



10 October 2013

Dear Shareholder,

**Annual General Meeting**

Please find enclosed the notice of the 2013 Annual General Meeting of the ordinary shareholders of QRxPharma Limited (the Company) which will be held at 10.00 am (Sydney time) on Wednesday 13 November 2013, at the offices of DibbsBarker, Lawyers, of Level 8, 123 Pitt Street, Sydney, NSW.

The formal part of the Annual General Meeting will cover the ordinary business transacted each year, including the consideration of the Company's financial statements and remuneration report and the re-election of directors. This year the Annual General Meeting will also cover the following special resolution:

- Amendment of constitution – renewal of proportional takeover provisions

Further details concerning these matters are contained in the explanatory statement that forms part of this notice of meeting.

If you are unable to attend the meeting in person, I encourage you to return the enclosed proxy form. The proxy form should be returned in the envelope provided, or faxed to our Share Registry on +61 2 9287 0309 so that it is received by 10.00 am (Sydney time) on Monday 11 November, 2013 being not less than 48 hours before the time for holding the meeting. Alternatively, proxy forms may also be lodged online at Link Market Services' website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) in accordance with the instructions given there. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions provided on the website.

The QRxPharma Annual Report for the year ended 30 June 2013 is now available on our website at [www.qrxpharma.com](http://www.qrxpharma.com). Printed copies of the report are distributed only to those shareholders who have elected to receive it in printed form.

Shareholders will have an opportunity to ask questions during the meeting, and are invited to join the Board for light refreshments at its conclusion. I look forward to welcoming you at the meeting.

Yours sincerely,

A handwritten signature in black ink that reads 'C. J. Campbell'.

Chris J Campbell  
Company Secretary and Chief Financial Officer



## NOTICE OF THE 2013 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

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**QRxPharma Limited**  
**ABN 16 102 254 151**

Notice is given that the Annual General Meeting of shareholders of QRxPharma Limited (the “Company”) will be held at the offices of DibbsBarker, Lawyers, Level 8, 123 Pitt Street, Sydney, NSW at 10:00 am (Sydney time) on Wednesday, 13 November 2013.

### **ORDINARY BUSINESS**

#### **Financial Statements and Reports**

Receipt of the Company’s Financial Reports and the accompanying Directors’ Report, Directors’ Declarations and Independent Auditor’s Report for the year ended 30 June 2013.

#### **Resolutions**

##### **1. Adoption of the Remuneration Report**

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

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*“That the Remuneration Report for the year ended 30 June 2013 be adopted.”*

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

#### ***Voting Exclusion Statement***

The Company will disregard any votes cast on the above resolution:

- by key management personnel or their closely related parties; or
- as a proxy by key management personnel or a closely related party of any key management personnel.

However, the Company need not disregard a vote if:

- 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
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**2. Election of Director – Michael Quinn**

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

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*“That Michael Quinn, who retires as a director of the Company by rotation in accordance with clause 6.1(f) (i) (B) of the Company’s Constitution, and being eligible for re-election, be re-elected as a director of the Company.”*

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**3. Election of Director – Dr Gary Pace**

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

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*“That Dr Gary Pace, who retires as a director of the Company by rotation in accordance with clause 6.1(f) (i) (B) of the Company’s Constitution, and being eligible for re-election, be re-elected as a director of the Company.”*

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**SPECIAL BUSINESS**

**4. Amendment of Constitution – Renewal of proportional takeover provisions**

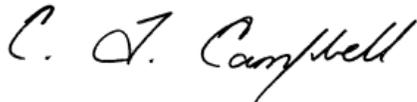
To consider, and if thought fit, pass the following resolution as a special resolution:

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*“That clause 14 of the Constitution of the Company is renewed for a period of three years commencing on the day this resolution is passed.”*

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By Order of the Board



Chris J Campbell  
Company Secretary  
10 October 2013

## **Determination of Entitlement to Attend and Vote**

The Company has determined that the holders of the Company's ordinary shares for the purpose of the Annual General meeting will be the registered holders of ordinary shares at 7.00 pm (Sydney time) on Monday, 11 November 2013.

This notice is also being sent to JPMorgan Chase Bank as depositary agent of the Company's American Depositary Receipts (ADR). Holders of the ADRs are invited to attend the annual general meeting but are not entitled to vote on any of the proposed resolutions. However, holders of ADRs may, subject to the terms of the depositary agreement between JPMorgan Chase Bank and the holders of the ADRs, instruct the JPMorgan Chase Bank to vote the ordinary shares underlying their ADRs on their behalf.

## **Proxies**

Ordinary shareholders have the right to appoint a proxy, who need not be an ordinary shareholder of the Company. If an ordinary shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes that each proxy is appointed to exercise. A proxy form has been included for ordinary shareholders with this notice of meeting. The proxy form must be received by Link Market Services Limited, located at 1A Homebush Bay Drive, Rhodes, NSW 2138 or Level 12, 680 George Street, Sydney, NSW 2000, or by facsimile to Links on +61 2 9287 0309 by no later than 10.00 am Sydney time on Monday, 11 November 2013 being not less than 48 hours before the time for holding the meeting. Alternatively proxy forms may also be lodged online at Link Market Services' website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) in accordance with the instructions given there. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions provided on the website.

The proposed Chairman of the meeting intends to vote undirected proxies in favour of each of the four resolutions.

## **Power of Attorney**

If an ordinary shareholder has appointed an attorney to attend and vote at the meeting, or if a proxy form is signed by an attorney, the power of attorney must likewise be received by Link Market Services Limited, located at 1A Homebush Bay Drive, Rhodes, NSW 2138 or Level 12, 680 George Street, Sydney, NSW 2000, or by facsimile to Link on +61 2 9287 0309 by no later than 10.00 am Sydney time on Monday, 11 November 2013, being not less than 48 hours before the time for holding the meeting.

## **Corporate Representatives**

A member who is a body corporate may appoint an individual as a representative to exercise the member's voting rights at the Annual General Meeting (AGM) pursuant to section 250D of the *Corporations Act 2001* (Cth). Representatives will be required to present documentary evidence of their appointment on the day of the meeting.

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders with their consideration of the resolutions detailed in the Notice of Annual General Meeting dated 10 October 2013. This Explanatory Statement should be read with, and forms part of, the accompanying Notice of Meeting.

### 1. FINANCIAL STATEMENTS AND REPORTS

As required by section 317 of the *Corporations Act 2001* (Cth), the Financial Report, Directors' Report, Directors' Declarations and the Independent Audit Report of the Company for the financial year ended 30 June 2013 will be laid before the Annual General Meeting. Shareholders will be provided with the opportunity to raise questions in relation to the reports; however there will be no formal resolution put to the meeting.

### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

#### Background

The *Corporations Act 2001* (Cth) requires that listed companies include a remuneration report in their Directors' Report. The remuneration report is set out on pages 11 to 19 of the Company's Annual Report. The Remuneration Report includes information in respect of the Company's remuneration policies in respect of Directors and Group executives, including the relationship between remuneration policies and the Company's performance, prescribed details of Directors and Group executives, details of securities included in the remuneration of Directors and Group executives and details of persons employed under a contract.

The resolution to adopt the remuneration report has been put to the members in accordance with section 250R(2) of the *Corporations Act 2001* (Cth). Any outcome, with respect to this resolution, is advisory only and does not bind the Directors or the Company.

The Chair will allow a reasonable opportunity at the meeting for shareholders as a whole to ask questions about or make comments on the Remuneration Report.

The Directors will consider the outcome of this vote and any comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

#### Voting exclusion statement

For the purposes of the voting exclusion statement on Resolution 1:

**“key management personnel” (KMP)** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**“closely related party”** means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

**Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 1.**

**If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of Resolution 1.**

### **3. RESOLUTION 2 – RE-ELECTION OF MICHAEL QUINN AS DIRECTOR**

Michael Quinn has been a Non-Executive Director of the Company since 27 April 2007 and is a member of the Audit and Risk Committee, Nominations Committee and Remuneration Committee. Michael Quinn is considered to be independent from 21 November 2012. In accordance with the retirement by rotation requirements of the Company's Constitution and the ASX Listing Rules, Michael Quinn retires and offers himself for re-election as a Director of the Company.

His experience, qualifications, and special responsibilities are set out on page 10 of the Company's Annual Report.

### **4. RESOLUTION 3 – RE-ELECTION OF DR GARY PACE AS DIRECTOR**

Dr Gary Pace has been an independent Non-Executive Director of the Company since 27 April 2007 and continues to work within the Group. In accordance with the retirement by rotation requirements of the Company's Constitution and the ASX Listing Rules, Dr Gary Pace retires and offers himself for re-election as a Director of the Company.

His experience, qualifications, and special responsibilities are set out on pages 9 to 10 of the Company's Annual Report.

### **5. RESOLUTION 4 – AMENDMENT OF CONSTITUTION – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS**

The Company's Constitution contains provisions dealing with proportional takeover bids for the Company's shares in accordance with the *Corporations Act 2001* (Cth). Under the *Corporations Act 2001* (Cth) the provisions must be renewed every three years or they will cease to have effect. The Company last renewed the proportional takeover provisions on 8 November 2010. Accordingly the provisions will cease to have effect on 8 November 2013.

If renewed by the proposed special resolution the proposed proportional takeover provisions will be in exactly the same terms as the current provisions in the Constitution and will have effect until 13 November 2016.

#### **Explanation and reasons for the proportional takeover provisions**

The proportional takeover provisions in the Constitution of the Company are intended to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

A proportional takeover offer involves the bidder offering to acquire the same percentage of every shareholder's shares. This means that control of the Company may pass without shareholders having the chance to sell all their shares to the bidder. The bidder may take control of the Company without paying an adequate amount for gaining control and shareholders may be exposed to the risks of being left as a

minority in the Company and of a bidder being able to acquire control of the Company without paying an adequate control premium.

The proportional takeover provisions lessen this risk because they allow shareholders to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

### **The effect of the proportional takeover approval provisions**

If a proportional takeover offer is received, the Directors must convene a meeting of the Company to vote on a resolution to approve the proportional takeover scheme (**Prescribed Resolution**). The meeting must be held, and the resolution voted on, prior to 14 days before the end of the period during which the offers under the proportional takeover scheme remain open. For the resolution to be approved, it must be passed by a majority of votes at the meeting, excluding votes of the bidder and its associates.

If the resolution is rejected, the registration of any transfer of shares resulting from the proportional takeover scheme will be prohibited and the offer is deemed by the *Corporations Act 2001* (Cth) to have been withdrawn.

If the resolution is approved, the relevant transfers of shares will be registered, provided they comply with the other provisions of the Constitution.

If a meeting is not held, a resolution approving the proportional bid will be deemed under the *Corporations Act 2001* (Cth) to have been passed, allowing the proportional takeover scheme to proceed.

The proportional takeover provisions do not apply to full takeover bids.

### **No knowledge of any acquisition proposal**

As at the date of this notice, no Director of the Company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### **Review of advantages and disadvantages of the provisions**

There were no takeover bids for the Company, either proportional or full, while the proportional takeover provisions were in operation. Accordingly there is no example against which the advantages or disadvantages of the provisions may be assessed. However, the Directors are not aware of any potential takeover bid that was discouraged by the proportional takeover provisions nor any other disadvantage to the Company arising from the provisions.

### **Potential advantages and disadvantages of the provisions**

The Directors of the Company consider that the proposed renewal of the proportional takeover provisions has no potential advantages or disadvantages for Directors as they remain free to make a recommendation on whether a proportional takeover bid should be approved or accepted. The proposed proportional takeover approval provisions will also allow the Directors to ascertain the views of the shareholders on any proportional takeover scheme.

It is a potential advantage to all shareholders that they have the opportunity to consider and vote upon any proposed proportional takeover scheme. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting and accordingly, the proportional takeover approval provisions are likely to cause an intending offeror to structure its offer in such a manner as to make it attractive to a majority of shareholders.

It is a potential disadvantage to shareholders that the proportional takeover approval provisions may discourage proportional takeover bids and reduce the possibility of a successful proportional takeover bid. This may in turn reduce the opportunities which shareholders may have to sell some of their shares at an attractive price to persons seeking control of the Company.

***Each of the Directors of the Company recommends that shareholders vote in favour of Resolution 4.***



**QRxPharma Limited**

ABN 16 102 254 151

**LODGE YOUR VOTE**



**ONLINE**

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



**By mail:**  
QRxPharma Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



**By fax:** +61 2 9287 0309



**All enquiries to: Telephone:** +61 1800 612 532



**X99999999999**

### SHAREHOLDER PROXY FORM

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

#### STEP 1

#### 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 (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **10:00am on Wednesday, 13 November 2013, at DibbsBarker Lawyers, Level 8, 123 Pitt Street, Sydney, NSW** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

**The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.**

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

#### STEP 2

#### VOTING DIRECTIONS

##### Resolution 1

Adoption of the Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### Resolution 2

Election of Director - Michael Quinn

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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##### Resolution 3

Election of Director - Dr Gary Pace

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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##### Resolution 4

Amendment of Constitution - Renewal of proportional takeover provisions

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**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.

#### STEP 3

#### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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).

**QRX PRX301R**



## HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

### 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. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) 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
- (b) 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.

## 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 **10:00am on Monday, 11 November 2013**, 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:**

QRxPharma 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.

**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.**