



ASX Release

21 October 2022

Notice of 2022 Annual General Meeting

Melbourne, Australia; 21 October 2022

Acrux Limited (ASX:ACR) is pleased to provide a copy of the Notice of Meeting for the 2022 Annual General Meeting and a sample Proxy Form.

The meeting will be conducted in hybrid format on 23 November 2022, commencing at 10am.

Authorised for release by the Board of Acrux Limited.

For more information, please contact:

Michael Kotsanis

Acrux Limited

CEO & Managing Director

P: + 61 3 8379 0100

E: michael.kotsanis@acrux.com.au

About Acrux

Acrux (ASX: ACR) is a pharmaceutical company dedicated to developing and commercialising topical pharmaceuticals. Drawing on 25 years of experience and using in house facilities and capabilities, Acrux has successfully developed and commercialised through licensees a number of topically applied pharmaceutical products in the US and Europe. Acrux is developing of a range of generic products for the US market by leveraging its on-site laboratories, GMP manufacturing suite, clinical and commercial experience to bring affordable products to market. Acrux encourages collaboration and is well positioned to discuss partnering and product development.

For further information on Acrux, visit www.acrux.com.au



All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
ASX Code: ACR
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

21 October 2022

Dear Acrux Shareholder,

I am pleased to provide you with details for participation and voting at the 2022 Acrux Limited Annual General Meeting ('AGM'), to be held on Wednesday, 23 November 2022 at 10:00 am (AEDT).

Acrux encourages shareholders to attend and participate in the AGM and understands the importance of this meeting to shareholders. This year's AGM will be conducted in a hybrid format. Shareholders who are unable to attend in person are encouraged to attend virtually or to vote using the enclosed proxy form. All resolutions for this AGM will be decided on by poll and we encourage shareholders to submit their proxies as early as possible.

All shareholders and proxy holders are encouraged to participate in the following ways:

- attending in person at Pitcher Partners, Level 13, 664 Collins St, Docklands, Victoria;
- attending via the virtual online platform available at <https://meetings.linkgroup.com/ACR22>
- voting by proxy prior to the AGM. Securityholders may provide instructions to direct their appointed proxy to exercise their votes on each item of business.

All attendees will have the opportunity to ask questions at the meeting but written questions can be submitted to our auditor or to Acrux prior to the AGM via our website (www.acrux.com.au).

If you are able to attend, I look forward to welcoming you and ask you to bring your personalised proxy form with you to assist registration and admission to the meeting.

To participate via the virtual online platform you will require a desktop, laptop, mobile phone or tablet device with internet access and will be required to provide details of your shareholding, including Shareholder Reference Number (SRN) or Holder Identification Number (HIN). We recommend logging in to the virtual online platform at least 15 minutes prior to the scheduled start time using the instructions provided in this Notice of Meeting and in the Virtual Annual General Meeting Online Guide, which can be accessed online at: <http://investors.acrux.com.au/investor-centre>.

Our Annual Report for the year ended 30 June 2022 has been distributed in accordance with the directions of each shareholder and a copy can be viewed on our website (www.acrux.com.au).

If you have not already done so, I encourage you to consider electing to receive Acrux communications, including the Annual Report, electronically and this request can be made via the registry website (www.linkmarketservices.com.au), or by completing the enclosed election form.

On behalf of the Board, I would like to take this opportunity to thank you for your continued support.

Yours sincerely,

Ross Dobinson
Chairman

ACRUX LIMITED ABN 72 082 001 152
(the Company)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting (“AGM”) of the members of Acrux Limited will be held as a hybrid meeting on Wednesday, 23 November 2022 at 10:00 am (AEDT).

Shareholders may attend either virtually or in person at the offices of Pitcher Partners, Level 13, 664 Collins St, Docklands, Victoria.

Virtual participation at the Annual General Meeting

The Company is pleased to provide shareholders with the opportunity to virtually participate in the AGM through an online platform provided by our share registrar Link Market Services.

A live webcast of the meeting can be viewed via the online platform at:

<https://meetings.linkgroup.com/ACR22>. Further information on how to do this is set out in this Notice of Meeting as well as the Virtual AGM Online Guide which can be accessed at <http://investors.acrux.com.au/investor-centre>.

The Explanatory Notes that accompany and form part of this Notice of Meeting describe the various matters to be considered.

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 2022.

Resolution 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 Mr 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.

Resolution 2 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 2022 (**Remuneration Report**) be adopted and approved.

Resolution 3 Grant of Rights to Non-executive Directors' as a component of their Remuneration

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

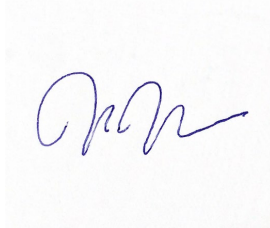
That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of Rights to the Non-executive Directors under the Company's Omnibus Equity Plan and in accordance with the terms set out in the Explanatory Statement.

Resolution 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.

By order of the Board



Joanna Johnson
Company Secretary
21 October 2022

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of the Company in connection with the business to be conducted at the AGM to be held on Wednesday, 23 November 2022 at 10:00 am (AEDT).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to assist shareholders decide whether or not to vote in favour of the resolutions contained in this Notice of Meeting. This Explanatory Statement is important and should be read carefully.

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 2022 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 2022 have been provided to shareholders according to their instructions and are also available to be viewed on the Company's website at: www.acrux.com.au

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

Resolution 1 seeks 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 AGM and being eligible, offers himself for re-election as a Director of the Company.

Dr Brooke has been a director of Acrux Ltd since 2016 and is an independent, non-executive Director. He is a member of the Audit and Risk Committee as well as the Human Capital and Nomination Committee.

Geoff founded GBS Venture Partners in 1996 and has more than 30 years of venture capital experience. In 2014, he reduced his involvement in GBS and is now a special adviser to the firm and its funds. Geoff was formally President of Medvest, a US-based early-stage venture capital group he founded with Johnson & Johnson.

Geoff's experience includes company formation and acquisitions, as well as public listings on the NYSE, NASDAQ and ASX exchanges. He commenced in 2017 as Chairman of Actinogen Medical Limited (ASX: ACW) and has been a founder, executive and director of private and public companies. In 2020 Geoff commenced as Chairman of Cynata Therapeutics Limited (ASX: CYP). From 2009 until 2015, he was an independent director of the Victoria WorkCover Authority.

Geoff 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 and a Master of Business Administration from IMEDE (now IMD) in Lausanne, Switzerland.

The Board recommends shareholders to vote in FAVOUR of Resolution 1.

Resolution 2: Adoption of Remuneration Report

General

The *Corporations Act 2001* 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 23 to 28 of the 2022 Annual Report.

The *Corporations Act 2001* requires Australian listed public companies to put a vote at its AGM to 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 consider the outcome of the vote when reviewing remuneration policies and practices of the Company.

Voting consequences

Under the *Corporations Act 2001*, if, at consecutive AGMs:

- (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 AGMs 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 board composition (**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 AGM. This is commonly known as the "two-strike" rule.

Previous voting results

At the Company's 2021 AGM, fewer than 25% of the votes cast on the resolution to adopt the 2021 Remuneration Report were cast against the resolution. Accordingly, a Spill Resolution is not relevant to this AGM.

The Board unanimously recommends shareholders vote in FAVOUR of Resolution 2.

Resolution 3 Grant of Rights to non-executive Directors as a component of their Remuneration

Since November 2019, Non-executive Directors have received approximately half of the value of their annual remuneration as monthly cash payments and superannuation and half in the form of rights which vest on a quarterly basis over a period of 3 years in accordance with their service. The final tranches of the rights approved and issued in November 2019 vest in November 2022.

Acrux's Directors are committed to the Company's success and are conscious of the need to preserve the Company's cash reserves. It is therefore proposed to continue this practice of remunerating Non-executive Directors through both cash payments and rights. ASX Listing Rule 10.14 requires shareholder approval for securities issued to Directors under an employee incentive scheme.

It is proposed for Non-executive Directors to continue to receive approximately half of the value of their annual cash remuneration as monthly cash payments and superannuation and half as rights. The rights to be issued following approval of this resolution, vest on a quarterly basis in arrears and are subject to the continuing employment of the relevant Non-executive Director. The number of rights to be issued will be calculated using the volume weighted average share price for the 15 trading days preceding the issue date.

If Resolution 3 is approved, the proposed change to Non-executive Directors' remuneration will be effective from 24 November 2022 and the rights will be issued as soon as practical after approval, in any event no later than 3 years after the date of the meeting. Rights issued to Directors (and any shares issued

following exercising of such rights) under ASX Listing Rule 10.14, which requires securities issued to directors under an employee share plan to be approved by shareholders, do not count towards the 15% share placement cap available under ASX Listing Rule 7.1.

If Resolution 3 is not passed, the Non-executive directors will revert to receiving all of their remuneration in the form of monthly cash payments and superannuation.

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided:

- Dr Geoff Brooke, Mr Don Brumley, Mr Ross Dobinson and Dr Timothy Oldham are Non-executive Directors of the company. Collectively, these Directors are referred to as Non-executive Directors and are related parties of the Company for whom approval must be obtained under ASX Listing Rule 10.14.1.
- The rights will be issued as follows:

Non-executive Director	Total remuneration \$	Proposed cash and superannuation \$	Value of proposed rights \$
Dr Geoff Brooke	85,085	46,585	38,500
Mr Don Brumley	85,085	46,585	38,500
Mr Ross Dobinson (Chairman)*	132,400	66,200	66,200
Dr Timothy Oldham	85,085	46,585	38,500
Total	387,655	205,955	181,700

* The proportion of cash, superannuation and the value of proposed rights differs for Mr Ross Dobinson compared with the other Non-executive Directors. Mr Ross Dobinson's total remuneration is calculated inclusive of superannuation, whereas superannuation is not included in the calculation of the remuneration of the other Non-executive Directors.

- Rights to the total annual value of \$181,700, calculated using the volume weighted average share price for the 15 trading days preceding issue date (**VWAP**), as set out in the formula below, will be issued following shareholder approval, to vest in four equal quarterly tranches commencing 24 November 2022 and ending on 23 November 2023, subject only to continuous service and without performance vesting conditions.
- The maximum number of rights per annum proposed to be issued to the Non-executive Directors will be determined by the following formula:

$$\frac{\text{Value of the proposed rights per annum}}{\text{Issue price based on VWAP}}$$
- The rights will be issued for nil cash consideration and therefore no funds will be raised.
- There will be no loan applicable to the grant of the rights.
- The last exercising date is subject to the provisions of the Omnibus Equity Plan but will be no more than 7 years after the date granted.
- 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 issuing rights to the Non-executive Directors is to preserve the Company's cash reserves and to align the interests of the Non-executive Directors with those of shareholders towards long term sustained superior growth.
- Details of any securities issued under the Omnibus Equity Plan will be published in Acrux's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.
- Any additional persons (who require approval under ASX Listing Rule 10.14) who become entitled to participate in an issue of securities under the Omnibus Equity Plan after the resolution is approved and who were not named in this explanatory statement will not participate until approval is obtained under ASX Listing Rule 10.14.

- The number of rights held by the Non-executive Directors and issued under the Omnibus Equity Plan are set out in the table at the end of this section of the explanatory statement.
- A summary of the material terms of the Omnibus Equity Plan (**OEP**) is set out below:
 - **Offer:** The Board has discretion to make awards of options, rights, performance rights, performance shares and ordinary shares, including Exempt Share Awards under Division 83A of the Income Tax Assessment Act 1997 (Cth) and salary sacrifice share awards. The Board has further discretion to determine vesting conditions including service conditions or other performance hurdles, exercise prices, minimum holding periods, forfeiture conditions or events and other conditions of awards. The Board has further discretion to vary or waive these terms and conditions (subject to *Corporations Act 2001* limitations on shareholder approval for awards to Directors).
 - **Eligibility:** Participants under the OEP include permanent, full-time, or part-time employees, Non-executive Directors, casual employees or contractors who work a pro-rata equivalent of 40% or more of a comparable full-time position and are Australian residents for tax purposes.
 - **Shares:** The total number of ordinary shares over which rights or securities may be awarded under the OEP is capped at 5% of the issued share capital of the Company. Consistent with ASIC Class Order 14/1000, this cap includes any securities awarded under the OEP and any other employee share scheme of the Company that may be in place from time to time within the 3 years before any new award under the OEP, but excludes any rights or securities that have expired or that were issued without the need for disclosure (such as to senior managers of the Company).
 - **Vesting:** Rights and options will vest in accordance with applicable performance hurdles, service conditions and exercise conditions. Where a participant ceases to be employed by the Company or a related body corporate of the Company as a result of death or serious injury which prohibits continued employment, retirement or retrenchment or such other eligible circumstance as determined by the Board ('Qualifying Event'), the Board may, in its absolute discretion, determine that unvested rights and/or options become Vested.
 - **Change of Control:** Where there is a change in control of the Company, the Board may in its absolute discretion determine that any unvested rights and/or options become vested.
 - **Exercise:** Once options and rights have vested, they are generally able to be exercised prior to the lapsing and forfeiture events. On exercise, the participant must pay the relevant exercise price for those options and/or rights.
 - **Quotation:** Options and rights will not be quoted on the ASX. The Company will apply for Official Quotation of the shares issued on exercise of options and/or rights, in accordance with the ASX Listing Rules.
 - **Cessation of eligibility:** Where a participant ceases to be employed by the Company or a related body corporate of the Company, other than as a result of a Qualifying Event, any options, rights and performance rights or shares will be immediately forfeited, whether or not those awards have vested.
 - **Restrictions:** Awards are non-transferrable (subject to certain limited exceptions). Awards and dealings in awarded securities are subject to the Company's securities trading policies and the Corporations Act as it relates to securities trading.
 - **Amendments:** To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the OEP.
 - **Other terms:** Subdivision 83A-C (deferred inclusion of gain in assessable income) of the Income Tax Assessment Act 1997 (Cth) as amended by the Tax and Superannuation Laws Amendment (Employee Share Schemes) Act 2015 (Cth) applies to awards granted under the OEP, except in the case of certain Awards that are taxed-upfront.

All Non-executive Directors are currently shareholders in the Company and details of their security holdings as at the date of this statement are set out in the following table:

	Ordinary Shares currently held	Rights currently held	Rights issued November 2018 ⁽²⁾	Rights issued December 2019 ⁽³⁾	Rights issued November 2021 ⁽³⁾
Geoff Brooke	474,221	663,332	160,000	583,322	-
Don Brumley ⁽¹⁾	1,063,715	58,909	-	-	347,624
Ross Dobinson	3,716,060	163,894	320,000	983,334	-
Tim Oldham	869,649	97,222	160,000	583,332	-
	6,123,645	983,357			

(1) Don Brumley was appointed as a director in June 2021

(2) Rights issued in November 2018 were issued for nil consideration and were in lieu of an increase in remuneration

(3) Rights issued in December 2019 and November 2021 were issued for nil consideration and were to approximate half of the Non-executive Director's remuneration.

All rights issued to Non-executive Directors have been issued within the provisions of the Omnibus Equity Plan and following approval at an annual general meeting. Since the date of issue some Non-executive Directors have exercised some of the rights which have been issued to them and which have vested.

Given the Board has an interest in Resolution 3, no voting recommendation is provided.

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 AGM to have additional capacity to issue Equity Securities, in this case up to 10% of its issued capital, provided the issue occurs over a 12-month period from the date of approval at the AGM (**10% Placement Capacity**).

An entity is an "Eligible Entity" if at the date of the relevant AGM:

- (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.

Acrux is an Eligible Entity as it is not included in the S&P/ASX 300 Index having a market capitalisation of \$18,838,725 as at 14 October 2022.

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 Directors to potentially issue Equity Securities up to 10% of Acrux's fully paid ordinary securities on issue under the 10% Placement Capacity for 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.

If Resolution 4 is not passed, Acrux will not be able to access the additional 10% Placement Capacity without shareholder approval under Listing Rule 7.1A, and remains subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders 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 enables an Eligible Entity to seek shareholder approval at its AGM to issue Equity Securities in addition to those which may be issued 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 10 ASX trading days of the date at 4.3(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;
- (ii) the time and date of the company's next AGM, and
- (iii) 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 which shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, based on 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	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.033 (50% decrease in current issue price)	Funds raised based on issue price of \$0.066 (Current issue price)	Funds raised based on issue price of \$0.099 (50% increase in current issue price)
285,435,224 (Current)	28,543,522	\$941,936	\$1,883,872	\$2,825,809
428,152,836 (50% increase)*	42,815,283	\$1,412,904	\$2,825,809	\$4,238,713
570,870,448 (100% increase)*	57,087,044	\$1,883,872	\$3,767,745	\$5,651,617

*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 2001*) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The number of Shares on issue as at 14 October 2022 is 285,435,224.
2. The issue price set out above is the closing price of the Shares on the ASX on 14 October 2022 which was \$0.066.
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:

1. 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
2. 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 would, if necessary, utilise the 10% Placement Capacity if the funds were required to support further development of its product pipeline, commercialisation activities and the general working capital requirements of the Company.

(e) **Allocation under the 10% Placement Capacity**

The Company has not yet determined the need to utilise the Placement Capacity and therefore has also not identified the recipients who could be allotted Equity Securities under the 10% Placement Capacity. However, recipients likely would include both current Shareholders and new investors.

The Company will determine the need for the Placement capacity and identify recipients of Securities at the time of any issue under the 10% Placement Capacity, having regard to the following factors:

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

4.4 Voting Exclusion

As at the date of this Notice, the Company has not approached or 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.

IMPORTANT VOTING INFORMATION

Entitlement to Vote and Proxies

Only registered holders of the Company's shares as at Monday, 21 November 2022 at 7:00 pm (AEDT) are eligible to vote at the AGM.

All Resolutions will be by Poll

In accordance with clause 39.1 of the constitution, the Chairman intends to call a poll on each of the resolutions proposed at the AGM.

Direct Voting – Virtual Participation Using Link Group's Online Platform

In accordance with clause 30.4 of the Company's constitution, and to facilitate shareholder participation, shareholders will have the opportunity to participate in the AGM through the Company's online platform at <https://meetings.linkgroup.com/ACR22>. If you choose to participate in the meeting in this way, you will be able to listen to the AGM live, lodge a direct vote in real time and ask questions online.

Shareholders participating in the meeting using the Company's online platform will be able to vote between the commencement of the AGM (10.00am AEST on Wednesday, 23 November 2022) and the closure of voting as announced by the Chairman during the AGM.

Further information regarding online participation at the AGM (including how to vote and ask questions) is available in the Online Platform Guide. The Online Platform Guide will be lodged with the ASX and will also be available on our website at <http://investors.acru.com.au/investor-centre>.

The virtual meeting can be accessed from your desktop, laptop, mobile phone or tablet device. To participate and vote online you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) in order to be verified as securityholder or proxy holder. Proxy holders will need their proxy number which will be provided by Link Market Services no later than 24 hours prior to the meeting and following lodgement of the proxy appointment.

Please ensure that your internet browser is compatible, by following the instructions in the Online Platform Guide – we recommend confirming this prior to determining whether to participate in the AGM using the Company's online platform. It is also recommended that shareholders who elect to participate through the online platform log in to the online portal at least 15 minutes prior to the scheduled start time for the meeting.

Voting by Proxy

A member who is entitled to attend and vote at this AGM is entitled to appoint up to two proxies using the enclosed proxy form. A proxy need not be a member of the Company and 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.

Where two proxies are appointed, each proxy may be appointed to represent a specified proportion of voting rights. 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).

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 Monday, 21 November 2022:

- by lodging it online 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 it is lodged according to the instructions given on the website); or
- by post addressed to Link Market Services Limited; or
- by facsimile to Link Market Services Limited on fax number +61 2 9287 0309.

Documents received after that time will not be valid for the scheduled meeting.

The Chairman of the Meeting Acting as Your Proxy

You may appoint the Chairman of the meeting as your proxy. In addition, the Chairman of the meeting is deemed to be appointed where a completed proxy form is submitted which does not contain the name of the proxy, where the person appointed on the form is absent from the meeting or does not vote in accordance with your directions. If you direct the Chairman how to vote on an Item of business, the Chairman must vote according to your direction. If you appoint the Chairman of the meeting as your proxy or the Chairman of the meeting is appointed as your proxy by default, and you do not mark a voting instructions box for Resolution 2 and 3, then by completing and submitting the proxy form, you will be expressly authorising the Chairman of the meeting to exercise the proxy as the Chairman sees fit in respect of Resolution 2 and 3 even though Resolution 2 and 3 is connected directly or indirectly with remuneration of the Company's key management personnel. The Chairman intends to vote all available proxies in favour of each Item of business.

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.

Voting Exclusions

Key Management Personnel ("KMP") are subject to voting restrictions on resolutions relating to remuneration. KMP include Directors and Senior Executives who are listed in Acrux's 2022 Annual Report. The *Corporations Act 2001* restricts KMP and their closely related parties from voting in certain circumstances on such resolutions. A closely related party includes a spouse, dependants, and certain other close family members, as well as any companies controlled by the KMP.

Voting exclusions apply to the following Items:

- Resolution 2 - Adoption of Remuneration Report
- Resolution 3 - Grant of Rights to non-executive Directors as a component of their Remuneration.

Acrux will disregard any votes cast on Resolution 2 (in any capacity) by or on behalf of either of the following persons:

- a member of the KMP, details of whose remuneration are included in the Remuneration Report; or
- a closely related party of such a member.

However, a person (the **voter**) described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on this Resolution 2; and
 - expressly authorises the chair to exercise the proxy even though this Resolution 2 is connected directly or indirectly with the remuneration of a member of the KMP.

For Resolution 3, Acrux will disregard any votes cast in favour of this Item by any Non-executive Director, and any associate of a Non-executive Director and a person whose relationship with the Non-Executive Director is such that in the ASX's opinion that the vote should be excluded, in accordance with Listing Rules 10.14.1, 10.14.2 and 10.14.3.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of the beneficiary provided that:
 - the beneficiary provides written confirmation to the holder that they are 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.

**ACRUX LIMITED**

ABN 72 082 001 152

LODGE YOUR VOTE**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
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

**ALL ENQUIRIES TO**

Telephone: 1300 554 474

Overseas: +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 and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

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 Wednesday, 23 November 2022 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **Pitcher Partners, L 13, 664 Collins St, Docklands, Victoria** or logging in online at <https://meetings.linkgroup.com/ACR22> (refer to details in the Virtual Annual General Meeting Online Guide). The **Notice of Annual General Meeting and Online Guide** can be viewed and downloaded at the Company's website at <https://www.acrux.com.au>.

Important for Resolution 2: 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 Resolution 2, even though the Resolution is 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.

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**For Against Abstain***

1 Re-election of Dr Geoff Brooke as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Grant of Rights to Non-executive Directors' as a component of their Remuneration

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Approval of 10% Placement Capacity – Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf 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).

ACR PRX2201N

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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:

- (a) 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
- (b) 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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General 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 Monday, 22 November 2022**, 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 the reply paid envelope or:



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).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



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*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

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



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, Shareholders will need their "Holder Identifier" - Shareholder Reference Number (SRN) or Holder Identification Number (HIN).