



26 September 2014

Dear Shareholder,

Annual General Meeting

Please find enclosed the notice of the 2014 Annual General Meeting of the ordinary shareholders of QRxPharma Limited (the Company) which will be held at 10.00 am (Sydney time) on Wednesday, 29 October 2014 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.

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, 27 October 2014 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 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 2014 is available on our website at 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 2014 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

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, 29 October 2014.

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 2014.

Resolutions

1. Adoption of the Remuneration Report

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

“That the Remuneration Report for the year ended 30 June 2014 be adopted.”

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 – Bruce Hancox

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

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

CONDITIONAL BUSINESS

3. Holding a Spill Meeting

Note: Resolution 3 is a conditional resolution and a contingent poll may be held. The Resolution will be deemed to have been withdrawn and the result of any contingent poll will not be valid unless at least 25% of the votes cast on Resolution 1 are cast against the adoption of the Remuneration Report. Please refer to the Explanatory Memorandum for further information.

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

“That, subject to and conditional on at least 25% of the votes cast on Resolution 1 being cast against the adoption of the Remuneration Report:

*(a) a meeting of the Company’s shareholders be held within 90 days of the date of the 2014 Annual General Meeting (the **Spill Meeting**);*

(b) all of the directors who:

(i) were directors of the Company when the resolution to approve the Directors’ Report for the financial year ended 30 June 2014 was passed (being Bruce Hancox and Richard Treagus) cease to hold office immediately before the end of the Spill Meeting; and

(ii) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”

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.

By Order of the Board

A handwritten signature in black ink that reads "C. J. Campbell". The signature is written in a cursive style with a large, stylized initial "C".

Chris J Campbell
Company Secretary
26 September 2014

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, 27 October 2014.

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, 27 October 2014 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 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 Resolutions 1 and 2 and against Resolution 3.

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, 27 October 2014, 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 26 September 2014. 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 2014 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

2.1 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 22 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. However, if more than 25% of the votes cast on Resolution 1 are against the resolution, a vote on Resolution 3 will be required to be put to the meeting. The operation and consequences of Resolution 3 are set out in Section 4 of this Explanatory Statement below.

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.

2.2 Voting exclusion statement

For the purposes of the voting exclusion statements on Resolution 1 and Resolution 3:

“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 BRUCE HANCOX AS DIRECTOR

Bruce Hancox has been a Non-Executive Director of the Company since 9 July 2014. In accordance with the retirement by rotation requirements of the Company's Constitution and the ASX Listing Rules, Bruce Hancox retires and offers himself for re-election as a Director of the Company.

His experience, qualifications, and special responsibilities are set out on page 8 of the Company's Annual Report.

4. RESOLUTION 3 – HOLDING A SPILL MEETING

Resolution 3 (**Spill Resolution**) is a conditional resolution. Even if passed, it will only be effective if, based on the formal results of the poll conducted on Resolution 1 at least 25% of the votes cast on Resolution 1 are against the adoption of the 2014 Remuneration Report.

At last year's Annual General Meeting for the Company, more than 25% of the votes cast on the Resolution to adopt the 2013 remuneration report were cast against it. If 25% or more of the votes cast on Resolution 1 are against adopting the Remuneration Report at this year's Annual General Meeting, Resolution 3 will be put to the meeting and voted on as required by section 250V of the *Corporations Act 2001*.

The Spill Resolution will be considered as an ordinary resolution. If the Spill Resolution is passed:

- (i) the Company must convene a general meeting of shareholders to be held within 90 days of the date of the 2014 Annual General Meeting (**Spill Meeting**); and
- (ii) all of the Company's directors who were the directors of the Company when the resolution to approve the Directors' Report for the financial year ended 30 June 2014 was passed will cease to hold office immediately before the end of the Spill Meeting. The directors required to resign are Bruce Hancox and Richard Treagus*.

*This assumes Bruce Hancox is re-elected at this Annual General Meeting.

Each director required to resign is eligible, but not required, to seek re-election as a director of the Company at the Spill Meeting.

The Spill Meeting, if required, will be subject to separate notice in accordance with the Constitution of the Company and the *Corporations Act 2001*. Nominations for director appointments at the Spill Meeting may be made in accordance with the Constitution of the Company and may include the Directors listed above.

The voting exclusion described in the Notice of Meeting will not apply to the Spill Meeting and all shareholders will be entitled to vote on the Director appointments at the Spill Meeting.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies against Resolution 3.

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 against Resolution 3.



QRxPharma Limited

ABN 16 102 254 151

LODGE YOUR VOTE



ONLINE

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 (free call within Australia)



X99999999999

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

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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:00am on Wednesday, 29 October 2014 at the offices of DibbsBarker, Lawyers, Level 8, 123 Pitt Street, Sydney, NSW** (the Meeting) and at any postponement or adjournment 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 each of Resolutions 1 and 2 and against Resolution 3.

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*

Resolution 2

Election of Director - Bruce Hancox

CONDITIONAL BUSINESS

Resolution 3

Holding a Spill Meeting

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).

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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.

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 or online at 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 **10:00am on Monday, 27 October 2014**, 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

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.

**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.**