

14 May 2018

Dear Shareholder

I am pleased to invite you to attend Neuren Pharmaceuticals Limited's Annual Shareholders' Meeting in Melbourne, for which the following documents are enclosed:

- notice of the meeting, including explanatory memorandum;
- a personalised proxy form;
- a form to elect to receive shareholder communications electronically; and
- a return envelope.

Also enclosed is a disclosure document that is required under section 62 of the New Zealand Companies Act 1993 ("Act") regarding the Company's intention to buy back some of its own shares that were issued under the Company's Loan Funded Share Plan.

The Annual Shareholders' Meeting will be held at Chartered Accountants Australia and New Zealand, Level 18, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000 at 2.30 pm (AEST) on Monday 18 June 2018. If you are able to attend, we look forward to welcoming you and ask you please to bring the personalised proxy form with you to assist with registration and admission to the meeting.

If you are unable to attend but wish to appoint a proxy to attend and vote in your place, please either lodge your proxy form online, following the instructions on the proxy form, or complete the proxy form and return it to the share registry as instructed on the form in either case by no later than 2.30 pm (AEST) on Saturday 16 June 2018.

If you have received this by mail and it would have been feasible and practical for you to receive it by e-mail, please can you elect to receive all future Neuren communications by e-mail, which can be done via the share registry website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)), or by completing the enclosed election form and returning it to Link Market Services at the address on the election form.

Yours sincerely



Jon Pilcher  
CFO & Company Secretary

## NOTICE OF ANNUAL SHAREHOLDERS' MEETING

Notice is given that the Annual Shareholders' Meeting of Neuren Pharmaceuticals Limited (**Company** or **Neuren**) will be held at Chartered Accountants Australia and New Zealand, Level 18, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000, on Monday 18 June 2018 commencing at 2.30 pm (AEST). In accordance with the Constitution, the Board has fixed 11 May 2018 as the date of shareholder entitlement to receive notice of the Annual Shareholders' Meeting.

### BUSINESS

**A** Executive Chairman's address

**B** To receive and consider the annual report of the Company

**C** Resolutions

1. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:  
"That Dr Trevor Scott be re-elected as a director of the Company."
2. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:  
"That the board of directors is authorised to fix the auditor's fees and expenses."

Resolutions 1 and 2 are to be considered as ordinary resolutions and, to be passed, require the approval of a majority of the valid votes cast on the resolution by the shareholders entitled to vote and voting on the resolution. Each of these Resolutions is described in the Explanatory Memorandum which forms part of this Notice of Annual Shareholders' Meeting.

By order of the Board



Jon Pilcher  
CFO & Company Secretary  
14 May 2018

## EXPLANATORY MEMORANDUM

### INTRODUCTION

The purpose of this Explanatory Memorandum, which forms part of the Notice of Annual Shareholders' Meeting dated 14 May 2018, is to provide shareholders with an explanation of the Resolutions to be proposed and considered at the Annual Shareholders' Meeting on Monday 18 June 2018 ("Meeting") and to allow shareholders to determine how they wish to vote on these Resolutions.

### ANNUAL REPORT

The Company is an "e-reporting entity" under the Financial Markets Conduct Regulations 2014 (as amended by the Financial Markets Conduct Amendment Regulations 2017) ("Regulations"). In

accordance with section 61D of the Regulations, the Company's annual report for the year ended 31 December 2017 is available for viewing and download from the Company's website [www.neurenpharma.com](http://www.neurenpharma.com). The Company's annual reports for all future accounting periods for which it is an e-reporting entity will be publicly available on that site, as required by regulation 61D. A shareholder may, at any time, request a free copy (as a hard copy or an electronic copy) of the most recent and future annual reports.

Shareholders should note that they will be able to ask questions or discuss matters arising from the annual report at the Meeting. However, it is not the purpose of the Meeting that the annual report be accepted, rejected or modified in any way.

## RESOLUTIONS

### 1. ELECTION OF DIRECTORS (ORDINARY RESOLUTION 1)

The ASX Listing Rules require that a director of an entity must not hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is longer. Accordingly Dr Trevor Scott offers himself for re-election. Trevor is an independent non-executive director and is Chair of the Audit Committee and the Remuneration Committee. He provides a significant contribution to the Board's skills matrix. Trevor joined the Neuren Board in March 2002 and is resident in New Zealand. He is the founder of T.D. Scott and Co., an accountancy and consulting firm, which he formed in 1988. Trevor is an experienced advisor to companies across a variety of industries, serves on numerous corporate boards and is chairman of several.

### 2. AUDITOR FEES AND EXPENSES (ORDINARY RESOLUTION 2)

In accordance with section 207S of the New Zealand Companies Act 1993, this resolution seeks authorisation for the board of directors to fix the fees and expenses of the Company's auditor.

## HOW TO VOTE

The persons who will be entitled to attend and vote at the Meeting are those persons (or their proxies or representatives) registered as holding Ordinary Shares on Neuren's share register at 7.00 pm (AEST) on Friday, 15 June 2018.

To vote on the Resolutions to be put to the Meeting follow these steps:

1. Attend the Meeting. Please bring the enclosed Proxy Form with you to assist registration; OR
2. Complete the enclosed Proxy Form and return it to Neuren's share registry, Link Market Services, by facsimile or mail as directed on the Proxy Form, or lodge it on-line at the registry's website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)) in accordance with the instructions given (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website).

**Documents received or lodged later than 2.30 pm (AEST) on Saturday 16 June 2018 will not be valid for the Meeting.**

### Proxies and Corporate Representatives

Shareholders entitled to attend and vote at the Meeting may appoint a proxy or representative (in the case of a corporate shareholder) to attend the meeting and vote on their behalf by completing the enclosed Proxy Form. A proxy or representative need not be a shareholder of Neuren. Proxy Forms must be received by Neuren's share registry, Link Market Services Limited, at the address on the enclosed Proxy Form, or be lodged on-line at the registry's website, by 2.30 pm (AEST) on Saturday 16 June 2018. A representative should bring to the Meeting evidence of his or her appointment by the shareholder.

DISCLOSURE DOCUMENT UNDER SECTION 62 OF THE NEW ZEALAND COMPANIES ACT 1993 ("ACT") REGARDING AN OFFER BY THE COMPANY TO ACQUIRE ITS OWN SHARES FROM ONE SHAREHOLDER UNDER SECTION 61

**(a) Nature and terms of the offer**

Neuren Pharmaceuticals Limited (the "Company") operates a Loan Funded Share Plan (the "Plan") in order to provide long term incentives that align the interests of key executives with shareholders.

Following approval by shareholders at the Annual Meeting of Shareholders on 20 May 2013, 2 million ordinary shares were issued to Neuren Trustee Limited under the Plan to be held in trust for Richard Treagus. In accordance with the rules of the Plan, the issue was funded by a limited recourse loan of A\$1,560,000 from Neuren Pharmaceuticals Limited to Dr Treagus. The shares were to be held in trust until certain vesting conditions were met and the loan was repaid, upon which the shares would be transferred to Dr Treagus. The vesting conditions were met in 2016, however the shares are still held in trust by Neuren Trustee Limited, pending repayment of the loan.

Under the rules of the Plan, on request by the Plan participant, the Company may dispose of, or buy back, vested shares and utilise the proceeds to settle the outstanding loan.

The Company will offer to buy back shares from Neuren Trustee Limited at the volume weighted average price at which the Company's shares are traded on Australian Securities Exchange during the 5 days ending on the day of the buy back (the "Offer"). The number of shares bought back under the Offer, as determined by the Company, will be up to A\$1,560,000 divided by the buy back price per share.

Following completion of the Offer, the shares bought back will be cancelled and the number of shares bought back multiplied by the buy back price per share will be deducted from the outstanding loan.

**(b) Nature and extent of relevant interest of a director**

Richard Treagus has a relevant interest in the shares that are the subject of the offer, in that under the trust arrangements under which the shares are held pending repayment of the outstanding limited recourse loan, he has the power to control the acquisition or disposition of the shares.

**(c) Directors' resolution required by section 61 of the Act**

On 11 May 2018 the board of directors, with Richard Treagus abstaining, resolved:

"That the acquisition of the shares under the Offer is of benefit to the remaining shareholders and that the terms of the Offer and the consideration offered for the shares are fair and reasonable to the remaining shareholders. The reasons for these conclusions are:

1. The consideration is a commonly used measure of the market price of the shares.
2. If the Offer were not to proceed, the number of shares to be bought back would have to be sold into the market in order to provide funds to repay the outstanding loan. This would likely cause the share price to fall, negatively impacting the remaining shareholders.
3. The Offer will lead to a reduction in the total number of issued shares, reducing the dilutive impact of the loan funded shares on the remaining shareholders.
4. The Offer will result in the Company not receiving cash from the sale of those shares into the market, however the benefits for the remaining shareholders described in items 2 and 3 will exceed any potential negative impact on the Company."



pharmaceuticals

**Neuren Pharmaceuticals Limited**

ARBN 111 496 130

**LODGE YOUR VOTE**

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
Neuren Pharmaceuticals Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



**X99999999999**

**PROXY FORM**

I/We being a member(s) of Neuren Pharmaceuticals Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

**STEP 1**

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2.30pm (AEST) on Monday, 18 June 2018 at Chartered Accountants Australia and New Zealand, Level 18, Bourke Place, 600 Bourke Street, Melbourne VIC 3000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .**

**Resolutions**

**For Against Abstain\***

**1** Re-election of Dr Trevor Scott as a Director

  

**2** Auditor Fees and Expenses

  

**STEP 2**

**i** \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

**STEP 3**

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**NEU PRX1801A**



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2.30pm (AEST) on Saturday, 16 June 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Neuren Pharmaceuticals Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

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

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**