
RACE ONCOLOGY LIMITED

ACN 149 318 749

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11.00 am AEDT

DATE: 22 November 2019

PLACE: Vintage Room, RACA, 89 Macquarie Street, Sydney NSW 2000

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00 pm AEDT on 20 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes 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 2019.”

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

Voting Prohibition Statement:

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

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

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

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR CHRISTOPHER NTOUMENOPOULOS

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

“That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Christopher Ntoumenopoulos, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR DANIEL TILLET

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

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dr Daniel Tillett, a Director who was appointed casually on 17 September 2019, retires, and being eligible, is elected as a Director.”

5. **RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY**

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 Company to issue up to that number of Equity Securities equal 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.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. **RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – DR DANIEL TILLET**

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,500,000 Options to Dr. Daniel Tillett (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Daniel Tillett (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – DR WILLIAM GARNER

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Dr William Garner (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr William Garner (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – DR JOHN CULLITY

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Dr John Cullity (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr John Cullity (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – MR CHRIS NTOUMENOPOULOS

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Mr Chris Ntoumenopoulos (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Chris Ntoumenopoulos (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

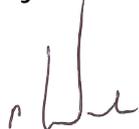
- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 14 October 2019

By order of the Board



**Mr Peter Webse
Company Secretary**

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6377 8043.

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.raceoncology.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR CHRISTOPHER NTOUMENOPOULOS

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Clause 14.2 of the Constitution provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

Mr Christopher Ntoumenopoulos, who has served as a director since 27 April 2016 and was last re-elected on 21 November 2017, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Ntoumenopoulos holds a Bachelor of Commerce, majoring in Money and Banking, Investment Finance and Electronic Commerce. He has worked in financial markets for the past 12 years, focusing on Capital Raisings, Portfolio Management and Corporate Advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early stage venture capital, through to IPO.

Mr Ntoumenopoulos is an executive director of various private companies which span across finance, technology and medical sectors and is a non-executive director of ASX listed ResApp Health Limited.

3.3 Independence

If re-elected the board does not consider Mr Ntoumenopoulos will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Ntoumenopoulos and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR DANIEL TILLET

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then

eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Daniel Tillett, having been appointed by other Directors on 17 September 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Dr Daniel Tillett, the Company's Chief Scientific Officer, is the founder and CEO of Nucleics (nucleics.com), a private Australian biotechnology company producing and selling world leading DNA sequencing software to the Genomics industry. Nucleics SAAS (software as a service) tools are in use in more than 30 countries and over 250 companies and institutions.

He has extensive commercial experience over the last 20 years in the biotech industry in project management, sales and marketing, IP management, fund raising and start-up investing. Previously, he was a Senior Lecturer within the School of Pharmacy at La Trobe University where he taught and researched in the areas of pharmacy, phage therapy, microbiology, bioinformatics and cancer. Dr Tillett has a PhD from the University of New South Wales in Molecular Genetics and Biochemistry. He has more than 40 scientific publications and granted patents in molecular biology, microbiology, genetics and biochemistry.

4.3 Independence

If elected the board considers Dr Tillett will not be an independent director due to him being an Executive Director and a substantial shareholder of the Company.

4.4 Board recommendation

The Board supports the election of Dr Tillett and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) 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 \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$14,103,013 (based on the number of Shares on issue and the closing price of Shares on the ASX on 11 October 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: RAC).

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.

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

5.2 Technical information required by ASX Listing Rule 7.1A

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

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(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 commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

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

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10%

Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 11 October 2019.

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

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.07 50% decrease in Issue Price	\$0.14 Issue Price	\$0.21 50% increase in Issue Price
100,735,813 (Current Variable A)	Shares issued - 10% voting dilution	10,073,581 Shares	10,073,581 Shares	10,073,581 Shares
	Funds raised	\$705,150	\$1,410,301	\$2,115,452
151,103,720 (50% increase in Variable A)	Shares issued - 10% voting dilution	15,110,372 Shares	15,110,372 Shares	15,110,372 Shares
	Funds raised	\$1,057,726	\$2,115,452	\$3,173,178
201,471,626 (100% increase in Variable A)	Shares issued - 10% voting dilution	20,147,163 Shares	20,147,163 Shares	20,147,163 Shares
	Funds raised	\$1,410,301	\$2,820,602	\$4,230,904

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

The table above uses the following assumptions:

1. There are currently 100,735,813 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 11 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. 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%.

8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for expanding or accelerating the Company's existing business activities (including expenses associated with further activities in relation to the Company's existing projects such as a proposed named patient program and obtaining marketing approval for Bisantrone), pursuing other acquisitions that have a strategic fit or will otherwise add value to Shareholders (including expenses associated with such acquisitions) and general working capital; or
- (ii) as non-cash consideration for acquisition of new assets, technology and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

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

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

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

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

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

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2018 (**Previous Approval**).

The Company issued 8,500,000 Shares on 20 August 2018 (Equity Securities) pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 22 November 2018, the Company otherwise issued a total of 23,500,000 Shares and 12,610,000 Options which represents approximately 31.99% of the total diluted number of Equity Securities on issue in the Company on 22 November 2018, which was 112,890,813.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.3 Voting Exclusion

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

6. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – DR DANIEL TILLET

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 2,500,000 Options (**Tillett Options**) to Dr Daniel Tillett (or his nominee) on the terms and conditions set out below.

Resolution 5 seeks Shareholder approval for the grant of the Tillett Options to Dr Daniel Tillett (or his nominee).

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Tillett Options constitutes giving a financial benefit and Dr Tillett is a related party of the Company by virtue of being a Director.

The Directors (other than Dr Tillett who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Tillett Options because the agreement to grant the Tillett Options, reached as part of the remuneration package for Dr Tillett, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 Section 195(4) Corporations Act 2001 (Cth)

As four of the Company's five Directors are to be issued Options (subject to the passing of Resolutions 5 to 8), the Company requires Shareholder approval for the purposes of section 195(4) of the *Corporations Act 2001* (Cth).

6.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Tillett Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (i) the Tillett Options will be granted to Dr Daniel Tillett (or his nominee);
- (ii) the number of Tillett Options to be issued is 2,500,000;
- (iii) the Tillett Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Tillett Options will occur on the same date;
- (iv) the Tillett Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (v) the terms and conditions of the Tillett Options are set out in Schedule 2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Tillett Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Tillett Options to Dr Tillett (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTIONS 6 TO 8 – ISSUE OF OPTIONS TO RELATED PARTIES

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 3,000,000 Options (**Related Party Options**) to Dr William Garner, Dr John Cullity and Mr Christopher Ntoumenopoulos (or their respective nominees) (together, the **Related Parties**) on the terms and conditions set out below.

Resolutions 6 to 8 seek Shareholder approval for the grant of the Related Party Options to the Related Parties (or their respective nominees).

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Options constitutes giving a financial benefit and the Related Parties are each a related party of the Company by virtue of being Directors.

The Directors, other than:

- (i) Dr William Garner, with respect to Resolution 6 (who has a material personal interest in Resolution 6),
- (ii) Dr John Cullity, with respect to Resolution 7 (who has a material personal interest in Resolution 7); and
- (iii) Mr Chris Ntoumenopoulos, with respect to Resolution 8 (who has a material personal interest in Resolution 8),

consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options, reached as part of the remuneration package for the Related Parties, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

7.3 Section 195(4) Corporations Act 2001 (Cth)

As four of the Company's five Directors are to be issued Options (subject to the passing of Resolutions 5 to 8), the Company requires Shareholder approval for the purposes of section 195(4) of the *Corporations Act 2001* (Cth).

7.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6 to 8:

- (i) the Related Party Options will be granted to the Related Parties (or their respective nominees);
- (ii) the number of Related Party Options to be issued is 3,000,000, being:
 - (A) 1,000,000 Related Party Options to Dr William Garner (or his nominees);
 - (B) 1,000,000 Related Party Options to Dr John Cullity (or his nominees); and
 - (C) 1,000,000 Related Party Options to Mr Chris Ntoumenopoulos (or his nominees);
- (iii) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party Options will occur on the same date;
- (iv) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (v) the terms and conditions of the Related Party Options are set out in Schedule 3.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to Related Parties (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

10% Placement Capacity has the meaning given in Section 5.1.

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (b) a spouse or child of the member;
- (c) a child of the member's spouse;
- (d) a dependent of the member or the member's spouse;
- (e) 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 dealing with the entity;
- (f) a company the member controls; or
- (g) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Race Oncology Limited (ACN 149 318 749).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) 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 \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 22 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 27 November 2018 Appendix 3B – 27 November 2018	1,000,000 Unquoted Options ³	Unquoted Options ³	Issued to the nominee of Dr Brendan de Kauwe pursuant to shareholder approval granted on 27/11/18.	The Options were issued for nil cash consideration for services previously provided by Dr de Kauwe. The Options carry a \$0.49 exercise price being a 292.00% premium to the Share price as traded on the ASX on 27/11/2018 being \$0.125.	Issued for non-cash consideration. Valued at \$0.00024 each totalling \$240 using a Black Scholes option pricing model ¹¹ .
	1,000,000 Unquoted Options ⁴	Unquoted Options ⁴	Issued to the nominee of Dr Brendan de Kauwe pursuant to shareholder approval granted on 27/11/18.	The Options were issued for nil cash consideration for services previously provided by Dr de Kauwe. The Options carry a \$0.65 exercise price being a 420.00% premium to the Share price as traded on the ASX on 27/11/2018 being \$0.125.	Issued for non-cash consideration. Valued at \$0.000056 each totalling \$56 using a Black Scholes option pricing model ¹¹ .
	2,000,000 Unquoted Options ⁵	Unquoted Options ⁵	Issued to Dr John Cullity pursuant to shareholder approval granted on 27/11/18.	The Options were issued for nil cash consideration. The Options carry a \$0.23 exercise price being a 84.00% premium to the Share price as traded on the ASX on 27/11/2018 being \$0.125.	Issued for non-cash consideration. Valued at \$0.06069 each totalling \$121,380 using a Black Scholes option pricing model ¹¹ .
Issue – 21 December 2018 Appendix 3B – 21 December 2018	5,000,000 Shares ²	Shares ²	Issued pursuant to the conversion of 5,000,000 Tranche 1 Performance Shares by Update Pharma Inc.	The Shares were issued for nil cash consideration. However, the Shares held a \$0.20 deemed issue price being a 177.78% premium to the Share price as traded on the ASX on 21/12/2018, being \$0.072.	Amount raised = Nil The Shares were issued upon conversion of Milestone 1 performance shares. Current value ¹² = \$700,000
Issue – 22 January 2019 Appendix 3B – 22 January 2019	420,000 Unquoted Options ⁶	Unquoted Options ⁶	Issued to Prof. Borje Andersson for the provision of consultancy services.	Issued as non-cash consideration for consultancy services to be provided to the Company. Options carry a \$0.12 exercise price being a 33.33% premium to the Share price as traded on the ASX on 22/01/2019, being \$0.09.	Issued for non-cash consideration. Valued at \$0.09127 each totalling \$38,333 using a Black Scholes option pricing model ¹¹ .

Issue – 13 March 2019 Appendix 3B – 13 March 2019	500,000 Unquoted Options ⁷	Unquoted Options ⁷	Issued to employees pursuant to the employee share plan approved by shareholders on 27/11/2018.	The Options were issued for nil cash consideration, as performance-based remuneration in accordance with the employee share plan. The Options carry a \$0.10 exercise price being a 26.58% premium to the Share price as traded on the ASX on 13/03/2019 being \$0.079.	Issued for non-cash consideration pursuant to Employee Share Plan. Valued at \$0.09361 each totalling \$46,805 using a Black Scholes option pricing model ¹¹ .
	100,000 Unquoted Options ⁸	Unquoted Options ⁸	Issued to employees pursuant to the employee share plan approved by shareholders on 27/11/2018.	\$0.135 exercise price being a 70.89% premium to the Share price as traded on the ASX on 13/03/2019 being \$0.079.	Issued for non-cash consideration pursuant to Employee Share Plan. Valued at \$0.09096 each totalling \$9,096 using a Black Scholes option pricing model ¹¹ .
Issue – 31 May 2019 Appendix 3B – 31 May 2019	420,000 Unquoted Options ⁹	Unquoted Options ⁹	Issued to Prof. Borje Andersson for the provision of consultancy services.	The Options were issued for nil cash consideration for services previously provided by Prof. Borje Andersson. The Options carry a \$0.085 exercise price being a 34.92% premium to the Share price as traded on the ASX on 31/05/2019, being \$0.063	Issued for non-cash consideration. Valued at \$0.09586 each totalling \$40,261 using a Black Scholes option pricing model ¹¹ .
	420,000 Unquoted Options ⁹	Unquoted Options ⁹	Issued to Mr Tom Lee for the provision of consultancy services.	The Options were issued for nil cash consideration for services previously provided by Mr Tom Lee. The Options carry a \$0.085 exercise price being a 34.92% premium to the Share price as traded on the ASX on 31/05/2019, being \$0.063.	Issued for non-cash consideration. Valued at \$0.09586 each totalling \$40,261 using a Black Scholes option pricing model ¹¹ .
Issue – 12 July 2019 Appendix 3B – 12 July 2019	5,000,000 Shares ²	Shares ²	Issued pursuant to the conversion of 5,000,000 Tranche 1 Performance Shares by Update Pharma Inc.	The Shares were issued for nil cash consideration. However, the Shares held a \$0.20 deemed issue price being a 300.00% premium to the Share price as traded on the ASX on 12/07/2019, being \$0.05.	Amount raised = Nil The Shares were issued upon conversion of Milestone 2 performance shares. Current value ¹² = \$700,000
Issue – 20 August 2019 Appendix 3B – 20 August 2019	8,500,000 Shares ²	Shares ²	Placement Shares Issued to Dr Daniel Tillett.	\$0.066 issue price being a 21.43% discount to the Share price as traded on the ASX on 20/08/2019, being \$0.084.	Amount raised = \$561,000 The funds raised are to be used to fund research and development programs on Bisantrene and for general working capital.
	4,250,000	Unquoted	Issued pursuant to	Issued free	Issued to placement

	Unquoted Options ¹⁰	Options ¹⁰	share placement to Dr Daniel Tillett on the basis of 1 free attaching option for every 2 placement shares subscribed for.	attaching to the placement shares. The Options carry a \$0.099 exercise price being a 17.86% premium to the Share price as traded on the ASX on 20/08/2019, being \$0.084.	participant on the basis of 1 free attaching option for every 2 placement shares. Valued at \$0.06964 each totalling \$295,970 using a Black Scholes option pricing model ¹¹ .
Issue – 27 August 2019 Appendix 3B – 27 August 2019	5,000,000 Shares ²	Shares ²	Issued pursuant to share placement to sophisticated and professional investors.	\$0.066 issue price being a 49.23% discount to the Share price as traded on the ASX on 27/08/2019, being \$0.13.	Amount raised = \$561,000 The funds raised are to be used to fund research and development programs on Bisantrene and for general working capital
	2,500,000 Unquoted Options ¹⁰	Unquoted Options ¹⁰	Issued pursuant to share placement to sophisticated and professional investors on basis of 1 free attaching option for every 2 placement shares subscribed for.	Issued free attaching to the placement shares. The Options carry a \$0.099 exercise price being a 23.85% discount to the Share price as traded on the ASX on 27/08/2019, being \$0.13.	Issued to placement participants on the basis of 1 free attaching option for every 2 placement shares. Valued at \$0.06964 each totalling \$174,100 using a Black Scholes option pricing model ¹¹ .

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: RAC (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.49 each, on or before 22 November 2019. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 27 November 2018.
4. Unquoted Options, exercisable at \$0.65 each, on or before 22 November 2019. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 27 November 2018.
5. Unquoted Options, exercisable at \$0.23 each, on or before 27 November 2021. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 27 November 2018.
6. Unquoted Options, exercisable at \$0.12 each, on or before 1 October 2023. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 21 January 2024.
7. Unquoted Options, exercisable at \$0.10 each, on or before 12 March 2024. The full terms and conditions are noted at Schedule 4.
8. Unquoted Options, exercisable at \$0.135 each, on or before 12 March 2024. The full terms and conditions are noted at Schedule 5.
9. Unquoted Options, exercisable at \$0.085 each, on or before 31 May 2024. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 9 October 2019.
10. Unquoted Options, exercisable at \$0.099 each, on or before 31 August 2021. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 9 October 2019.
11. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
12. Based on a based on the closing price of Shares on the ASX on 11 October 2019.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.19 (**Exercise Price**)

(c) Cashless Exercise Facility

In lieu of paying the aggregate Exercise Price to purchase Shares, an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (**Cashless Exercise Facility**):

$$A = \frac{B (C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder;

B = the number of Shares otherwise issuable upon the exercise of the Options or portion of the Options being exercised;

C = the market value of one Share determined as of the date of exercise where market value is determined to be the volume weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date that the Company receives the notice of option exercise; and

D = the Exercise Price.

(d) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date which is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company or, if elected by the holder, by utilising the Cashless Exercise Facility.

(g) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus

prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Unquoted

The Company will not apply for quotation of the Options on ASX.

(o) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**)

(c) Cashless Exercise Facility

In lieu of paying the aggregate Exercise Price to purchase Shares, an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (**Cashless Exercise Facility**):

$$A = \frac{B (C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder;

B = the number of Shares otherwise issuable upon the exercise of the Options or portion of the Options being exercised;

C = the market value of one Share determined as of the date of exercise where market value is determined to be the volume weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date that the Company receives the notice of option exercise; and

D = the Exercise Price.

(d) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date which is 2 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company or, if elected by the holder, by utilising the Cashless Exercise Facility.

(g) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus

prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Unquoted

The Company will not apply for quotation of the Options on ASX.

(o) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Vesting Date

The Options will vest, and become exercisable, on the date which is 12 months from the date of issue.

(c) Exercise Price

Subject to paragraph (l), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(d) Cashless Exercise Facility

In lieu of paying the aggregate Exercise Price to purchase Shares, an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (**Cashless Exercise Facility**):

$$A = \frac{B (C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder;

B = the number of Shares otherwise issuable upon the exercise of the Options or portion of the Options being exercised;

C = the market value of one Share determined as of the date of exercise where market value is determined to be the volume weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date that the Company receives the notice of option exercise; and

D = the Exercise Price.

(e) Expiry Date

Each Option will expire at 5:00 pm (WST) on 12 March 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(f) Exercise Period

The Options are exercisable at any time after vesting and prior to the Expiry Date (**Exercise Period**).

(g) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company or, if elected by the holder, by utilising the Cashless Exercise Facility.

(h) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) Timing of issue of Shares on exercise

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (i)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(l) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(m) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(n) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(o) Unquoted

The Company will not apply for quotation of the Options on ASX.

(p) Transferability

The Options are transferable in special in circumstances subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Vesting Date

The Options will vest, and become exercisable, on the date which is 12 months from the date of issue.

(c) Exercise Price

Subject to paragraph (l), the amount payable upon exercise of each Option will be \$0.135 (**Exercise Price**).

(d) Cashless Exercise Facility

In lieu of paying the aggregate Exercise Price to purchase Shares, an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (**Cashless Exercise Facility**):

$$A = \frac{B (C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder;

B = the number of Shares otherwise issuable upon the exercise of the Options or portion of the Options being exercised;

C = the market value of one Share determined as of the date of exercise where market value is determined to be the volume weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date that the Company receives the notice of option exercise; and

D = the Exercise Price.

(e) Expiry Date

Each Option will expire at 5:00 pm (WST) on 12 March 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(f) Exercise Period

The Options are exercisable at any time after vesting and prior to the Expiry Date (**Exercise Period**).

(g) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company or, if elected by the holder, by utilising the Cashless Exercise Facility.

(h) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) Timing of issue of Shares on exercise

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (i)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(l) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(m) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(n) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(o) Unquoted

The Company will not apply for quotation of the Options on ASX.

(p) Transferability

The Options are transferable in special in circumstances subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: RAC

Your proxy voting instruction must be received by **11.00am (AEDT) on Wednesday, 20 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

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

POWER OF ATTORNEY

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



