

# **POLYDEX PHARMACEUTICALS LIMITED**

## **NOTICE OF 2019 ANNUAL GENERAL MEETING OF THE MEMBERS**

To be held on October 29, 2019

NOTICE IS HEREBY GIVEN that the 2019 Annual General Meeting of the Members of Polydex Pharmaceuticals Limited (the "Company") will be held at the principal offices of the Company located at 421 Comstock Road, Toronto, Ontario, Canada M1L 2H5, on October 29, 2019 at 10:00 a.m., local time, for the following purposes:

1. to vote on the proposal to elect two directors to the Company's Board of Directors, the names are set forth in the accompanying Proxy Statement, to serve until the Annual General Meeting of the Members in 2022 or until their successor(s) are elected;
2. to ratify the appointment of Schwartz Levitsky Feldman LLP as the independent accountants of the Company; and
3. to transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on September 4, 2019 as the date for the determination of the Members entitled to notice of, and to vote at, the meeting and any adjournment thereof (the "Record Date"). Only holders of record of the Common Shares and the Class B Preferred Shares of the Company at the close of business on the Record Date are entitled to notice of, and to vote at, the 2019 Annual General Meeting. The Company's Annual Report and Proxy Statement for the year ended January 31, 2019, are posted on the Polydex website [www.polydex.com](http://www.polydex.com).

The Proxy Statement contains additional information regarding the proposals to be considered and voted upon at the Annual General Meeting, and Members are encouraged to read it in its entirety.

You are cordially invited to attend the 2019 Annual General Meeting. Whether or not you expect to be present at the Annual General Meeting, please carefully follow the directions on the notice card to ensure your vote is recorded. If you do attend the Annual General Meeting, you may revoke your Proxy in accordance with the methods described in the Proxy Statement under the heading "Solicitation and Revocability of Proxies" and vote your shares in person.

BY ORDER OF THE BOARD OF DIRECTORS,

SHARON L. WARDLAW

Secretary  
September 16, 2019

## **POLYDEX PHARMACEUTICALS LIMITED**

### **PROXY STATEMENT**

2019 Annual General Meeting, October 29, 2019

#### **IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL GENERAL MEETING TO BE HELD OCTOBER 29, 2019.**

The Company's Proxy Statement for the 2019 Annual General Meeting of Members and the Annual Report for the year ended January 31, 2019 are available at <http://www.polydex.com>.

#### **SOLICITATION AND REVOCABILITY OF PROXIES**

This Proxy Statement ("Proxy Statement") is posted on the Polydex website [www.polydex.com](http://www.polydex.com) as of September 16, 2019 for the holders of the Common Shares and the Class B Preferred Shares (the "Members") of Polydex Pharmaceuticals Limited (the "Company") in connection with the solicitation by the Board of Directors of the Company for the 2019 Annual General Meeting of the Members ("Annual Meeting") to be held at 10:00 a.m., local time, on October 29, 2019 at the principal offices of the Company located at 421 Comstock Road, Toronto, Ontario, Canada M1L 2H5.

Although the Company believes that the solicitation of proxies will be primarily by electronic means, proxies may also be solicited personally or by telephone by officers and employees of the Company who will not receive additional compensation for such solicitation. The cost of solicitation of proxies will be borne directly by the Company and is not expected to exceed that customarily incurred in connection with an uncontested election of directors. All dollar amounts in this proxy statement are stated in U.S. dollars unless otherwise indicated.

Proxies given by Members for use at the Annual Meeting may be revoked at any time prior to their use. In addition to revocation in any manner permitted by Bahamian law, a proxy may be revoked in any one of the following ways:

(a) by signing a form of proxy bearing a later date than the proxy to be revoked, and depositing it with the Secretary of the Company prior to the Annual Meeting;

(b) as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation of proxy and delivering it to either the Secretary of the Company or the Chairman of the Annual Meeting;

(c) by attending the Annual Meeting in person and personally voting the shares represented by the proxy; or

(d) by instrument in writing executed by the Member or by his attorney authorized in writing, or, if the Member is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the Annual Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of such Annual Meeting on the day of the meeting, or any adjournment thereof.

#### **PURPOSES OF ANNUAL MEETING**

The Annual Meeting has been called for the purposes of (1) electing two directors of the Company; (2) ratifying the appointment of Schwartz Levitsky Feldman LLP as the independent accountants of the Company; and (3) transacting such other business as may properly come before the meeting.

## VOTING OF SECURITIES

The Board of Directors has fixed the close of business on September 4, 2019 as the date for determining the Members entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof (the "Record Date"). A total of 3,419,478 Common Shares of a par value of U.S. \$0.0167 each (the "Common Shares") and 899,400 Class B Preferred Shares of a par value of U.S. \$0.0167 each (the "Class B Preferred Shares") were outstanding at the close of business on that date. Each Common Share is entitled to one vote on any matter presented at the Annual Meeting for consideration and action by the Members. Each Class B Preferred Share is entitled to two votes on any such matter. In addition, the Company has authorized 100,000 Class A Preferred Shares of a par value of U.S. \$0.10 each (the "Class A Preferred Shares"), none of which are outstanding.

A quorum for the transaction of business at the meeting shall be members present holding or represented by proxy between them not less than one-third of all votes represented by the sum of all Common Shares and all Class B Preferred Shares which are issued at the record date fixed by the directors and which entitle the holder thereof to vote. Voting of Common Shares and Class B Preferred Shares is on a non-cumulative basis. Assuming the presence of a quorum, the affirmative vote of the holders of a majority of the votes underlying the aggregate number of Common Shares and Class B Preferred Shares voting at the meeting is required for approval of the election of each nominee for director and for ratification of the appointment of Schwartz Levitsky Feldman LLP.

All valid proxies received in response to this solicitation will be voted in accordance with the instructions indicated thereon by the Members giving such proxies. **IF NO CONTRARY INSTRUCTIONS ARE GIVEN, SUCH PROXIES WILL BE VOTED FOR THE ELECTION OF THE NOMINEES FOR THE DIRECTORS NAMED IN THIS PROXY STATEMENT AND FOR THE RATIFICATION OF THE APPOINTMENT OF SCHWARTZ LEVITSKY FELDMAN LLP AS THE INDEPENDENT ACCOUNTANTS OF THE COMPANY.**

For voting purposes, abstentions will be counted for the purpose of establishing a quorum and will not be voted, thereby having the same effect as a vote against. Broker non-votes will not be counted for the purpose of establishing a quorum and will not be voted.

## PROPOSAL NO. 1

### ELECTION OF BOARD MEMBERS

#### NOMINEE FOR TERM EXPIRING AT THE ANNUAL MEETING IN 2022

The following persons, who are currently serving as directors, have been nominated for re-election by the Board of Directors to serve as a director for a term expiring at the 2022 Annual Meeting:

<u>Name and Occupation</u>	<u>Age</u>	<u>Year First Elected Director</u>
JOSEPH BUCHMAN. Now retired, Mr. Buchman was a Financial Services Representative with Metlife Financial Services, where he served in various capacities since 1979. He has acted as the former vice-president of an investment firm in charge of operations and finance, and is well acquainted with the investment community and its requirements.	79	1983
MARTIN LIPPER. Mr. Lipper has an extensive background in business and finance, including roles as the director of research for securities firms involved in mergers and acquisitions. He is currently serving as a director of another public company.	84	2010

The nominees for director have indicated their willingness to serve. The Board of Directors has no reason to believe that the directors nominated will be unable to serve as a director. In the event, however, of the death or unavailability of the director nominated, the proxy to that extent will be voted for such other person as the Board of Directors may recommend.

#### BOARD OF DIRECTORS

The directors of the Company are divided into three classes, designated as Class I, Class II and Class III. At each Annual Meeting, one class of directors is elected to serve for a three-year term or until their respective successors are duly elected and qualified. Messr. Buchman & Messr. Lipper are Class III directors.

No director, executive officer, affiliate of the Company or holder of five percent or more of any class of the Company's voting securities or any associate thereof is a party in any material proceedings adverse to the Company or has a material interest adverse to the Company in any material proceeding.

The following provides, as of September 4, 2019 with respect to the continuing directors whose terms of office will continue after the Annual Meeting, their principal occupation and employment, age, the year in which each became a director of the Company, and directorships.

CONTINUING DIRECTORS WHOSE TERMS EXPIRE AT THE  
ANNUAL MEETING IN 2020

<u>Name and Occupation</u>	<u>Age</u>	<u>Year First Elected Director</u>
DEREK JOHN MICHAEL LEDERER, Chartered Professional Accountant. Mr. Lederer is a partner with the public accounting firm Trustor Zweig LLP. Previously he had his own public accounting firm since 1970 and is a former adjunct professor at York University in Toronto, Ontario.	77	1998

CONTINUING DIRECTORS WHOSE TERMS EXPIRE AT THE  
ANNUAL MEETING IN 2021

<u>Name and Occupation</u>	<u>Age</u>	<u>Year First Elected Director</u>
GEORGE G. USHER. Mr. Usher has served as Chairman of the Board since January 27, 1998, President and Chief Executive Officer of the Company since 1993 and 1996, respectively, and Vice President of Dextran Products Limited, a subsidiary of the Company, since 1987. Previously, Mr. Usher was employed by the Company in various positions since 1982.	60	1988

MEMBER COMMUNICATION WITH THE BOARD

The Board of Directors has established a process to receive communications from Members. Members may contact any member (or all members) of the Board of Directors (or the non-management directors as a group) or any committee of the Board of Directors by mail. To communicate with the Board of Directors, any individual director or any group or committee of directors, correspondence should be addressed to the Board of Directors or any such individual director or group or committee of directors by either name or title. All such requests should be directed to Linda Hughes, Polydex Pharmaceuticals Limited Investor Relations, c/o North Arm Capital Services, 23-1728 Edwards Drive, Point Roberts, Washington, USA 98281.

All communications received as set forth in the preceding paragraph will be opened by the Company's office of Investor Relations for the sole purpose of determining whether the contents represent a message to the Company's directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board of Directors or any group or committee of directors, the Investor Relations' office will make sufficient copies of the contents to send to each director who is a member of the group or committee to which the correspondence or e-mail is addressed.

## BOARD COMMITTEES

The Company's Board of Directors has three standing Committees: Finance, Compensation, and Nominating and Corporate Governance.

For the fiscal year ended January 31, 2019, independent director Derek John Michael Lederer (Chair), Joseph Buchman and Martin Lipper comprised the Finance Committee, which held 4 meetings.

For the fiscal year ended January 31, 2019, independent directors Joseph Buchman (Chair), Derek John Michael Lederer and Martin Lipper comprised the Compensation Committee. The Compensation Committee convenes when determined appropriate or necessary by its members. The Compensation Committee generally has responsibility for (1) recommending to the Board of Directors guidelines and standards relating to the determination of executive compensation, (2) reviewing the Company's executive compensation and benefits policies, including incentive compensation and equity-based plans, (3) setting compensation level of Company's Chief Executive Officer and all other executive officers, and (4) reporting to the Board of Directors regarding the foregoing.

The Board of Directors established a Nominating and Corporate Governance Committee, which is comprised of independent directors Martin Lipper (chair), Joseph Buchman and Derek John Michael Lederer. The Nominating and Corporate Governance Committee convenes when determined appropriate or necessary by its members. The Nominating and Corporate Governance Committee generally has responsibility for (1) identifying candidates who are eligible, in accordance with the Company's Memorandum of Association and Articles of Association, and advisable to serve as members of the Company's Board of Directors, (2) advising the Board of Directors with respect to matters relating to the compensation, procedures and committees of the Board of Directors, (3) developing and recommending to the Board of Directors a set of corporate governance principles applicable to the Company, and (4) overseeing corporate governance matters generally.

## VOTE REQUIRED

The affirmative vote of the holders of a majority of the Common Shares and the Class B Preferred Shares present, in person or by proxy, and entitled to vote at the Annual Meeting is required to elect each nominee for director. All proxies will be voted to elect the nominees for director unless a contrary vote is indicated by the notice card.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF THE NOMINEE(S) FOR DIRECTOR.

## **PROPOSAL NO. 2**

### **RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTING FIRM**

The Finance Committee has selected Schwartz Levitsky Feldman LLP to serve as the Company's independent accountants for the fiscal year ending January 31, 2020. Representatives of Schwartz Levitsky Feldman LLP are not expected to be at the Annual Meeting.

#### **VOTE REQUIRED**

The affirmative vote of the holders of a majority of the Common Shares and the Class B Preferred Shares present, in person or by proxy, and entitled to vote at the Annual Meeting is required to ratify the appointment of Schwartz Levitsky Feldman LLP as the independent accountants of the Company. All proxies will be voted for such ratification unless a contrary vote is indicated by the notice card.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF SCHWARTZ LEVITSKY FELDMAN LLP AS THE INDEPENDENT ACCOUNTANTS OF THE COMPANY.**

#### **MEMBERS SHARING AN ADDRESS**

One notice card is being delivered to each Member sharing an address unless contrary instructions have been received by the Company. A separate copy of the Notice and Proxy Statement may be requested by contacting Linda Hughes, Polydex Pharmaceuticals Limited Investor Relations, c/o North Arm Capital Services, 23-1728 Edwards Drive, Point Roberts, Washington, USA 98281.

#### **FINANCIAL STATEMENTS**

The consolidated balance sheet, consolidated income statement and other financial statements together with the notes thereto for the fiscal year ended January 31, 2019 are included in the Company's 2019 Annual Report which is available on the Company website [www.polydex.com](http://www.polydex.com).

#### **2019 ANNUAL REPORT**

The Company will provide without charge to each person solicited by this notice card, upon the written request of such person, a copy of the Company's 2019 Annual Report, which includes financial statements, for the fiscal year ended January 31, 2019. Such requests should be directed to Linda Hughes, Polydex Pharmaceuticals Limited Investor Relations, c/o North Arm Capital Services, 23-1728 Edwards Drive, Point Roberts, Washington, USA 98281. The 2019 Annual Report is also available on our website [www.Polydex.com](http://www.Polydex.com).

#### **OTHER BUSINESS**

The Board and management of the Company know of no business which will be presented for consideration at the Annual Meeting other than as stated in the Notice of Meeting. If, however, other matters are properly brought before the Annual Meeting, it is the intention of the Board designated proxy holders George G. Usher and David P. Jamestee to vote the shares represented thereby on such matters in accordance with their judgment.

**Whether or not you plan to attend, you are urged to carefully follow the directions on the notice card to ensure that your vote is recorded. A prompt response will greatly facilitate arrangement for the Meeting, and your cooperation will be appreciated. Members who attend the Annual Meeting may vote their shares personally even though they have sent in their proxies.**