

**NEXT SCIENCE LIMITED**  
**ACN 622 382 549**

**NOTICE OF GENERAL MEETING**

Notice is given that a General Meeting of the Shareholders of Next Science Limited (**Next Science** or the **Company**) will be held on **Wednesday, 18 November 2020 at 10.00am** (Sydney time) at Suite 1902, Level 19, Tower A, The Zenith Building, 821 Pacific Highway, Chatswood, New South Wales, Australia. (**EGM**). As social distancing and enhanced hygiene rules continue to apply as a result of the COVID-19 pandemic, shareholders are encouraged not to attend the EGM in person and to please utilise the online voting and question facilities we have arranged.

Shareholders will be able to view the EGM live as well as vote and ask questions during the EGM by using the following link: <https://agmlive.link/NXS2020>

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on the matters to be considered at the EGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Voting Form are part of this Notice of Meeting.

**ITEM FOR APPROVAL**

**Resolution 1 – Approval to Issue Shares to Walker Group Holdings Pty Limited**

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

*“That the issue of up to 1,666,667 fully paid ordinary shares to Walker Group Holdings Pty Limited on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved under, and for the purposes of, ASX Listing Rule 10.11 and for all other purposes.”*

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

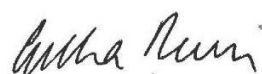
- a. Mr Langley Walker (**Mr Walker**), Auckland Trust Company Limited or Walker Group Holdings Pty Limited; or
- b. an associate of any of Mr Walker, Auckland Trust Company Limited or Walker Group Holdings Pty Limited.

In addition, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way; or
- b. the Chair of the EGM as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 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 Resolution 1; and
  - ii. the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

By Order of the Board



Gillian Nairn  
Company Secretary  
16 October 2020

## **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares of Next Science as at 7:00 pm (Sydney time) on **Monday, 16 November 2020** will be entitled to participate in and vote at the EGM as a Shareholder.

If more than one joint holder of shares participates in the EGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### *How to Vote*

If you are a Shareholder entitled to participate and vote at the EGM, you can vote your shares directly in one of the following ways:

- (i) by voting your shares online prior to the EGM at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) using the details on the enclosed Voting Form;
- (ii) by completing Section A of the enclosed Voting Form and delivering the completed Voting Form to Next Science prior to the EGM in accordance with the lodgement instructions below;
- (iii) by completing Section B of the enclosed Voting Form to appoint a proxy or nominee to vote on your behalf during the EGM; or
- (iv) by joining the webcast and voting during the EGM.

Whilst you are entitled as a shareholder, pursuant to the Company's Constitution, to attend the EGM and vote in person, due to COVID19 transmission risks, we strongly urge you to **not** attend in person and to participate in the EGM via the webcast accessible on the following link: <https://agmlive.link/NXS2020>

Shareholders should complete their voting directions by selecting 'for' or 'against' the item on the Voting Form. Do not complete the 'abstain' box if you are voting directly as it will result in an invalid vote. If no direction is given on an item or if Section A and Section B are both completed on the Voting Form, your vote may be passed to the Chair of the EGM as your proxy. The Chair of the EGM intends to vote all available undirected proxies in favour of each resolution.

### *Proxies*

If you are a Shareholder entitled to participate and vote, you may appoint a proxy or proxies to participate and act on your behalf at the EGM. A proxy need not be a Shareholder and can be an individual or a body corporate.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001* (Cth) (**Act**) to exercise its powers as proxy at the EGM.

An appointment of proxy must be made by written notice to the Company that:

1. complies with section 250A(1) of the Act; or
2. is in a form and mode, and is signed or otherwise authenticated by the Shareholder in a manner, satisfactory to the Board.

If a Shareholder is entitled to cast two or more votes at the EGM, the Shareholder may appoint one or two proxies. If two proxies are appointed, the appointing Shareholder may specify the proportion or number of their votes each proxy is appointed to exercise. In accordance with Rule 17.1 of the Company's Constitution, if no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

### *Undirected proxies*

If the Chair of the meeting is appointed or taken to be appointed as a proxy and you do not specify in the Voting Form the manner in which you wish the Chair to vote on the resolution to be considered at the meeting, then by submitting your Voting Form you will be expressly authorising the Chair to exercise your proxy on the relevant resolution. The Chair intends to exercise all available votes in favour of the resolution.

### *Power of Attorney*

If you are a Shareholder entitled to attend and vote, you may appoint an attorney to act on your behalf at the EGM. Your appointment must be made by a duly executed power of attorney. The power of attorney (or a certified copy of it) must be received by Next Science no later than 10.00am (Sydney time) on **Monday, 16 November 2020**, being 48 hours before the EGM.

### *Corporate Representatives*

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the EGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should deliver to the Company prior to the EGM, a properly executed letter or other document confirming its authority to act as the company's representative.

### *Lodgement*

The Company encourages you to register your voting instructions in one of the ways below:

- by voting your shares online prior to the EGM at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) using the details on the enclosed Voting Form;
- by voting prior to the EGM by completing Section A of the enclosed Voting Form and returning the Voting Form to the Company in accordance with the lodgement instructions below; or
- by appointing a proxy to participate and act on your behalf at the EGM by completing Section B of the Voting Form and returning the Voting Form to the Company in accordance with the lodgement instructions below; or
- by voting online during the EGM via the webcast accessible on the following link: <https://agmlive.link/NXS2020>

If you wish to vote prior to the EGM, your Voting Form must be received by Next Science no later than 10.00am (Sydney time) on **Monday, 16 November 2020** by one of the following methods:

**ONLINE**

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

**BY MAIL**

Next Science Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

**BY FAX**

+61 2 9287 0309

**ALL ENQUIRIES TO**

Telephone: 1300 554 474  
Overseas: +61 1300 554 474

To be valid, a Voting Form must be received by Next Science in the manner stipulated above. The Company reserves the right to declare invalid any Voting Form not received in this manner.

**Voting at the Meeting**

It is intended that voting on the proposed resolution at the EGM will be conducted by a poll.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared in relation to the business to be conducted at the EGM.

The purpose of this Explanatory Memorandum is to provide shareholders of Next Science (**Shareholders**) with information that is reasonably required by them to decide how to vote upon the resolution being put forward at the EGM.

Subject to the abstention noted below, the Directors unanimously recommend Shareholders vote in favour of Resolution 1 of the Notice of General Meeting (**Notice**). The Chair of the Meeting intends to vote all available undirected proxies in favour of Resolution 1.

Resolution 1 is an ordinary resolution which requires a simple majority of votes cast by Shareholders entitled to vote on the resolution.

### **RESOLUTION 1 – APPROVAL TO ISSUE SHARES TO WALKER GROUP HOLDINGS PTY LIMITED**

#### **Background**

On 16 September 2020, Next Science announced that it was undertaking a capital raising of up to A\$15 million comprising:

- A placement of A\$8 million (**Placement**) underwritten by Canaccord Genuity at A\$1.20 per fully paid ordinary share (**Share**);
- A firm commitment of A\$2 million at A\$1.20 per Share from Mr Langley Walker with the allocation of shares to Walker Group Holdings Pty Ltd subject to shareholder approval; and
- A share purchase plan (**SPP**) offer to existing eligible Shareholders to raise up to A\$5 million at the lower of A\$1.20 per Share or the price that was a 2% discount to the VWAP of Next Science shares on the ASX over the five trading days up to, and including, the closing date of the SPP.

On 17 September 2020, Next Science announced that it had received firm commitments totalling A\$8 million from institutional and sophisticated investors pursuant to the Placement.

Funds raised from the Placement and SPP will be used to provide working capital to support the commercial launch of the Company's XPerience Surgical Rinse in the US market in the first half of 2021, subject to clearance by the Food and Drug Administration of the USA, and other related commercialisation activities.

The issue of shares under the Placement to institutional and sophisticated investors was undertaken using Next Science's 15% placement capacity under ASX Listing Rule 7.1. Listing Rule 7.1 does not apply to the issue of shares under an SPP.

The proposed issue of Shares to Walker Group Holdings Pty Limited is the final component of the capital raising which Next Science announced on 16 September 2020.

#### **Approval required for issue of shares to a substantial holder**

Next Science is proposing to issue 1,666,667 Shares to Walker Group Holdings Pty Limited (the **Proposed New Share Issue**).

ASX Listing Rule 10.11 provides that, unless an exception in ASX Listing Rule 10.12 applies, a listed entity must not issue or agree to issue equity securities to a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity or to an associate of such a person, unless the entity obtains the approval of its holders of ordinary securities.

As at the date of Next Science's admission to ASX in April 2019, Walker Group Holdings Pty Limited and Auckland Trust Company Limited ATF the Second Pacific Master Superannuation Fund collectively held, and have continued to hold, an interest of more than 30% in Next Science, and are consequently

substantial (30%+) holders of Shares within the meaning of ASX Listing Rule 10.11. As Mr Walker is an associate of both of these entities, he is also a substantial (30%+) holder of Shares within the meaning of ASX Listing Rule 10.11.

The details of the interests of Mr Walker, Walker Group Holdings Pty Limited, Auckland Trust Company Limited as trustee of the Second Pacific Master Superannuation Fund and Mr Walker in Next Science, as disclosed in Notices of Initial Substantial Holder lodged with ASX, are as follows:

<b>Date of notice</b>	<b>Name of substantial holder</b>	<b>Number of shares over which relevant interest is held</b>	<b>% of issued capital</b>
7.10.2020	Langley Alexander Walker	75,510,500	42.15%
7.10.2020	Auckland Trust Company Limited as trustee of the Second Pacific Master Superannuation Fund	75,510,500	42.15%
7.10.2020	Walker Group Holdings Pty Limited	75,510,500	42.15%

Given that:

- Walker Group Holdings Pty Limited is a substantial (30%+) holder of Shares within the meaning of ASX Listing Rule 10.11; and
- the Proposed New Share Issue does not fall within any of the exceptions in ASX Listing Rule 10.12,

the Proposed New Share Issue requires the approval of Shareholders.

Resolution 1 seeks the required approval of Shareholders to the Proposed New Share Issue under and for the purposes of ASX Listing Rule 10.11.

If Resolution 1 is passed, Next Science will be able to proceed with the Proposed New Share Issue and Walker Group Holdings Pty Limited will pay Next Science A\$2 million (or \$1.20 per share) for the Shares issued pursuant to the Proposed New Share Issue.

If Resolution 1 is not passed, Next Science will not be able to proceed with the Proposed New Share Issue and may need to consider alternative capital raising options.

#### **Additional Information**

For the purposes of ASX Listing Rule 10.13, the following additional information is provided for Shareholders.

- If Resolution 1 is passed, the persons to whom the Shares will be issued is Walker Group Holdings Pty Limited.
- ASX Listing Rule 10.11.2 applies to Walker Group Holdings Pty Limited because Walker Group Holdings Pty Limited and Auckland Trust Company Limited ATF the Second Pacific Master Superannuation Fund collectively hold more than 30% of Next Science's issued capital, and Mr Walker is an associate of both of these entities.
- If Resolution 1 is passed:
  - 1,666,667 fully paid ordinary shares in Next Science will be issued to Walker Group Holdings Pty Limited.

- Next Science expects to issue the 1,666,667 Shares to Walker Group Holdings Pty Limited on or around 17 November 2020 but in any event, not later than 1 month after the date of the EGM (being 17 December 2020).
- Walker Group Holdings Pty Limited will pay Next Science \$1.20 per share, being a total sum of A\$2 million.
- The purpose and proposed use of the proceeds from the proposed New Share Issue is set out on page 7 of this Notice.
- There are no other material terms relating to the proposed New Share Issue.
- A voting exclusion statement is set out on page 2 of this Notice.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Next Science without approval of Shareholders in any rolling twelve month period. However, pursuant to exception 14 in ASX Listing Rule 7.2, the 15% cap does not apply to an issue of securities made with the approval of shareholders under ASX Listing Rule 10.11.

Accordingly, if Resolution 1 is passed, the issue of 1,666,667 Shares to Walker Group Holdings Pty Limited will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

*The Directors, with Mr Hancox abstaining, recommend that Shareholders vote in favour of Resolution 1.*