue or transfer that number of Shares to the participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Award and the then market value of the Shares as at the time of the exercise determined by reference to the 5 day VWAP.

- The Incentive Plan limits the number of Awards that the Company may grant to 15,000,000 Awards since the Incentive Plan was last approved by Shareholders (excluding any Awards which are subsequently cancelled or lapsed in accordance with the terms of the Incentive Plan).
- The Board may delegate management and administration of the Incentive Plan, together with any of their powers or discretions under the Incentive Plan, to a committee of the Board or to any one or more persons selected by them as the Board thinks fit.