

**Cellmid Limited**

Suite 204, 55 Clarence Street  
Sydney NSW 2000

ACN: 111 304 119

<http://www.cellmid.com.au/>



# Cellmid Limited

## Notice of 2018 Annual General Meeting

Explanatory Statement | Proxy Form

8 November 2018

11.00am AEDT

**Address**

Automic Group

Level 5, 126 Phillip Street, Sydney NSW 2000

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

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# Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am (AEDT) on 8 November 2018 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

## Your vote is important

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

## Voting in person

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

## Voting by proxy

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

1. Lodge the Proxy Form online at <https://investor.automic.com.au/#/loginsah> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form.
2. Complete and sign the enclosed Proxy Form and return the form:
  - (a) by post to:  
Automic, GPO Box 5193, Sydney NSW 2001; or
  - (b) by hand to:  
Automic, Level 5, 126 Phillip Street, Sydney NSW 2000; or
  - (c) by fax to: (02) 8583 3040.

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

## Power of Attorney

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

## Corporate Representatives

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

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Cellmid Limited ACN 111 304 119 will be held at 11.00am (AEDT) on 8 November 2018 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 (**Meeting**).

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00pm (AEDT) on 6 November 2018. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."*

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

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

# Resolutions

## Part A: Remuneration Report

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

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2018.”*

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

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

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

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

## Part B: Re-election of Directors

### 2. **Resolution 2** – Re-election of Dr David King as Director

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

*"That Dr David King, a Director who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director of the Company, is re-elected, effective immediately."*

## Part C: Non-Executive Directors' Fees

### 3. **Resolution 3** – Approval to Increase the Maximum Aggregate Amount of Non-Executive Directors' Fees

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

*"That, for the purposes of ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of remuneration that may be paid to the Company's non-executive directors in any financial year is increased by \$100,000, from \$300,000 to \$400,000, effective immediately."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) any Director of the Company; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair 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.

## Part D: Issue of Securities to Directors

### 4. **Resolution 4** – Approval of Issue of Incentive Shares to Maria Halasz

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 500,000 fully paid ordinary shares to Maria Halasz (or her nominee), Managing Director and CEO of the Company, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

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

- (a) Maria Halasz (or her nominee); or
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; or
- (c) an Associate of any person described in (a) or (b).

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. **Resolution 5** – Approval of Issue of Director Fee Shares to Dennis Eck

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

*"That, for the purposes of ASX Listing Rule 10.11, the Shareholders of the Company approve the issue and allotment of 130,000 fully paid ordinary shares to Dennis Eck, a Director of the Company (or his nominee), on the terms set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

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

- (a) Dennis Eck (or his nominee); or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair 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.

**BY ORDER OF THE BOARD**



Lee Tamplin  
Company Secretary



# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11.00am (AEDT) on 8 November 2018 at Automic, Level 5, 126 Phillip Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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

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

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

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

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at [http://www.cellmid.com.au/content\\_common/pg-financial-information-and-reports.seo](http://www.cellmid.com.au/content_common/pg-financial-information-and-reports.seo).

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

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

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

# Resolutions

## Part A: Remuneration Report

### Resolution 1 – Adoption of Remuneration Report

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

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at [http://www.cellmid.com.au/content\\_common/pg-financial-information-and-reports.seo](http://www.cellmid.com.au/content_common/pg-financial-information-and-reports.seo).

#### Voting

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

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions about, or make comments on, the remuneration report.

## Part B: Re-election of Director

### Resolution 2 – Re-election of Dr David King as Director

The Company's Constitution requires that any Director (other than a Managing Director) appointed by the Directors since the last annual general meeting, one third (or if that is not a whole number, the next lowest whole number) of the other Directors (not counting the Managing Director), and any Director (not counting the Managing Director) for whom this would be the third annual general meeting since their last appointment or three years since their last appointment (whichever is the longer) must automatically retire at the annual general meeting and may elect to offer themselves for re-election.

ASX Listing Rule 14.4 also provides that a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer.

Dr David King was appointed a Director of the Company on 18 January 2008 and was last re-elected at the 2015 AGM. Under this Resolution, Dr David King has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

#### Biography of Dr David King:

Dr David King brings a depth of corporate governance, capital markets and listed company board

experience to Cellmid. He has previously held positions as Executive Director, Chief Executive Officer and Managing Director in a number of private and listed companies.

An expert in high growth companies, Dr King has a track record in starting business ventures and developing them into attractive investment and/or take-over targets. His experience in successful start-up businesses has been instrumental in Cellmid's acquisition of the midkine intellectual property portfolio and the assets pertaining to the Company's consumer health business.

Dr King is a fellow of the Australian Institute of Company Directors, a fellow of the Australian Institute of Geoscientists and the Australian Institute of Mining & Metallurgy (Chartered Professional Management) and holds degrees in physics and geophysics and a PhD in Seismology from the Australian National University.

#### **Directors' recommendation**

The Directors (excluding Dr David King) recommend that Shareholders vote in favour of this Resolution.

## **Part C: Non-Executive Directors' Fees**

### **Resolution 3 – Approval to Increase the Maximum Aggregate Amount of Non-Executive Directors' Fees**

In accordance with Listing Rule 10.17 and clause 50.1 of the Company's Constitution, Shareholder approval is sought to increase the maximum aggregate amount available for non-executive directors' remuneration in any financial year by \$100,000, from \$300,000 to \$400,000.

The Directors seek Shareholder approval to increase the aggregate amount of directors' fees for non-executive directors as:

- (a) it is important to ensure that the Company maintains the ability to pay competitive fees and attract and retain high calibre non-executive directors; and
- (b) the size of the proposed increase would be consistent with other ASX listed entities of similar market capitalisation.

It is not intended that should this Resolution be passed, the maximum aggregate of the fees of non-executive directors would be utilised immediately.

The proportion remaining unused will provide the Company with the ability to attract and retain high quality directors, to make any appropriate increases to the size of the Board, and to increase fees in the future in line with market conditions.

It is proposed that the increase in the aggregate amount of fees for non-executive directors will take effect immediately after this Meeting.

As required by Listing Rule 10.17, the Company confirms that the following securities have been issued to non-executive directors in the preceding three years (from the date of this Meeting) under Listing Rules 10.11 or 10.14:

Date of issue	Non-executive director	Terms and number of securities issued
12/09/2018	Mr Dennis Eck	Listing Rule 10.11: Mr Eck self-purchased 2,631,579 fully paid ordinary shares at an issue price of \$0.38 (as part of the Company's placement).
12/09/2018	Dr Martin Cross	Listing Rule 10.11: Dr Cross self-purchased 80,000 fully paid ordinary shares at an issue price of \$0.38 (as part of the Company's placement).
19/11/2015	Dr Fintan Walton	Listing Rule 10.11: 2,000,000 unlisted options with an exercise price of \$0.06, expiring on 19 November 2018.  Since this issue, a consolidation took place, accordingly, the terms and number following the consolidation is 100,000 unlisted options with an exercise price of \$1.20.
19/11/2015	Mr Bruce Gordon	Listing Rule 10.11: Issued 2,000,000 unlisted options with an exercise price of \$0.06, expiring on 19 November 2018.  Since this issue, a consolidation took place, accordingly, the terms and number following the consolidation is 100,000 unlisted options with an exercise price of \$1.20.
19/11/2015	Dr David King	Listing Rule 10.11: Issued 4,000,000 unlisted options with an exercise price of \$0.06, expiring on 19 November 2018.  Since this issue, a consolidation took place, accordingly, the terms and number following the consolidation is 200,000 unlisted options with an exercise price of \$1.20.

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

## Part D: Issue of Securities to Directors

### Resolution 4 – Approval of Issue of Incentive Shares to Maria Halasz

#### Background

The non-conflicted members of the Board of the Company have determined that as a result of Ms Halasz's longstanding commitment to the Company and the successful performance of her duties as Managing Director and CEO, as part of her remuneration, subject to Shareholder approval which is sought under this Resolution, the Company will issue the following securities to Ms Halasz:

- 500,000 fully paid ordinary shares (**Incentive Shares**) as a result of the successful achievement of the FY2018 milestone, being the profitability of at least one Advangen Limited subsidiary. In order to assist the Company preserve its cash position, Ms Halasz has agreed to be remunerated for this achievement via the issue of shares;

As set out in the Company's 2018 statutory accounts lodged with ASX on 19 September 2018, as part of Ms Halasz's remuneration, the Board at its discretion, subject to prior approval by Shareholders being obtained, may grant performance-based incentives to Ms Halasz.

Following release of the Company's 2018 Annual Financial Report:

- (a) the remuneration committee considered the Company's achievements, and in particular, Ms Halasz's achievement of the FY2018 milestone which had been set for her for the year;
- (b) the FY2018 milestone was to achieve profitability of at least one Advangen Limited subsidiary;
- (c) the remuneration committee resolved that a bonus in the amount of \$185,000 for FY19 was appropriate for having achieved the FY2018 milestone; and
- (d) Ms Halasz agreed to receive the bonus in the form of shares, to assist the Company preserve its cash position.

As a sign of ongoing commitment to the Company, Ms Halasz has agreed to voluntarily escrow 50% of the Incentive Shares for a period of 2 years from their date of issue, if Shareholder approval is obtained.

### **Related Party Approvals**

ASX Listing Rule 10.11 provides that the Company, as a listed company, must not issue equity securities to a related party without Shareholder approval.

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

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

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

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

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

As Ms Halasz is a Director of the Company, Ms Halasz is a "related party" of the Company. Therefore, the proposed issue of Incentive Shares to Ms Halasz requires Shareholder approval under Listing Rule 10.11.

In relation to Chapter 2E of the Corporations Act, the non-conflicted Directors (which is the Board with Ms Halasz removed from discussions) carefully considered the issue of these Incentive Shares to Ms Halasz, and formed the view that the giving of this financial benefit to her as part of her remuneration, would be reasonable, as it is part of her employment contract and given the circumstances of the Company and the responsibilities held by Ms Halasz as Managing Director and CEO of the Company.

In reaching this view, the following considerations were taken into account by the non-conflicted Directors:

- (a) it is customary for a Managing Director and CEO of an ASX listed entity to be remunerated via incentive securities and the issue of bonuses which are tied to the performance of the Company (as the case is for the Incentive Shares);

- (b) Ms Halasz is entitled to an incentive according to her employment agreement, which Ms Halasz has offered to take up in form of Incentive Shares instead of cash, which will assist in preserving the Company's cash position;
- (c) Ms Halasz has offered to voluntarily escrow 50% of the Incentive Shares for a period of 2 years, which reflects highly of Ms Halasz's desire to remain committed to the long-term success of the Company;
- (d) the quantity and value of the Incentive Shares proposed to be issued to Ms Halasz is reasonable in light of Ms Halasz's existing remuneration and demanding role as Managing Director and CEO; and
- (e) the issue of Incentive Shares are a cost effective and efficient reward and incentive to be provided to Ms Halasz as opposed to the alternative form of cash incentives.

Accordingly, the non-conflicted Directors of the Board believe that the issue of Incentive Shares to Ms Halasz falls within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act and rely on this exception for the purposes of Resolution 4 of this Notice of Meeting.

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

The following information in relation to the issue of the Incentive Shares to Ms Halasz is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The related party is Ms Maria Halasz, the Managing Director and CEO of the Company.
- (b) The maximum number of Incentive Shares to be issued is 500,000.
- (c) The Incentive Shares will be issued within 1 month of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) The Incentive Shares will have a deemed issue price of \$0.37 per Incentive Share.
- (e) The Incentive Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) As the Incentive Shares are being issued as part of Ms Halasz's remuneration, no funds will be raised from their issue.

### **Directors' recommendation**

The non-conflicted Directors (excluding Ms Halasz) recommend that Shareholders vote for this Resolution.

## Resolution 5 – Approval of Issue of Director Fee Shares to Dennis Eck

### Background

This Resolution seeks Shareholder approval to issue and allot fully paid ordinary shares (**Director Fee Shares**) to Dennis Eck, in lieu of cash Directors' fees for the period to 26 March 2019.

Dennis Eck was appointed as a Director of the Company on 26 March 2018. Under his agreed terms of appointment, Mr Eck agreed to receive his Directors' fees as shares in lieu of a cash payment subject to Shareholder approval being obtained.

Accordingly, Shareholder approval is being sought under Resolution 5 to issue the Director Fee Shares to Mr Eck. The number of Director Fee Shares proposed to be issued to Mr Eck has been calculated as follows:

Director	Average Annual Director Fees (AUD)	Deemed Issue price per share	Number of Director Fee Shares
Dennis Eck	\$50,000 plus taxes	\$0.38	130,000

### Related Party Approvals

ASX Listing Rule 10.11 provides that the Company, as a listed company, must not issue equity securities to a related party without Shareholder approval.

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

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

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

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

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

As Mr Eck is a current Director of the Company, Mr Eck is a "related party" of the Company. Therefore, the proposed issue of Director Fee Shares to Mr Eck requires Shareholder approval under Chapter 2E of the Corporations Act and Listing Rule 10.11.

Each of the non-conflicted Directors have considered the proposed issue of Director Fee Shares to Mr Eck as part of his remuneration package. Each of the non-conflicted Directors formed the view that the giving of the financial benefit to Mr Eck is reasonable remuneration, given the circumstances of the Company and the responsibilities to be held by Mr Eck as a Director of the Company.

In reaching the view, the following considerations were taken into account by the non-conflicted Directors:

- (a) the Director Fee Shares do not represent an incentive, but reflect the actual Director fees which are owed, or will be owed, to Mr Eck in accordance with his agreed terms of appointment;

- (b) the value of Mr Eck's fees (\$50K per annum plus taxes) are reasonable and in accordance with market practice;
- (c) the issue of Director Fee Shares is a cost effective and efficient method to remunerate Mr Eck for his services as a Director of the Company, as opposed to alternative forms of remuneration, such as the payment of cash; and
- (d) the issue of Director Fee Shares allows the Company to attract and maintain high quality professionals to the Board of the Company, without impacting the Company's cash reserves.

Accordingly, the non-conflicted Directors believe that the issue of Director Fee Shares to Mr Eck falls within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act and relies on this exception for the purposes of Resolution 5 of this Notice of Meeting.

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

The following information in relation to the issue of the Director Fee Shares to Mr Eck (or his nominee) is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The related party is Mr Eck, a Non-Executive Director of the Board.
- (b) The maximum number of Director Fee Shares to be issued to Mr Eck is 130,000.
- (c) The Director Fee Shares will be issued within 1 month of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) The Director Fee Shares will be issued with a deemed issue price of \$0.38 per Director Fee Share.
- (e) The Director Fee Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) No funds will be raised by the issue of the Director Fee Shares. As detailed above, the purpose of the issue of Director Fee Shares in lieu of cash payments for Director fees is to preserve cash resources of the Company.

### **Directors' recommendation**

The Directors (excluding Mr Dennis Eck) recommend that Shareholders vote in favour of this Resolution.

## **Enquiries**

Shareholders are asked to contact the Company's Share Registry on 1300 288 664 if they have any queries in respect of the matters set out in these documents.



# Glossary

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

**Annual Financial Report** means the 2018 Financial Report to Shareholders for the period ended 30 June 2018 as lodged by the Company with ASX on 19 September 2018.

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

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

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

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

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

**Auditor's Report** means the auditor's report of Grant Thornton Pty Ltd dated 19 September 2018 as included in the Annual Financial Report.

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

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

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

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

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

**Company** means Cellmid Limited ACN 111 304 119.

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

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

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

**Director Fee Shares** means Shares that are proposed to be issued to Mr Dennis Eck in lieu of cash payments for his Director fees.

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

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

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

**FY2018** means the financial year ended 30 June 2018.

**Incentive Shares** means the Shares which are proposed to be issued to Ms Maria Halasz as a bonus for the performance of her duties as Managing Director and CEO of the Company.

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

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 9 October 2018 including the Explanatory Statement.

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

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

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

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

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

**Securities** mean Shares and/or Options (as the context requires).

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

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

**Share Registry** means Automic Registry Services ABN 27 152 260 814.

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

Holder Number:

## Vote by Proxy: CDY

Your proxy voting instruction must be received by **11.00am (AEDT) on Tuesday, 6 November 2018**, 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.



