

Cyclopharm Limited Notice of Annual General Meeting and Explanatory Statement

**to be held at 11.30 am (Sydney time) on
Tuesday, 4 May 2021**

This document is important.

Please read the information it contains carefully. It is important that you vote on these resolutions either by participating in the meeting virtually or by completing and lodging the enclosed proxy form. If you are in doubt as to its contents, you should consult your professional advisor(s).

Cyclopharm Limited
ABN 74 116 931 250
Unit 4, 1 The Crescent
Kingsgrove NSW 2208

Ph: (02) 9541 0411
Fax: (02) 9543 0960

www.cyclopharm.com
corporate@cyclopharm.com.au

cyclopharm

TABLE OF CONTENTS

NOTICE OF ANNUAL GENERAL MEETING	2
1. ORDINARY BUSINESS	3
1.1(a) FINANCIAL STATEMENTS AND REPORTS	3
1.1(b) RESOLUTION 1 – REMUNERATION REPORT	3
1.2 RESOLUTION 2 – RE-ELECTION OF DIRECTOR	3
1.3 RESOLUTION 3 – RATIFICATION OF THE PRIOR ISSUE OF PLACEMENT SHARES	4
1.4 RESOLUTION 4 – APPROVAL OF LOAN SHARE PLAN	4
1.5 RESOLUTION 5 – AMENDMENT OF CONSTITUTION	5
1.6 RESOLUTION 6 – APPROVAL OF NON-EXECUTIVE DIRECTOR REMUNERATION	5
2. OTHER BUSINESS	6
NOTES TO NOTICE OF MEETING	7
1. EXPLANATORY STATEMENT	7
2. VOTING ENTITLEMENT	7
3. ALL RESOLUTIONS WILL BE BY POLL	7
4. PROXIES	7
EXPLANATORY STATEMENT	9
1. IMPORTANT NOTICE	9
2. REPORTS AND EXPLANATION OF RESOLUTION 1 – REMUNERATION REPORT	9
3. EXPLANATION OF RESOLUTION 2 – RE-ELECTION OF DIRECTOR	10
4. EXPLANATION OF RESOLUTION 3 – RATIFICATION OF THE PRIOR ISSUE OF PLACEMENT SHARES	11
5. RESOLUTION 4 – APPROVAL OF LOAN SHARE PLAN	12
6. RESOLUTION 5 – AMENDMENT OF CONSTITUTION	16
7. RESOLUTION 6 – APPROVAL OF NON-EXECUTIVE DIRECTOR REMUNERATION	17
8. GLOSSARY OF TERMS	18
9. SHAREHOLDER ENQUIRIES	18

IMPORTANT DATES

Close for receipt of written questions to Auditor and the Company	5.00 pm (AEST)	Tuesday, 27 April 2021
Close for receipt of Proxy Forms	11.30 am (AEST)	Sunday, 2 May 2021
Determination of Entitlement to Vote	7.00 pm (AEST)	Sunday, 2 May 2021
Meeting	11.30 am (AEST)	Tuesday, 4 May 2021

NOTICE OF ANNUAL GENERAL MEETING OF CYCLOPHARM LIMITED

Notice is given that the Annual General Meeting (**AGM**) of members of Cyclopharm Limited ACN 116 931 250 (**Company**) will be held on **Tuesday, 4 May 2021** at **11.30 am** Sydney time.

Shareholders are requested to participate in the AGM virtually via a webinar conferencing facility (**Virtual Meeting**). Shareholders who attend the Virtual Meeting will be able to watch, listen, ask questions and participate in all poll votes put to the Meeting. To attend and vote online, please **pre-register** in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_z7q7orLoRuCiXhkPOo9pKQ

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

Discussion and Shareholder questions

Discussion will take place on all items of business to be considered at the AGM. All Shareholders will have a reasonable opportunity to ask questions during the AGM via the AGM online platform, including an opportunity to ask questions of the Company's Auditor questions relevant to the conduct of the audit. After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are asked to observe the following requests:

- all Shareholder questions should be stated clearly and should be relevant to the business of the AGM, including matters arising from the Financial Statements, the Directors' Report (including the Remuneration Report) and the Auditor's Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item of business, all questions should be asked at the one time; and
- Shareholders should not ask questions at the AGM relating to any matters which are personal to the Shareholder or commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. A Shareholder Questions Form has been included with this Notice. Written questions must be received by the Company by **5.00pm (AEST) on Tuesday, 27 April 2021**, and can be submitted online, by mail or by fax (as set out at the top of the Shareholder Questions Form).

1. ORDINARY BUSINESS

1.1 Financial Statements and Reports

- (a) *To receive and consider the financial statements and the reports of the Directors and the Auditors of the Company for the year ended 31 December 2020.*

An explanation of this item is to be found in the notes to this notice and paragraph 2.1 of the Explanatory Statement. There is no vote on this item.

(b) Resolution 1 – Remuneration Report

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

"That the Remuneration Report as set out in the Annual Report of the Company for the financial year ended 31 December 2020 be adopted."

An explanation of this item is to be found in paragraph 2.2 of the Explanatory Statement.

Notes:

- (1) The vote on this resolution is advisory only and does not bind the Directors or the Company.
- (2) If 25% or more of the votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.
- (3) **Voting Exclusion 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:
(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
(b) the voter is the Chair of the AGM 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 with the remuneration of members of the Key Management Personnel.

1.2 Resolution 2 – Re-election of Director

Shareholders will be asked to consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution** with effect from the close of the meeting:

"That, for the purposes of ASX Listing Rule 14.5 and for all other purposes, Mr Tom McDonald, who retires at the close of this Annual General Meeting and, being eligible, and having consented to act, be re-elected as a Director of the Company."

An explanation of this item, and more information on Mr McDonald, is to be found in paragraph 3 of the Explanatory Statement.

1.3 Resolution 3 – Ratification of the prior issue of Placement Shares

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

*"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 11,538,462 fully paid ordinary shares at an issue price of \$2.60 per share, issued by way of a placement to sophisticated and institutional investors on 27 January 2021 (**Placement Shares**)."*

An explanation of this item is in paragraph 4 of the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person who participated in the issue or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the AGM 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

1.4 Resolution 4 – Approval of Loan Share Plan

Shareholders will be asked to consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That the Cyclopharm Loan Share Plan (**LSP**), a summary of which is set out in the Explanatory Statement, be approved for the purposes of ASX Listing Rule 7.2 (Exception 13), sections 200E, 259B(2) and 260C(4) of the Corporations Act and for all other purposes."*

An explanation of this item is in paragraph 5 of the Explanatory Statement.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution by any person who is eligible to participate in the LSP or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the AGM 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as proxy for another person who is permitted to vote, unless:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even through the resolution is a Remuneration Resolution.

1.5 Resolution 5 – Amendment of Constitution

Shareholders will be asked to consider and, if thought fit, pass the following resolution as an **special resolution**:

"That the current constitution of the Company be amended, effective from the close of the AGM, as set out in the document tabled at the 2021 Annual General Meeting and signed by the chairperson for the purposes of identification."

An explanation of this item is in paragraph 6 of the Explanatory Statement.

1.6 Resolution 6 – Approval of Non-executive director remuneration

Shareholders will be asked to consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

'That for the purposes of Listing Rule 10.17 and for all other purposes, the shareholders of the Company approve the increase of the maximum aggregate amount payable to non-executive directors by way of directors' fees from \$250,000 to \$350,000.'

An explanation of this item is in paragraph 7 of the Explanatory Statement.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution by any person who is a director of the Company or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the AGM 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as proxy for another person who is permitted to vote, unless:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even through the resolution is a Remuneration Resolution.

2 OTHER BUSINESS

To consider any other business that may be properly brought forward at the meeting in accordance with the Constitution and the law.

By Order of the Board

James McBrayer
Company Secretary

Dated: 30 March 2021

PLEASE NOTE:

The Notes to, and the Explanatory Statement and Proxy Form following this Notice of Meeting should be read in conjunction with, and form part of, this Notice.

Capitalised words have the meaning ascribed to them in the Glossary in the attached Explanatory Statement.

NOTES TO NOTICE OF MEETING:

1. Explanatory Statement

An explanation of each resolution is included in the accompanying Explanatory Statement.

2. Voting Entitlement

The Board, as the convenor of the meeting, has determined that the shareholding of each member for the purpose of ascertaining voting entitlements at the Annual General Meeting will be as it appears on the register of Shareholders at **7.00pm** (Sydney time) on **Sunday, 2 May 2021**.

3. All resolutions will be by poll

As Shareholders are asked to participate virtually in the AGM, each resolution considered at the AGM will be conducted by a poll. The Board considers that voting by poll to be in the interests of Shareholders as a whole and ensures the views of as many Shareholders as possible are represented at the AGM.

4. Proxies

4.1 If a Shareholder is unable to participate virtually and vote at the AGM, they are entitled to appoint a proxy to attend virtually and vote on their behalf.

A Shareholder must not appoint more than 2 proxies. If 2 proxies are appointed, each proxy must be appointed to represent a specific proportion or number of the Shareholders' voting rights. If the appointment does not specify the proportion or number of the Shareholders' votes each proxy may exercise, each proxy may exercise one half of the Shareholders' votes. Fractions of votes will be disregarded.

Proxyholders will be contacted at least 24 hours prior to the start of the AGM to ensure that they have their proxyholder login information needed to participate in the Virtual Meeting.

4.2 If Shareholders wish to appoint one proxy, please use the form provided. If you want to appoint 2 proxies, please contact the Company for an additional form and follow the instructions set out on the reverse side of the proxy form.

4.3 A Shareholder may appoint an individual or a body corporate as their proxy. A body corporate appointed as a proxy may then nominate an individual to exercise its powers at meetings. A proxy need not be a Shareholder of the Company.

4.4 To be effective a proxy form and an original or certified copy of the authority (if any) under which it is signed (such as a power of attorney or, in the case of a body corporate Shareholder, a certificate of appointment of personal representative) must be:

- delivered by mail to Automic, GPO Box 5193, Sydney NSW 2001, Australia;
- delivered in person to Automic, Level 5, 126 Phillip Street, Sydney NSW 2000, Australia; or
- emailed to meetings@automicgroup.com.au.

to arrive (in each case) no later than **11.30 am** (Sydney time) on **Sunday, 2 May 2021**. If it is not received by that time, the appointment of proxy will not be treated as effective.

4.5 If a Shareholder is a body corporate, the proxy form may be signed by:

- 2 Directors;
- a Director and either a company secretary or other authorised signatory;
- in the case of a proprietary company that has a sole Director that is also the sole company secretary, by that Director, or
- the body corporate's appointed attorney under power of attorney.

- 4.6 In the case of joint holdings a proxy may be signed by any one of the joint holders. However, if the Company receives more than one appointment for the same Share:
- an appointment signed by all joint holders will be accepted in preference to an appointment signed by the Shareholder whose name appears first in the register of Shareholders or by any other Shareholder holding the share jointly; and
 - subject to the preceding paragraph, an appointment signed by the Shareholder whose name appears first in the register of Shareholders will be accepted in preference to an appointment signed by any other Shareholder or Shareholders holding the share jointly.
- 4.7 Completion of a proxy form will not prevent individual Shareholders from virtually attending the Meeting if they wish.
- 4.8 A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on Resolution 1.
- 4.9 A person appointed as a proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
- 4.9.1 The proxy holds a Directed Proxy Form;
- 4.9.2 Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party of the Company and holds an Undirected Proxy Form; and
- 4.9.3 The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
- 4.10 Clause 4.9.2 does not apply if the Chairman of the meeting is appointed as proxy and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
- 4.11 The Chairman intends to vote all Undirected Proxy Forms in favour of Resolutions 1 to 5 and he is expressly authorised to do so.
- 4.12 **Closely Related Party** means the closely related parties of the Key Management Personnel as defined in the Corporations Act, including certain members of their family, dependants and companies they control.

Directed Proxy Form means a proxy form which specifies how a proxy is to vote.

Key Management Personnel of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 31 December 2020. Their Closely Related Parties are defined in the Corporations Act, and include certain members of their family, dependants and companies they control.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Undirected Proxy Form means a proxy form which does not specify how the proxy is to vote.

EXPLANATORY STATEMENT

1. IMPORTANT NOTICE

- 1.1 This Explanatory Statement is given to Shareholders to explain the resolutions to be considered at the Annual General Meeting (**Resolutions**) and to allow Shareholders to determine how they wish to vote on the Resolutions. The Explanatory Statement should be read in conjunction with, and forms part of, the Notice of Annual General Meeting which this Explanatory Statement accompanies.
- 1.2 *Capitalised words in this Explanatory Statement have a defined meaning which appears in it or in the Glossary.*
- 1.3 This Explanatory Statement is dated 30 March 2021.

2. REPORTS

- 2.1 The Corporations Act requires the financial statements and reports of the Directors and Auditors to be laid before the Meeting. These are all incorporated into the Annual Report. Neither the Corporations Act nor the Constitution requires Shareholders to vote on such statements and reports. However, Shareholders will be given reasonable opportunity to raise questions or make comments on the Annual Report at the Meeting. The Annual Report is available on the Company's website at www.cyclopharm.com.

As part of the written Shareholder question process prior to the AGM, Shareholders may submit written questions about the Auditor's Report and the conduct of the audit. The questions must be submitted as per the directions on the Shareholder Questions Form by **5.00pm (AEST) on Tuesday, 27 April 2021**.

The auditor will attend the AGM, and the Chair of the AGM will provide a reasonable opportunity for Shareholders to ask the auditor questions relevant to the audit.

2.2 EXPLANATION OF RESOLUTION 1 - REMUNERATION REPORT

The Directors' Report - "Remuneration Report" (**Remuneration Report**) is contained in the Company's 2020 Annual Report.

The Corporations Act requires a resolution be put to the shareholders of a listed company to adopt the Remuneration Report as disclosed in the Directors' Report component of the 2020 Annual Report (see pages **25 to 32** of the 2020 Annual Report inclusive). This Resolution is being put so as to give Shareholders a reasonable opportunity to ask questions or make comments concerning the Remuneration Report during the Meeting.

The Remuneration Report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors, secretaries and senior managers with the Company;
- discusses the link between the Board's policies and the Company's performance;
- provides a summary of performance conditions, explaining why they were chosen and how performance is measured against them;
- sets out remuneration details for each Director and for each member of the Company's senior executive management team; and
- makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

The vote on this resolution is advisory only and does not bind the company or its directors. No member of the key management personnel or closely related party of the key management personnel may vote on resolution 1.

Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

2.3 Directors' Recommendation

As the Directors have a personal interest in this proposed Resolution 1, they make no recommendations as to how shareholders should vote on the resolution.

3. EXPLANATION OF RESOLUTION 2 – RE-ELECTION OF DIRECTOR

3.1 Shareholders will be asked to consider and, if thought fit, pass, with or without amendment, the following Resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 14.5 and for all other purposes, Mr Tom McDonald, who retires at the close of this Annual General Meeting and, being eligible, and having consented to act, be re-elected as a Director of the Company.

3.2 Rule 5.1 of the Constitution requires that, at each annual general meeting, one-third of the Directors must retire from office. ASX Listing Rule 14.5 also requires that the Company hold an election of Directors at each annual general meeting. As required by Rule 5.2 of the Constitution and in accordance with the ASX Listing Rules, Mr McDonald, the longest standing director in office has offered himself for re-election.

3.3 The Nominations Committee (excluding Mr McDonald) of the Board has conducted an assessment of Mr McDonald including a review of the skills, knowledge, experience and diversity represented on the Board. Having conducted those assessments, the Board recommends to Shareholders the re-election of Mr McDonald.

3.4 The following is a profile of Mr Tom McDonald:

Board position: Appointed to the Board on 3 April 2017.

Committees: Chairman of the Audit and Risk Committee.

Experience and qualifications: Mr McDonald holds a Bachelor of Commerce from UNSW and is a Post Graduate of University of Technology Sydney in Business Finance. He is a Fellow of CPA Australia, a member of the Australian Institute of Company Directors, an Associate with the Governance Institute Australia and an Associate of Chartered Governance Institute (UK).

Mr McDonald has more than 30 years experience in the pharmaceutical and technology industries and has held global senior executive roles with international biotech Beckman Instruments Inc, with roles based in the USA and Asia Pacific.

Mr McDonald currently does not hold any other listed directorships but has previously served as a non-executive director of ASX listed FE Investments Group Limited (finance) and ASX listed WolfStrike Group Limited (technology). He has also previously held senior executive positions with ASX listed Allomark Limited, CK Life Sciences Int'l Inc., ASX-listed LIPA Pharmaceuticals Limited and ASX listed Keycorp Limited.

Independence: Mr McDonald satisfies the requirements for an independent director under the ASX Recommendations.

3.5 Directors' Recommendation

The Board, other than Mr McDonald (who abstains), recommends that Shareholders vote in favour of Resolution 2.

4. EXPLANATION OF RESOLUTION 3 – RATIFICATION OF PLACEMENT SHARES

4.1 Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 11,538,462 fully paid ordinary shares at an issue price of \$2.60 per share, issued by way of a placement to sophisticated and institutional investors on 27 January 2021 (Placement Shares)."

4.2 The Placement Shares were issued as part of the Company's \$30 million capital raise announced on 25 January 2021.

4.3 Regulatory requirements

In general terms, Listing Rule 7.1 imposes a 15% cap on the number of shares that can be issued by the Company without Shareholder approval in any 12 month period (15% Placement Capacity).

As the Placement Shares were issued without prior Shareholder approval, they reduce the Company's Placement Capacity.

Listing Rule 7.4 provides that an issue of shares made by a company without the prior approval of Shareholders may be treated as having been made with Shareholder approval if:

- (a) at the time the issue took place, it did not breach Listing Rule 7.1; and
- (b) the shareholders of the company, in general meeting, subsequently ratify the issue of the shares.

The issue of Placement Shares was made in accordance with Listing Rule 7.1, accordingly the Company seeks Shareholder ratification in accordance with Listing Rule 7.4.

4.4 Effect of shareholder ratification

If Resolution 3 is passed, the issue of the Placement Shares will not reduce the Company's 15% Placement Capacity, essentially resetting the Company's Placement Capacity to 15%.

4.5 Information required by Listing Rule 7.5

The following information is required by ASX Listing Rule 7.5 for the purposes of Shareholder ratification under ASX Listing Rule 7.4:

Number of Placement Shares allotted	11,538,462
Price at which Placement Shares were issued	\$2.60 per share
The basis on which allottees were determined	The shares were allotted to institutional and sophisticated investors (in accordance with sections 708(8) of the Corporations Act), to whom no disclosure is required under the Corporations Act.
The terms of the Placement Shares issued	All shares issued under the Placement are fully paid ordinary shares in the Company that rank pari passu and form one class with all other ordinary shares of the Company.
The date the Placement Shares were issued	27 January 2021

The use (or intended use) of the funds raised	Funds raised from the issue will primarily be used to finance activities associated with the Company's accelerated expansion into the US market which will follow the anticipated USFDA approval to market Technegas™ in that market. For further details of the intended use of funds, please see the Company's ASX announcement dated 25 January 2021).
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Resolution 3.

4.6 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 3.

5. EXPLANATION OF RESOLUTION 4 – APPROVAL OF LOAN SHARE PLAN

The Company has a Loan Share Plan (**LSP**) which was last approved by Shareholders at the Company's 2018 AGM held on 29 May 2018.

The Board adopted the LSP to retain, motivate and attract employees and to better align the interests of employees with those of the Company and its shareholders by providing an opportunity for eligible participants to acquire shares subject to the terms and conditions of the LSP (**Plan Shares**).

The Plan Shares will be issued or transferred to the participants in the LSP at an issue price determined by the Board in its absolute discretion. The Company may provide a limited recourse loan to employees who are invited to participate in the LSP to assist them to purchase Plan Shares (**Loan**).

5.1 Listing Rules

Listing Rule 7.1 generally restricts listed companies from issuing more than 15% of their issued capital in any 12 month period without shareholder approval. There are however, a number of exceptions to this restriction including Listing Rule 7.2 (Exception 13).

Listing Rule 7.2 (Exception 13) provides that Listing Rule 7.1 will not apply to an issue to a participant under an employee incentive scheme (e.g. the LSP), if within three years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule.

As the LSP was last approved by Shareholders in 2018, the Company is now seeking a fresh approval to allow Listing 7.2 (Exception 13) to continue to apply to shares issued under the LSP.

If this resolution is passed, the Company will be able to issue shares under the LSP to participants during the next 3 years without the need to seek further shareholder approval (subject to Chapter 10 of the ASX Listing Rules).

5.2 Corporations Act

(a) Section 259B – Taking security over company shares

Under the Corporations Act, subject to certain exceptions, a company must not take security over shares in itself. However, a company is permitted to take security over shares in itself under an employee share scheme that has been approved by shareholders under section 259B(2) of the Corporations Act.

Accordingly, if the LSP is re-approved by shareholders, the Company will be able to take security over shares in itself where those shares (or rights or interests in them) are acquired by participants under the LSP.

(b) Section 260C – Exempted financial assistance

The provision of loans by the Company to enable LSP participants to acquire shares in the Company is considered the provision of financial assistance by the Company for the acquisition of shares in the Company.

Unless an exemption applies, under section 260A of the Corporations Act a company may only financially assist a person to acquire shares in the company if:

- i. the giving of the assistance will not materially prejudice the interests of shareholders or the Company's ability to pay its creditors; or
- ii. shareholder approval has been granted.

However, an exemption to section 260A of the Corporations Act applies to financial assistance given under an employee share scheme that has been approved by a resolution passed by shareholders.

Accordingly, the passing of this resolution will provide approval for the giving of financial assistance to the acquisition of shares under an employee share scheme pursuant to section 260C(4) of the Corporations Act.

(c) Section 200E – retirement benefit

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the provisions of section 200E of the Corporations Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

The LSP allows the Board, in its discretion to, determine that some or all of the Plan Shares are deemed to have vested in the event a Participant's employment ceases (**Accelerated Vesting**).

In the circumstance of Accelerated Vesting, the value of the termination benefits that the Board may give under the LSP cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the benefit is decided to be given (if at all). The Board has not determined whether it will exercise discretion to grant any Accelerated Vesting or, in what circumstances, it will exercise its discretion.

Specifically, the value of an Accelerated Vesting will depend on a number of factors, including the Company's share price at the time of vesting of the Plan Shares and the number of Plan Shares that the Board determines to vest early (if any).

It is therefore proposed that this resolution will approve, under section 200E of the Corporations Act any 'termination benefit' that may be provided to a participant under the LSP (including where the Board exercises its discretion in relation to Accelerated Vesting).

5.3 Summary of LSP Terms

The terms of the LSP to be adopted by shareholders under this resolution are summarised below.

Eligibility	<ul style="list-style-type: none"> • A person is eligible to participate in the LSP if he or she is a Director, officer or employee of a group company (Eligible Person). • The Board may at any time make invitations to Eligible Persons to participate in the LSP specifying the total number of Plan Shares being offered or the manner for determining that number, the closing date for applications, the issue price, vesting conditions and any other specific terms and conditions of issue (Invitation).
Plan Shares	<ul style="list-style-type: none"> • Each Plan Share entitles the participant to one fully paid ordinary Share in the Company. • Unless otherwise specified in an Invitation, Plan Shares issued or transferred to a participant will rank equally with all existing shares from the date of issue or transfer. • Unless the Board resolves otherwise, the Company will apply for official quotation of Plan Shares issued.
Loan	<ul style="list-style-type: none"> • The Company may provide a limited recourse loan to a participant to allow them to fund the full consideration for the Plan Shares (Loan). The terms of the Loan will be set out in a separate loan agreement. • A participant's obligation to repay the Loan will be the lesser of the Loan balance or the market value of the relevant Plan Shares. • Any after-tax value of cash distributions (including dividends) received in respect of Plan Shares must be applied to repayment of the Loan.
Vesting	<p>The Plan Shares will vest on the satisfaction of any applicable performance condition, service requirement or other conditions specified in an Invitation.</p>
Change of control	<p>In the event of a change of control of the Company, the Board may in its absolute discretion, determine the manner in which any or all of the participant's unvested Plan Shares will be dealt with.</p>
Disposal restrictions	<ul style="list-style-type: none"> • A participant must not dispose of a Plan Share until the Plan Share has vested, the loan balance relating to that Plan Share has been repaid or discharged or any other disposal restrictions set out in the Invitation have expired. • The Company may implement any procedure it deems appropriate to ensure the compliance by the participant with the disposal restrictions (i.e. may implement a holding lock in respect of the Plan Shares).
Compulsory divestment	<ul style="list-style-type: none"> • Plan Shares may be compulsorily divested in a number of circumstances, including non-satisfaction of vesting conditions, fraudulent or dishonest actions, insolvency, termination of employment, non-repayment of a Loan or any other circumstances expressly set out in an Invitation. • Where in the reasonable opinion of the Board, a Plan Share has vested in fraudulent or dishonest circumstances, the Board may take any action to ensure no unfair benefit is obtained by the participant as a result of those circumstances.

Capital events	<ul style="list-style-type: none"> • Bonus issues - If the Company undertakes a pro-rata bonus issue of shares to shareholders and shares are issued to a participant in respect of Plan Shares, those shares are deemed to be Plan Shares for the purposes of the LSP, and will be subject to the same vesting conditions as the Plan Shares to which they relate. • Rights issues – Participants may elect to take up their rights at their cost. Shares allotted to the Participant as a result of exercising such rights are not subject to the vesting conditions or the Plan Rules. • Other variations of capital - If there is a variation of capital, including a capitalisation, sub-division, consolidation or reduction in share capital. The Board may, subject to the Corporations Act and Listing Rules, make such adjustments as it considers appropriate to ensure that the consequences of application are fair as between the participants and other shareholders.
Administration	The LSP is administered by the Board. The Board may make regulations and determine procedures to administer and implement the LSP and may also terminate or suspend the operation of the LSP at its discretion.
Amendment	<ul style="list-style-type: none"> • The Board may at any time amend any rules governing the operation of the LSP or waive or modify the application of the rules in relation to any participant. • However, the Board may not amend the rules in a way that would decrease a participant's rights in respect of Shares acquired by them, other than amendments required to comply or conform to legislation or Listing Rules, to correct any manifest error or mistake or to take into account any possible adverse tax implications.
Termination	The LSP may be terminated or suspended at any time by a resolution of the Board, provided the termination or suspension does not materially adversely affect the rights of persons holding shares or options issued under the plan at that time.
Other terms and conditions	The LSP contains other customary terms and conditions relating to the operation and administration of the LSP.

5.4 Other information

Since the LSP was last approved on 29 May 2018, the Company has issued 3,180,423 Shares under the LSP.

The maximum number of shares proposed to be issued under the LSP following approval of this resolution will not exceed 10% of the Company's securities currently on issue, subject to adjustment on any reorganisation of capital, any applicable laws and the Listing Rules. Based on the number of Shares currently on issue, 10% equates to a maximum of 9,337,482 Shares.

A copy of the LSP is available from the Company Secretary on request.

A voting exclusion applies to Resolution 4, please see the notes to Resolution 4 in the Notice of Meeting.

5.5 Directors' Recommendation

The Board recommends that Shareholder vote in favour of Resolution 4.

6. EXPLANATION OF RESOLUTION 5 – AMENDMENT TO CONSTITUTION

6.1 Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

"That the current constitution of the Company be amended, effective from the close of the AGM, as set out in the document tabled at the 2021 Annual General Meeting and signed by the chairperson for the purposes of identification."

6.2 The Board wishes to take this opportunity to update the Company's constitution to reflect best practice corporate governance principles. To assist shareholders, the proposed principal amendments to the constitution are summarised below.

6.3 A copy of the constitution, marked up to show proposed changes to the existing constitution, can be obtained prior to the meeting from the Company's investor website: <https://www.cyclopharm.com/corporate-governance/>

6.4 The key amendments include:

- (a) **Direct voting** - new rules 94.1 to 94.2 of the proposed constitution have been inserted to permit the Company to enable shareholders in the future to vote directly on resolutions considered at general meeting by submitting their votes to the Company or share registry. This means a shareholder's votes can still be counted even where they cannot attend personally and do not appoint a proxy. Shareholders will continue to be entitled to appoint proxies and attorneys if they wish even if there is direct voting at future meetings;
- (b) **Directors' retirement by rotation** – it is proposed that the requirement that directors retire from office periodically and seek re-election be amended to provide greater consistency with common corporate practice and the Listing Rules. The Listing Rules require directors to retire at the third Annual General Meeting after their appointment or after three years, whichever is longer. The constitution will no longer require one-third of the directors to retire each year;
- (c) **Restricted Securities** – it is proposed to update rule 165 (Restricted Securities) to reflect the Listing Rule amendments to Listing Rule 15.12 (Restricted Securities) which came into effect on 1 December 2019; and
- (d) **Dividends** – changes have been made throughout clauses 125, 128 and 131 (relating to dividends and reserves) of the constitution to permit the Board to declare or determine dividends. This reflects the provisions of the Corporations Act that contemplate that dividends may be declared or determined.

6.5 Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person online, by proxy, by attorney, in the case of a corporate shareholder, by a corporate representative).

6.6 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 5.

7. EXPLANATION OF RESOLUTION 6 – APPROVAL OF NON-EXECUTIVE DIRECTOR REMUNERATION

7.1 Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

'That for the purposes of Listing Rule 10.17 and for all other purposes, the shareholders of the Company approve the increase of the maximum aggregate amount payable to non-executive directors by way of directors' fees from \$250,000 to \$350,000.'

7.2 The constitution of the Company provides that non-executive directors of the Company are entitled to receive remuneration for their services which do not in any year exceed in aggregate the amount last fixed by ordinary shareholder resolution.

7.3 The current maximum total remuneration for non-executive directors is \$250,000 per annum (including superannuation) and was approved by shareholders at the general meeting on 21 May 2019.

7.4 The Board wishes to increase the total maximum remuneration payable to non-executive directors by \$100,000 to \$350,000 per annum (including superannuation). Such remuneration is to be divided among the non-executive directors in such proportion and manner as the directors agree.

7.5 The Board does not intend to increase fees paid to non-executive directors in the near future. The present intention is that each non-executive director will continue to receive \$53,971 per year with the Chairman receiving \$75,559 (exclusive of superannuation). The total fee pool also includes some flexibility for future Board requirements. The Board believes that the current fees reflect market remuneration required to recruit to the Board the directors with the necessary skills and experience to create value for shareholders.

7.6 Listing Rule 10.17 provides that a listed company must not, without shareholder approval, increase the total amount of non-executive directors' fees. Accordingly, approval is sought to increase the maximum aggregate amount which can be paid as fees to non-executive directors to \$350,000 per financial year.

7.7 This is a maximum limit and does not indicate that fees will be increased immediately to that limit.

7.8 In accordance with Listing Rule 10.17, the Company advises that it has not issued any shares to a non-executive director under rule 10.11 or 10.14 with the approval of shareholders at any time within the preceding 3 years.

7.9 A voting exclusion applies to Resolution 6 – please see notes to Resolution 6.

7.10 Directors' recommendation

As the non-executive directors have a personal interest in the proposed outcome of Resolution 6, they consider it would not be appropriate to make a recommendation to shareholders as to how to vote in relation to this resolution.

8. GLOSSARY OF TERMS

In this explanatory statement, the following expressions have the following meanings:

Annual Report means the report to Shareholders containing, amongst other things, the financial statements, report of the Directors, the remuneration report and the report of the Auditors to which reference is made in this explanatory statement;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Ltd trading as Australian Securities Exchange;

ASX Listing Rules means the listing rules of ASX;

Auditors means Nexia Sydney Audit Pty Ltd, Chartered Accountants, the Company's external auditors;

Board means the Directors of the Company from time to time;

Closely Related Party means the closely related parties of the Key Management Personnel as defined in the Corporations Act, including certain members of their family, dependents and companies they control;

Company means Cyclopharm Limited ACN 116 931 250 the registered office of which is located at Unit 4, 1 The Crescent, Kingsgrove, NSW 2208 Australia;

Constitution means the Constitution of the Company adopted by the Shareholders dated 31 October 2005 and the amendments approved at the annual general meeting convened on 26 May 2011;

Corporations Act means the *Corporations Act 2001* (Cth), as amended;

Directed Proxy Form means a proxy form which specifies how a proxy is to vote;

Directors means the Directors of the Company from time to time sitting as the Board or individually as the case requires;

Key Management Personnel means the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly;

Meeting, AGM or Annual General Meeting means the annual general meeting of Shareholders convened by the Notice of Meeting;

Notice of Meeting means the notice of annual general meeting dated 30 March 2021 which accompanies this explanatory statement;

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel;

Resolution means an ordinary resolution referred to in the Notice of Meeting;

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

Shareholders means the holders of Shares in the Company as recorded in the register at 7.00 pm (Sydney time) on Sunday, 2 May 2021;

Share Registry means Automic of Level 5, 126 Phillip Street, Sydney, NSW, 2000; and

Undirected Proxy Form means a proxy form which does not specify how the proxy is to vote.

9. SHAREHOLDER ENQUIRIES

Shareholders with questions regarding this Notice of Meeting and Explanatory Statement should contact the Company Secretary, James McBrayer, on +61 2 9541 0411 during normal office hours. He will attempt to answer your questions or refer you to someone who can do so, but no person is authorised by the Company to give any information, or make any representation, in connection with the Notice or Explanatory Statement not contained in them.



If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **11.30am (AEST) on Sunday, 2 May 2021**, 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

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.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted in favour of the relevant resolution, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

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

Joint holding: Where the holding is in more than one name, all 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>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

