

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

NOTICE OF 2018 ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Meeting to be held at the offices of K&L Gates, Level 25, South Tower, 525 Collins Street,
Melbourne, Victoria on 26 November 2018 commencing at 11:00am.

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how to vote on any of the resolutions, you should seek advice from your accountant, solicitor or other professional adviser without delay.

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

2018 Notice of Annual General Meeting

Notice is given for the 2018 Annual General Meeting of the Company to be held at Level 25, South Tower, 525 Collins Street, Melbourne Victoria, 3000 at 11:00am on Monday 26 November 2018.

AGENDA

Accounts and Reports

To receive and consider the financial statements and the reports of the Directors and of the Auditors for the year ended 30 June 2018.

Resolution 1: – Adoption of Remuneration Report

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

“That the Remuneration Report for the year ended 30 June 2018 as set out in the Company’s Annual Report for the year ended 30 June 2018 be adopted.”

**Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company*

Resolution 2: – Re-election of Graeme Kaufman

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“To re-elect Graeme Kaufman who retires by rotation in accordance with ASX Listing Rule 14.4 and clause 13.3(b) of the Company’s Constitution and being eligible, offers himself for re-election as a Director.”

Resolution 3: – Approval of increased placement capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the increase in the capacity of the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.”

Resolution 4: – Ratification of prior option issue to 51 Fund Pty Ltd

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, the Company ratifies the previous issue of a total of 1,000,000 options to purchase shares (**Options**) to 51 Fund Pty Ltd as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.”*

Resolution 5: – Ratification of prior option issue to Baker Young Stockbrokers Ltd

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, the Company ratifies the previous issue of a total of 1,000,000 options to purchase shares (**Options**) to Baker Young Stockbrokers Ltd as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.”*

Resolution 6: – Approval of Employee Share Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That the shareholders renew the approval of the Company's existing Employee Share Plan for the purposes of ASX Listing Rules 7.1 and 7.2 Exception 9(b), sections 200B, 200E and 259B(2) of the Corporations Act 2001, and for all other purposes, as laid before the meeting, a copy of which is available for inspection at the registered office of the Company (during normal business hours).”

Resolution 7: – Approval of proposed issue of Employee Share Plan Shares to Paul Rennie

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.14, sections 200B, 200E and 259B(2) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the issue of a total of 300,000 Plan Shares to Paul Rennie pursuant to the Employee Share Plan, at a price and upon loan terms and otherwise on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting.”

Resolution 8: – Approval of proposed Share issue to Paul Rennie re 2017 Placement

To consider and if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes approval is granted for the issue to Paul Rennie 333,333 Shares in the capital of the Company credited as fully paid at a cost to him of \$0.30 per share (being the same price as under the 2017 Placement), as detailed in the Explanatory Memorandum which accompany this Notice of Meeting.”

Resolution 9: – Approval of proposed Share issue to Paul Rennie re 2018 Placement

To consider and if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes approval is granted for the issue to Paul Rennie that number of Shares in the capital of the Company credited as fully paid which at the issue price under the 2018 Placement in aggregate equates to \$100,000 and otherwise at the same price as under the 2018 Placement, as detailed in the Explanatory Memorandum which accompany this Notice of Meeting.”

Resolution 10: – Ratification of Tranche 1 Shares issued to Sophisticated Investors re 2018 Placement

To consider and if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, the Company ratifies the issue prior to the 2018 AGM of up to 5,529,520 Shares in the capital of the Company to wholesale and sophisticated investors introduced to the Company by Bell Potter Securities Limited, as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.”

Resolution 11: – Approval for the issue of Tranche 2 Shares to Sophisticated Investors re 2018 Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That pursuant to ASX Listing Rule 7.1 and for all other purposes, the shareholders approve the issue by the Company of up to 12,000,000 Shares to wholesale and sophisticated investors introduced to the Company by Bell Potter Securities Limited credited as fully paid, as detailed in the Explanatory Memorandum which accompany this Notice of Meeting.”

By order of the Board



Kevin Hollingsworth
Company Secretary
26 October 2018

VOTING ENTITLEMENT NOTICE

For the purposes of the Meeting, the Company has determined that in accordance with regulation 7.11.37 of the Corporations Regulations, shares will be taken to be held by the persons registered as holders at 7pm on 24 November 2018. Accordingly, transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

PROXIES

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy form may specify the proportion or number of votes which the proxy may exercise. If it does not specify the proportion or number of votes the proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder. Proxy Forms must be lodged in accordance with the directions set out on the Proxy Form not later than 48 hours prior to the Meeting.

Appointment of Proxies

If you are entitled to vote at the Meeting you have the right to appoint a proxy to attend and vote in your place. To appoint a proxy you should complete Step 1 on the attached Proxy Form. If you wish to appoint a person other than the Chairman, you should complete the second panel in Step 1, and not “tick” the first panel.

The proxy need not be a Shareholder of the Company. If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion or number of your votes that each proxy may exercise, each proxy may exercise half your votes. If there is more than one proxy appointed, on a show of hands only one of the proxies may vote, but on a poll, each proxy may exercise votes in respect of those shares the proxy represents.

The Chairman intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting. In particular, if the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

If a member has not directed their proxy how to vote, the proxy may vote as the proxy determines. If a member (who is not an Excluded Voter) has appointed as their proxy an Excluded Voter (other than the Chairman), the member may only vote with respect to Resolution 1 by directing their proxy how to vote with respect to Resolution 1. To direct the Excluded Voter as proxy, the member must complete the “for” or “against” or “abstain” at Step 2 of the Proxy Form for Resolution 1.

An “Excluded Voter” for these purposes means collectively one of the Key Management Personnel (as set out on page 12 of the Company's 2018 Annual Report, and is defined in the Corporations Act to include the Chairman) or one of the Key Management Personnel's closely related parties (which includes a spouse, dependent and certain other close family members and companies controlled by the Key Management Personnel).

Proxy forms must be received at Computershare Investor Services Pty Limited (GPO Box 242, Melbourne Vic 3001), or by fax, within Australia on 1800 783 447, or outside Australia on +61 3 9473 2555, by no later than 11.00am on 24 November 2018.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

VOTING EXCLUSIONS

Voting Exclusion Statements as applicable to the above resolutions are contained to the Explanatory Memorandum which accompanies this Notice of Meeting and deemed included in this Notice.

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held at 11.00am on 26 November 2018 (**Meeting**).

The Meeting will first deal with the usual regulatory requirements for an annual general meeting, namely the laying of the financial reports before the Meeting; the adoption of the Remuneration Report and rotation of directors.

Resolution 3, seeks to give the Company some further flexibility over the following 12 months to be able to issue Shares (subject to the ASX Listing Rules) up to a further 10% of its total share capital (in addition to the 15% capacity available under ASX Listing Rule 7.1) without seeking prior shareholder approval, therefore enabling it to be able to move more quickly to seize upon any opportunities, or meet needs, should they arise.

Resolutions 4 and 5 concern the ratification of the issues of options made pursuant to the ongoing Baker Young corporate advisory mandate and the 51 Fund Pty Ltd mandate.

As 3 years have passed since the Company was listed on the ASX, shareholder approval of the Paradigm Employee Share Plan (**ESP**) is required in order to continue to issue securities under that ESP, hence Resolution 6.

Resolution 7 seeks shareholder approval for the issue of Loan Plan shares to the Company's Managing Director, Mr Paul Rennie, as part of his total remuneration package. The Board in June 2018 considered the remuneration packages of all senior executives of the Company and resolved (in the absence of Mr Rennie) that, subject to shareholder approval, Mr Rennie may be invited to participate in the issue of further Loan Plan Shares.

In November 2017 as announced to the ASX market at that time (**2017 Placement**), Mr Paul Rennie agreed, subject to Shareholder Approval, to subscribe a further \$100,000 for Shares at the same price (\$0.30 per Share) as the Shares issued under the 2017 Placement undertaken at that time. His commitment, whilst subject to Shareholder Approval, assisted the Placement in demonstrating his confidence in the Company. This AGM is the first shareholder meeting the Company has had the opportunity to put before Shareholders the proposed Share issue to Mr Rennie, hence the inclusion of Resolution 8. Likewise the Company has just announced a capital raising (**2018 Placement**) and Mr Rennie has again agreed, subject to Shareholder Approval, to subscribe a further \$100,000 for Shares at the same price as the Shares to be issued under the 2018 Placement (Resolution 9).

In respect of the 2018 Placement; Resolution 10 seeks shareholder ratification of the **Tranche 1** shares to be issued by the Company and Resolution 11 seeks shareholder approval for the Company to be able to place a further up to 12,000,000 Shares (**Tranche 2**) to wholesale and sophisticated investors introduced by Bell Potter Securities Limited (being part of the 2018 Placement).

1. Accounts and Reports

The Corporations Act requires the Company to lay before the Annual General Meeting, the Financial Report, Directors' report (including the Remuneration Report) and the Auditor's Report for the financial year ended 30 June 2018.

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the meeting. Copies of these reports can be found on the Company's website www.paradigmbiopharma.com.

There is no requirement for Shareholders to approve the Financial Report, Directors' Report and Auditor's Report. Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2018;
- (b) ask questions or make comments on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (d) the preparation and content of the Auditor's Report;
- (e) the conduct of the audit;
- (f) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (g) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Annual General Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1: – Adoption of Remuneration Report

Under the Corporations Act, listed entities are required to put to the vote a resolution that the Remuneration Report section of the Directors' Report be adopted. This Remuneration Report can be found in the Company's 2018 Annual Report. It sets out a range of matters relating to the remuneration of Directors, the Company Secretary and Senior Executives of the Company.

A vote on this resolution is advisory only and does not bind the Directors or the Company. A copy of the Company's 2018 Annual Report can be found on its website at www.paradigmbiopharma.com.

The Corporations Act provides that:

- (a) members of the Key Management Personnel whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report, and
- (b) if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike".

As no "first strike" occurred at the Company's 2017 Annual General Meeting for the 2017 Remuneration Report, the current "strike" count is zero. If a "first strike" was to occur at the 2018 Annual General Meeting:

- (c) the Company's subsequent Remuneration Report (in other words, the Company's Remuneration Report to be included in the 2019 Annual Report) must include an explanation of the Board's proposed action in response to the "no vote" or an explanation of why no action has been taken; and

- (d) if the Company's subsequent (i.e. 2019) Remuneration Report also receives a "no vote" at the 2019 Annual General Meeting of at least 25% of the votes cast, then Shareholders at the 2019 Annual General Meeting will be asked (at that 2019 Annual General Meeting) to vote on whether or not the Company is to hold another general Shareholder's meeting (within the following 90 days) to vote on a "spill resolution" under section 250V of the Corporations Act.

Board Recommendation

As set out in the Notice of Annual General Meeting, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

Accordingly, the Board abstains from making a recommendation in relation to Resolution 1. The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast on Resolution 1 by or on behalf of:

- (a) *a member of the KMP; and*
- (b) *a closely related party (which includes a spouse, dependent and certain other close family members and companies controlled by the KMP) of those persons.*

However, the Company need not disregard a vote if:

- (c) *it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or*
- (d) *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 directs.*

3. Resolution 2: – Re-election of Graeme Kaufman

Rule 13.3(b) of the Company's Constitution provides that, amongst other things, at each Annual General Meeting, the Director longest in office must retire, and being eligible may offer them self for re-election.

The length of time a Director has been in office is computed from that Director's last election. The Managing Director and Directors appointed to fill casual vacancies are not to be taken into account in determining which Director is to retire by rotation.

As at the date of this Notice of Meeting, the Board of the Company comprised of four Directors who are subject to rotation. The Director longest in office without being re-elected is Graeme Kaufman and is therefore required to retire.

Graeme Kaufman BSc, MBA, has wide ranging experience across the biotechnology sector, spanning scientific, commercial and financial areas. His experience with CSL Limited, Australia's largest biopharmaceutical company included responsibility for all of their manufacturing facilities, and the operation of an independent business division operating in the high technology medical device market. As CSL's General Manager Finance, Mr Kaufman had global responsibility for finance, strategy development, human resources and information technology. Mr Kaufman has also served as an Executive Director of ASX-listed Circadian Technologies and a Non-Executive Director of Amrad Corporation and held the role of Executive Vice President Corporate Finance with Mesoblast Limited until 2013. He is currently a Non-Executive Director of IDT Australia Limited.

Mr Kaufman, being eligible, offers himself for re-election.

Board Recommendation

The Directors (other than Mr Kaufman) recommend that Shareholders vote in favour of this Resolution 2.

4. Resolution 3: – Approval of increased placement capacity

ASX Listing Rule 7.1A enables eligible entities, after obtaining shareholder approval at an annual general meeting, to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. This Resolution 3 seeks approval to allow the Board the flexibility to issue additional Shares if it so decided. The Board may decide not to issue any Shares pursuant to this Resolution 3.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Description of Listing Rule 7.1A

Any equity securities issued under the 10% Placement Facility (**Placement Securities**) must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has on issue one class of quoted equity securities, being ordinary shares (**Shares**).

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Placement Securities calculated in accordance with the following formula:

$$\text{Additional Capacity} = (A \times D) - E$$

where:

- A** is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the 12 months;
 - (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;
 - (d) less the number of fully paid shares cancelled in the 12 months.
- D** is 10%
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

The issue price of Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (ii) if the Placement Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Placement Securities are issued.

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX,

(10% Placement Period).

The effect of Resolution 3 will be to allow the Directors to issue the Placement Securities under Listing Rule 7.1A during the 10% Placement Period without using any of or in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) Minimum issue price

If any Placement Securities are issued, the minimum price the Placement Securities will be issued at is the price determined in accordance with the ASX Listing Rule 7.1A.3.

The actual number of Placement Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(b) Effect on existing (non-participating) Shareholders

If Resolution 3 is approved by Shareholders and the Company issues Placement Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the Placement Securities than on the date of the Annual General Meeting; and
- (ii) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date or the Placement Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Placement Securities.

The below table is included for illustrative purposes and shows the potential dilution of existing Shareholders on the basis of the current market price of the Shares as at 27 September 2018 and the current number of Shares for variable "A" (above) calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue as at the date of this Notice. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing rule 7.1 that are approved at a future shareholders' meeting; and
- (ii) Two examples where the issue price of the Shares has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Placement Securities available under the 10% Placement Facility.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (iv) The table shows only the effect of issues of Placement Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issue of Placement Securities under the 10% Placement Facility consists only of Shares.
- (vi) The issue price is \$0.88, being the closing price of the Shares on ASX on 27 September 2018.

Variable 'A' in Listing Rule 7.1A.2		\$0.44 50% decrease in Issue Price	\$0.88 Issue Price	\$1.32 50% increase in Issue Price
Current Variable A 126,273,316 Shares	10% Voting Dilution	12,627,332 Shares	12,627,332 Shares	12,627,332 Shares
	Funds raised	\$5,556,026	\$11,112,052	\$16,668,078
50 % increase in current Variable A 189,409,974 Shares	10% Voting Dilution	18,940,997 Shares	18,940,997 Shares	18,940,997 Shares
	Funds raised	\$8,334,039	\$16,668,078	\$25,002,117
100% increase in current Variable A 252,546,632 Shares	10% Voting Dilution	25,254,663 Shares	25,254,663 Shares	25,254,663 Shares
	Funds raised	\$11,112,052	\$22,224,104	\$33,336,155

(c) Date by which Placement Securities may be issued

The Company will only issue and allot the Placement Shares during the 10% Placement Period, that is, at any time up to around 20 November 2019. An approval given under Resolution 3 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) Purposes for which Placement Securities may be issued

The Company may seek to issue the Placement Securities as non-cash consideration or cash consideration for example for the acquisition of intellectual property assets and/or other investments or assets, or as cash for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Placement Securities.

(e) Company's share allocation policy

The Company's share allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, issues in which existing security holders can participate;

- (ii) the effect of the issue of the Placement Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new intellectual property assets or investments, it is possible for example that the allottees under the 10% Placement Facility could be the vendors of the new intellectual property assets or investments.

(f) Issues during the previous 12 months

The total number of equity securities issued in the 12 months preceding the date of this Meeting is 7,638,097, which shares represent 6.33% of the total number of equity securities on issue at the commencement of the 12 month period.

The following are the details of all issues of equity securities by the Company during the 12 months preceding the date of this Meeting:

Date	Number of equity securities issued	Issued to whom?	Purpose of issue	Date approved by Shareholders (if applicable)	Price issued including discount to market price	Issued for cash?
7/5/2018	1,000,000 options to purchase Shares (Options)	51 Fund Pty Ltd	corporate advisory services	N/A refer resolution 4	\$100	As consideration for corporate advisory services
18/5/18	1,000,000 Options	Baker Young Stockbrokers Ltd	corporate advisory services	N/A refer resolution 5	\$2,000	As consideration for corporate advisory services
19/06/2018	2,285,716 Shares	Shareholders	Exercise of options		2,071,430 Shares @ \$0.375 each; 214,286 Shares @ \$0.50 each;	Yes
26/06/2018	142,857 Shares	Shareholders	Exercise of options		\$0.50 per share	Yes
30/06/2018	900,000 Shares	Employees	Employee Share Plan shares		\$0.565 per share	Yes
17/07/2018	142,857 Shares	Shareholders	Exercise of options		\$0.50 per share	Yes
27/07/2018	785,714 Shares	Shareholders	Exercise of options		\$0.50 per share	Yes
08/08/2018	1,380,953 Shares	Shareholders	Exercise of options		952,382 Shares @ \$0.375 each 428,571 Shares @ \$0.50 each	Yes

Recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 3.

Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 3 by or on behalf of any person (or their associate) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, the Company need not disregard a vote on Resolution 3 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

5. Resolution 4: – Ratification of prior option issue to 51 Fund Pty Ltd

As announced on 7 May 2018, the Company issued 1,000,000 options to purchase fully paid ordinary shares (**Options**) to 51 Fund Pty Ltd (**51 Fund**) pursuant to the terms of the existing corporate service mandate with 51 Fund.

Under Listing Rule 7.1, a company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval. Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue, and thereby refresh its ability in the future to issue further shares (equivalent in number to the share issue being ratified by this resolution) without obtaining prior shareholder approval.

The issue of the Options was within the 15% limitation imposed by ASX Listing Rule 7.1, however the Company is now seeking shareholder ratification and approval for the issue of these Placement Shares.

Regulatory Requirements

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

- (a) The number of securities the entity issued

A total of 1,000,000 Options (to purchase fully paid ordinary shares) have been issued pursuant to the Company's 15% entitlement under ASX Listing Rule 7.1.

- (b) The issue price of the securities:

Consideration payable for the issue of the Options is \$100. If all the Options are exercised, it will result in a total exercise price paid to the Company of \$450,000.

- (c) The terms of the securities
The 1,000,000 Options issued on 7 May 2018 have an exercise price of \$0.45 per Share and an expiry date of 7 May 2021.
- (d) The names of the allottee (or the basis on which the allottee was determined)
51 Fund Pty Ltd pursuant to the terms of an existing corporate services mandate.
- (e) The intended use of the funds raised
There were no funds raised from the issue of the Options, and so there is no currently proposed use for the funds if any of the Options are exercised.
- (f) Effect of passing of Resolution 4
Resolution 4, if passed, will enable the Company to retain the flexibility to issue the same number of equity securities (as the securities the subject of this resolution) within the next 12 months without the requirement to obtain prior shareholder approval for that number of equity securities.

Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 4

Voting Exclusion statement

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person (or their associate) who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

6. Resolution 5: – Ratification of prior option issue to Baker Young

As announced on 18 May 2018, the Company issued 1,000,000 options to purchase fully paid ordinary shares (**Options**) to Baker Young Stockbrokers Ltd (**Baker Young**) pursuant to the terms of the existing corporate service mandate with Baker Young.

Under Listing Rule 7.1, a company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval. Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue, and thereby refresh its ability in the future to issue further shares (equivalent in number to the share issue being ratified by this resolution) without obtaining prior shareholder approval.

The issue of the Options was within the 15% limitation imposed by ASX Listing Rule 7.1, however the Company is now seeking shareholder ratification and approval for the issue of these Placement Shares.

Regulatory Requirements

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

- (a) The number of securities the entity issued
A total of 1,000,000 Options (to purchase fully paid ordinary shares) have been issued pursuant to the Company's 15% entitlement under ASX Listing Rule 7.1.
- (b) The issue price of the securities
Consideration payable for the issue of the Options is \$2,000. If all the Options are exercised, it will result in a total exercise price paid to the Company of \$650,000.
- (c) The terms of the securities
The 1,000,000 Options issued on 18 May 2018 have an exercise price of \$0.65 per Share and an expiry date of 18 May 2021.
- (d) The names of the allottees (or the basis on which the allottees were determined)
Baker Young Stockbrokers Limited pursuant to the terms of an existing corporate services mandate.
- (e) The intended use of the funds raised:
There were no funds raised from the issue of the Options, and so there is no currently proposed use for the funds if any of the Options are exercised.
- (f) Effect of passing of Resolution 5
Resolution 5, if passed, will enable the Company to retain the flexibility to issue the same number of equity securities (as the securities the subject of this resolution) within the next 12 months without the requirement to obtain prior shareholder approval for that number of equity securities.

Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 5

Voting Exclusion statement

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person (or their associate) who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote on Resolution 5 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

7. Resolution 6: – Approval of Employee Share Plan

The Company has previously adopted an executive share plan (**Share Plan** or **Plan**) to foster an ownership culture within the Company and to motivate senior management and Directors to achieve performance targets of the Company. Selected senior management of the Company and the Directors are eligible to participate in the Plan at the absolute discretion of the Board. The Board also remains committed to incentivising and retaining the Company's directors and other personnel in a manner which promotes alignment of their interests with shareholder interests, whilst at the same time offering eligible participants market-competitive remuneration arrangements.

At the same time, the Company desires to maintain maximum ability to raise capital in accordance with ASX Listing Rule 7.1 without seeking prior shareholder approval. Accordingly, the Board seeks further shareholder approval of the Company's existing share loan plan (**Employee Share Plan** or **Plan**) for the purposes of ASX Listing Rule 7.2 Exception 9.

The aggregate number of Shares which may be issued pursuant to the Plan, (when aggregated with all Shares issued under all other employee incentive plans), shall not at any time exceed 7.5% of the total number of issued Shares.

A summary of the Employee Share Plan is set out in Schedule 1.

The Directors abstain from making a recommendation on Resolution 6 as they are eligible to participate in the Employee Share Plan (subject to shareholder approval) and therefore have a potential personal interest in the matter. Subject to the below voting exclusions, the Chairman intends to vote undirected proxies in favour of this resolution.

7.1 ASX Listing Rules

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing Rule 7.2 exception 9 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was summarised in the prospectus issued for the purposes of listing the Company on the ASX no more than three years before the relevant date of issue of the securities. The Employee Share Plan is regarded as an employee incentive scheme for the purposes of Listing Rule 7.2 and this Resolution 6 seeks shareholder approval for the Plan to meet the 3 year approval requirement.

The Company intends that any issue of shares under the Employee Share Plan does not detract from the Company's Listing Rule 7.1 15% entitlement. Accordingly, it is seeking shareholder approval of the Plan in order for the Company to be able to issue shares pursuant to the Employee Share Plan (**Plan Shares**) and have those shares qualify under exception 9 to Listing Rule 7.2.

7.2 Information required for Listing Rule 7.2 Exception 9(b)

Listing Rule 7.2 Exception 9(b) requires the information detailed in sections (a), (b) and (c) below to be provided to members for approval under this resolution:

(a) Shares already issued

The Company has previously issued 5,505,000 Shares pursuant to the Employee Share Plan since it was listed on the ASX in 2015.

(b) Employee Share Plan Summary

From time to time, and in its absolute discretion, the Board may invite employees and other eligible personnel of the Company (including the directors) to subscribe for Plan Shares under the Plan and, if the Board considers appropriate, the Board may invite some of those employees to apply for a limited recourse loan under the Plan (**Loan**) for all or part of the subscription price for those Plan Shares. The key terms of the Plan, and the key terms of the Loan (**Loan Terms**), are set out in Schedule 1 to this Notice of Meeting.

(c) Voting Exclusion Statement

The applicable voting exclusion statement for the purposes of Listing Rule 7.2 exception 9, under this Resolution 6, appears below.

7.3 Termination benefits under the Plan

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the special provisions of s 200E of the Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

The Plan allows the Board, in its discretion and subject to the Listing Rules, to vary or amend the terms of the Plan, which may include an amendment to allow an acceleration of vesting of share entitlements on a retirement, which could constitute a benefit otherwise prohibited under Section 200B. In order to give the Board flexibility to exercise its discretions under the Plan to the extent that an acceleration of vesting could be regarded as providing a person a benefit in connection with that person's retirement from an office or position of employment (**Employment Retirement Benefit**), shareholder approval for the purposes of sections 200B and 200E of the Corporations Act 2001 is being sought.

For a section 200B benefit to be allowed, section 200E requires that this Notice of Meeting provide shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are will likely to, affect the calculation of the value.

Value of termination benefits

The Board has not determined that it will exercise discretion to grant any Employment Retirement Benefits. In the circumstances of a possible Employment Retirement Benefit, the value of the benefits that the Board may give under the Plan cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Employment Retirement Benefits will depend on a number of factors, including the Company's share price at the time.

Further Voting restrictions

Insofar as Resolution 6 could relate to the provision of a Employment Retirement Benefit, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 6 must not be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company (or any related body corporate), or an associate of that person. However, a person is entitled to cast a vote if:

- (i) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (ii) it is not cast on behalf of the retiree or an associate of that person.

As at the date of this Notice, the Board has not identified any particular person to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company. As such, no existing Shareholders shall be excluded from voting on Resolution 6.

7.4 Loans for, and Security over, Plan Shares

Section 259B(2) permits a Company to take security over its own shares issued pursuant to an employee share scheme under certain conditions, including where prior shareholder approval of the employee share scheme has been obtained. Accordingly, the Company is seeking shareholder approval under Resolution 6 in respect of the operation of section 259B(2) of the Corporations Act, for circumstances where the Company elects to provide an employee assistance in the acquisition of shares in itself, such as providing a loan for the payment of the purchase price of a Share to be issued under the Plan.

Section 260A of the Corporations Act allows only limited circumstances under which a company may provide financial assistance for the acquisition of shares in itself without obtaining prior shareholder approval, including the giving of the assistance which *does not materially prejudice (i) the interests of the company or its shareholders, or (ii) the company's ability to pay its creditors*. The Board is of the view that this exemption is applicable, and at the relevant times will be applicable, to any loans that may be granted for the acquisition of Plan Shares under the Plan. Accordingly the Company will not be seeking shareholder approval with respect to under Section 260A of the Corporations Act.

Director Recommendation

As the Directors are excluded from voting upon this resolution pursuant to the ASX Listing Rules, the directors will not make a recommendation to shareholders with respect to vote in relation to this Resolution 6.

Voting Exclusion statement

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a Director of the Company (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) or an associate of that Director. However, the Company need not disregard a vote on Resolution 6 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

8. Resolution 7: – Approval of Issue of Employee Share Plan Shares to Paul Rennie

For the purposes of ASX Listing Rule 10.14 the Company seeks shareholder approval for the proposed issue to Paul Rennie of 300,000 Plan Shares at an issue price per Share equivalent to the market price as at the close of ASX trading on the Business Day preceding the allotment date of these Plan Shares (being after the approval of this Resolution 7) (**PR Loan Shares**) pursuant to the terms of the Company's employee share plan as described in section 7 above (**Employee Share Plan or Plan**).

If approved this issue will result in Paul Rennie having a relevant interest in the capital of the Company of a total of 18.09% (excluding any Shares issued as described in Resolutions 8 or 9) as at the date of issue of those Shares (the PR Loan Shares representing 0.17% of that relevant interest) and Mr Rennie having a total remuneration package of \$725,589. The issue price will be the market price as at the close of ASX trading on the business day preceding their issue date.

The Company has not sought shareholder approval under Chapter 2E of the Corporations Act as the Board believes that the total remuneration package for Mr Rennie (including the proposed issues of the PR Loan Shares) represents reasonable remuneration for Mr Rennie and is on reasonable commercial terms for a person in the position of Managing Director of a listed biotechnology company of the nature and size of Paradigm (based on a report from an independent remuneration report specialist who have advised as to market rates applicable for chief executive officers of biotech companies such as PAR).

As the issue price cannot be determined prior to obtaining shareholder approval, for illustrative purposes, and adopting the closing price of the Shares on the ASX on 27 September 2018, the value loan to be advanced for those 300,000 PR Loan Shares would be a total of \$153,018.

The PR Loan Shares will be issued on the terms of the Loan Terms (described in Schedule 1). The Company will take security over the PR Loan Shares (and will impose a holding lock) pending repayment of the Loan.

The PR Loan Shares shall be subject to an escrow contained in a voluntary restriction agreement to be entered with the Company by Mr Rennie prior to the Company issuing any PR Loan Shares, where the escrow period for a particular tranche is equivalent to the period between the date the PR Loan Shares are issued and ending on the date of the repayment of the Loan Amount.

Mr Rennie will also give a Power of Attorney in favour of the Company for limited circumstances where the Company may need to act as attorney for Mr Rennie, as described in the Loan Plan documents.

Corporations Act

- **Section 200B of the Corporations Act**

The Plan allows the Board, in its discretion and subject to the Listing Rules, where shareholders pass Resolution 7, may accelerate vesting of share entitlements on a retirement - which could constitute a benefit otherwise prohibited under section 200B.

In order to give the Board flexibility to exercise its discretions under the Plan, to the extent that an acceleration of vesting could be regarded as providing a person a benefit in connection with that person's retirement from an office or position of employment (**Employment Retirement Benefit**), shareholder approval for the purposes of sections 200B and 200E of the Corporations Act 2001 is now being sought.

For a section 200B benefit to be allowed, section 200E requires that this Notice of Meeting provide shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value.

The Board has not determined that it will exercise discretion to grant any Employment Retirement Benefits. In the circumstances of a possible Employment Retirement Benefit, the value of the benefits that the Board may give under the Plan cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all). Specifically, the value of an Employment Retirement Benefits will depend on a number of factors, including the Company's share price at the time.

- **Section 259B(2) of the Corporations Act**

Section 259B(2) permits a Company to take security over its own shares issued pursuant to an employee share scheme under certain conditions, including where prior shareholder approval of the employee share scheme has been obtained.

Accordingly, the Company is seeking shareholder approval under Resolution 7 in respect of the operation of section 259B(2) of the Corporations Act, for circumstances if and where the Company elects to provide an employee assistance in the acquisition of shares in itself, such as providing a loan for the payment of the purchase price of a Share to be issued under the Plan. Section 260A of the Corporations Act allows only limited circumstances under which a company may provide financial assistance for the acquisition of shares in itself, namely if:

- (a) the giving of the assistance does not materially prejudice (i) the interests of the company or its shareholders, or (ii) the company's ability to pay its creditors, or
- (b) the assistance is approved by Shareholders under section 260B; or
- (c) the assistance is exempt under section 260C (relating to employee share schemes).

The Board is of the view that (a) above is applicable, and at the relevant times will be applicable, to any loans that may be granted for the acquisition of PR Loan Shares under the Plan, and therefore will not be seeking shareholder approval with respect to under Section 260A of the Corporations Act.

Application of ASX Listing Rules

ASX Listing Rule 10.14 effectively provides that an entity must not permit a director of the Company (or their associate) to acquire securities under an employee incentive scheme (such as the Employee Share Plan) without the prior approval of holders of ordinary securities.

In the event that shareholder approval to this Resolution 7 is obtained under ASX Listing Rule 10.14, further shareholder approval to Resolution 7 is not required under ASX Listing Rule 7.1 (see Listing Rule 7.2, Exception 14).

ASX Listing Rule 10.15 Requirements

ASX Listing Rule 10.15 requires a notice of meeting seeking approval under Listing Rule 10.14 to disclose the following information:

- (a) the maximum number of securities to be issued to Mr Rennie pursuant to Resolution 7 is 300,000 PR Loan Shares;
- (b) the PR Loan Shares will be issued at a price per Loan Share equivalent to market price as at the close of ASX trading on the business day preceding the allotment date of these Plan Shares (being after the approval of this Resolution 7) (**Issue Price**);
- (c) Mr Rennie is the only person referred to in ASX Listing Rule 10.14 who has previously received securities under the same Employee Share Plan since the last approval of the Plan, namely 140,000 Loan Plan Shares issued at a price of \$0.3312 per Share, as approved by Shareholders at the 2016 Annual General Meeting and 210,000 Loan Plan Shares issued at a price of \$0.629 per Share, as approved by Shareholders at the 2017 Annual General Meeting;
- (d) the names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the employee incentive scheme are:
 - (i) Graeme Kaufman;
 - (ii) Paul Rennie;
 - (iii) Christopher Fullerton; and
 - (iv) John Gaffney;
- (e) the key terms of the PR Loan Shares are as set out in Schedule 1. The Loan Amount owed in respect of the PR Loan Shares will be equivalent to the Issue Price multiplied by 300,000 upon the issue of the PR Loan Shares;
- (f) the Company proposes to issue the PR Loan Shares pursuant to Resolution 7 as soon as reasonably practicable after Resolution 7 is approved by Shareholders, but in any case by no later than 12 months after the date of this meeting;
- (g) no funds will be received by the Company upon the issue of the PR Loan Shares as Mr Rennie will receive a Loan from the Company for the amount of the issue price of the PR Loan Shares. Such Loan will be repayable in accordance with the Loan Agreement.

Recommendation

The Directors (other than Mr Rennie) recommend that Shareholders vote in favour of Resolution 7. Due to the interest he has in the outcome of Resolution 7 Mr Rennie makes no recommendation to Shareholders in relation to Resolution 7.

Voting Exclusion Statements

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a Director entitled to participate in the Employee Share Scheme in respect of which the approval is sought; or*
- (b) by any associate of that Director.*

However, the Company need not disregard a vote on Resolution 7 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

*As required by the Corporations Act 2001 (Cth), no member of the Company's Key Management Personnel or a Closely Related Party of any such member (each a **KMP**) may vote as proxy on Resolution 7 unless:*

- (i) the person votes as proxy appointed in writing by a person entitled to vote on that resolution and the appointment specifies how the person is to vote on the Resolution 7; or*
- (ii) the person is the chair of the meeting, the appointment does not specify the way the proxy is to vote on the resolution and the appointment expressly authorises the chair to vote on Resolution 7 even though that resolution is connected with the remuneration of a member of the KMP.*

9. Resolution 8: – Approval of proposed Share issue to Paul Rennie re 2017 Placement

Background

As announced on 6 November 2017, as part of the \$5.75 million dollar placement (**2017 Placement**) Mr Paul Rennie agreed, subject to Shareholder Approval, that he would subscribe a further \$100,000 for Shares at the same price as the Shares to be issued under the 2017 Placement, namely 30 cents per Share. His commitment to take up \$100,000 in Shares at the 2017 Placement price, whilst subject to Shareholder Approval, assisted the Placement in demonstrating his confidence in the Company.

This AGM is the first occasion since the 2017 Placement for the Company to put this proposed Share issue to the members for approval.

Regulatory Requirements

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

The Company has not sought shareholder approval under Chapter 2E of the Corporations Act for a 'related party' transaction as the Board believes that the proposed subscription by Paul Rennie, being at the same price as that offered to the non-related sophisticated / professional investors (the subject the above 2017 Placement) and, is on reasonable commercial terms.

Reason for issue and Board recommendation

The Board proposes to issue Paul Rennie 333,333 Shares, to be subscribed for by Mr Rennie at \$0.30 per Share. The terms of the proposed Share subscription are described below and were announced to the ASX market at the time of the 2017 Placement. The Board agreed to subscription at the time of the 2017 Placement as the prevailing market conditions at the time the proposed placement was agreed, and considers this subscription to be in the best interests of the Company as it demonstrates Mr Rennie's commitment and belief in the Company.

The Board (except for Paul Rennie) unanimously recommends that shareholders vote in favour of Resolution 8.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) The name of the person to whom the securities will be issued
Paul Rennie.
- (b) The number of securities to be issued to the person
333,333 ordinary shares in the capital of the Company, credited as fully paid.
- (c) The date by which the entity will issue the securities
No later than 1 month after the date of this Annual General Meeting.
- (d) The issue price of the securities and a statement of the terms of the issue
\$0.30 per Share.
- (e) The intended use of the funds raised
The funds raised from the issue of the Shares will be used to improve the Company's financial flexibility, to take advantage of growth opportunities as economic conditions improve; and general working capital purposes.

Voting Exclusion statement

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 8 by or on behalf of Paul Rennie or any associate of Mr Rennie. However, the Company need not disregard a vote on Resolution 8 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of the 333,333 ordinary shares in the capital of the Company to Mr Rennie.

10. Resolution 9: – Approval of proposed Share issue to Paul Rennie re 2018 Placement

Background

In addition to Mr Rennie's commitment under the 2017 Placement (which is subject of the proposed share issue under Resolution 8 above); Mr Rennie has also made a similar commitment to invest an additional \$100,000 under the proposed 2018 placement **(2018 Placement)**

Mr Paul Rennie's commitment to subscribe a further \$100,000 for Shares at the same price as the Shares to be issued under the 2018 Placement is subject to Shareholder Approval (at this 2018 AGM). His commitment to take up \$100,000 in Shares at the proposed 2018 Placement price, whilst subject to Shareholder Approval, has assisted the 2018 Placement in demonstrating his confidence in the Company.

Regulatory Requirements

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

The Company has not sought shareholder approval under Chapter 2E of the Corporations Act for a 'related party' transaction as the Board believes that the proposed subscription by Paul Rennie, being at the same price as that offered to the non-related sophisticated / professional investors (the subject the 2018 Placement) and, is on reasonable commercial terms.

Reason for issue and Board recommendation

The Board proposes to issue Paul Rennie that number of Shares to be subscribed for by Mr Rennie which at the issue price under the 2018 Placement in aggregate equates to \$100,000. The Board agreed to the subscription by Mr Rennie at the same price as under the 2018 Placement and believes it to be in the best interests of the Company as it demonstrates Mr Rennie's continued commitment and belief in the Company.

The Board (except for Paul Rennie) unanimously recommends that shareholders vote in favour of Resolution 9.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company.

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) The name of the person to whom the securities will be issued
Paul Rennie.
- (b) The number of securities to be issued to the person
That number of Shares to be subscribed for by Mr Rennie which at the issue price under the 2018 Placement in aggregate equates to \$100,000.
- (c) The date by which the entity will issue the securities
No later than 1 month after the date of this Annual General Meeting.
- (d) The issue price of the securities and a statement of the terms of the issue
The same price per Share as announced in respect of the 2018 Placement.
- (e) The intended use of the funds raised
The funds raised from the issue of the Shares will be used to improve the Company's financial flexibility, to take advantage of growth opportunities as economic conditions improve; and general working capital purposes.

Voting Exclusion statement

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 9 by or on behalf of Paul Rennie or any associate of Mr Rennie. However, the Company need not disregard a vote on Resolution 9 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

Approval of this issue of securities pursuant to Listing Rule 10.11 means that pursuant to Listing Rule 7.2 (Exception 14), member approval is not required under Listing Rule 7.1 to the issue of Shares to Mr Rennie.

11. Resolution 10: – Ratification of Tranche 1 Shares issued to Sophisticated Investors re 2018 placement

As referred to above, the Company has just announced a placement of Shares to wholesale and sophisticated investors introduced to the Company by Bell Potter Securities Limited (**2018 Placement**).

The 2018 Placement consisted of **Tranche 1** which settles prior to the 2018 AGM and **Tranche 2** which is subject to prior Shareholder Approval and, where approved, would settle after the 2018 AGM.

Tranche 1 of the 2018 Placement is the subject of Resolution 10 and Tranche 2 is the subject of Resolution 11.

The issue of Shares under Tranche 1 was within the Company's current capacity under ASX Listing Rules 7.1 and 7.1A, however the Company is now seeking shareholder ratification and approval for the issue of these Tranche 1 shares to the extent the Company utilised its capacity under ASX Listing Rule 7.1.

Regulatory Requirements

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

(a) The number of securities the entity issued

Prior to the 2018 AGM meeting, up to 5,529,520 Shares have been issued pursuant to the Company's 15% entitlement under ASX Listing Rule 7.1.

(b) The issue price of the securities

As announced to the market, the issue price for the 2018 Placement (but not less than at an issue price being equal to at least 80% of the volume weighted average price of the Shares as traded on the ASX for the last 5 days prior to the issue date of those Shares).

(c) The terms of the securities

Fully paid ordinary shares in the capital of the Company.

(d) The names of the allottees (or the basis on which the allottees were determined)

Sophisticated and wholesale investors introduced to the Company by Bell Potter Securities Limited.

(e) The intended use of the funds raised:

The funds raised from the issue of the Shares will be used to improve the Company's financial flexibility, to take advantage of growth opportunities as economic conditions improve; and general working capital purposes.

(f) Effect of passing of Resolution 10

Resolution 10, if passed, will enable the Company to retain the flexibility to issue the same number of equity securities (as the securities the subject of this resolution) within the next 12 months without the requirement to obtain prior shareholder approval for that number of equity securities.

Recommendation

The Directors of the Company believe that Resolution 10 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 10.

Voting Exclusion statement

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of any person (or their associate) who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote on Resolution 10 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

12. Resolution 11: – Approval for the issue of Tranche 2 Shares to Sophisticated Investors re 2018 Placement

12.1 Background

The Company announced that it had secured commitments from wholesale and sophisticated investors (**2018 Placement**) introduced by Bell Potter Securities Limited an aggregate subscription for Shares in the Company of up to \$4.1 million under the Company's remaining Listing Rule 7.1 and 7.1A capacity (**Tranche 1 Placement**).

The Company also proposes, subject to shareholder approval (being this Resolution 11), to seek further subscriptions for up to 12,000,000 Shares (**Tranche 2 Placement**) from wholesale and sophisticated investors introduced by Bell Potter Securities at an issue price being equal to the Tranche 1 2018 Placement (but not less than at least 80% of the volume weighted average price of the Shares as traded on the ASX for the last 5 days prior to the issue date of those Shares (**Issue Price**)).

The issue of the Tranche 2 Placement Shares is subject to the condition precedent that the Company obtains approval of its Shareholders for the purposes of ASX Listing Rule 7.1. If this condition precedent is not satisfied either the Company or its lead broker may terminate the Subscription Agreement.

12.2 Regulatory requirements for the Subscription

ASX Listing Rule 7.1 sets out the regulatory requirements that must be satisfied in relation to the issue of securities under Resolution 11. ASX Listing Rule 7.1 prohibits the Company issuing shares in excess of 15% of the existing share capital in a 12 consecutive month period without prior shareholder approval.

The Company seeks shareholder approval to issue up to 12,000,000 Shares credited as fully paid at the Issue Price.

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued, as follows.

This information is set out below:

- (a) maximum number of securities to be issued:
Up to 12,000,000 Shares (credited as fully paid)
- (b) date which the securities are to be issued:
Within 3 months after the date of shareholder approval.
- (c) issue price of the securities:
At an issue price being equal to the Tranche 1 2018 Placement (but not less than at an issue price being equal to at least 80% of the volume weighted average price of the Shares as traded on the ASX for the last 5 days prior to the issue date of those Shares).
- (d) names of the allottee/s (if known):
Wholesale and sophisticated investors introduced by Bell Potter Securities Limited.
- (e) terms of the securities:
Fully paid ordinary shares in the capital of the Company.
- (f) the intended use of the funds raised:
Working capital requirements of the Company.

12.3 Reason for the subscription and Board recommendation

The Company's board believes that an issue of shares to wholesale and sophisticated investors introduced by Bell Potter Securities Limited on the terms described in this Explanatory Memorandum is of significant benefit to the Company.

The Board unanimously recommends that shareholders vote in favour of Resolution 11.

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of any person (or their associate) who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote on Resolution 11 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) 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.*

13. Further information

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of general meeting.

The Directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

Annexure A – Glossary

Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

2017 Placement means the placement of Shares to wholesale and sophisticated investors as announced by the Company on 6 November 2017.

2018 Placement means the placement (in two tranches) of Shares to wholesale and sophisticated investors as just announced by the Company prior to the despatch to this notice of meeting.

Annual General Meeting / AGM means the annual general meeting of the Company to be held at 11.00am on 26 November 2018 pursuant to the Notice of Meeting.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules or Listing Rules means the Listing Rules of the ASX as amended from time to time.

Board means the board of Directors of the Company.

Company means Paradigm Biopharmaceuticals Limited ACN 169 346 963.

Corporations Act or Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Key Management Personnel or KMP means the key management personnel whose remuneration is disclosed in the Remuneration Report.

Loan has the meaning as provided in Schedule 1 to this Explanatory Memorandum.

Meeting means the annual general meeting subject to this Notice.

Notice of Meeting or Notice means this notice of Annual General Meeting.

Plan Shares means the Plan Shares as defined in Schedule 1 to this Explanatory Memorandum.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2018 as set out in the Company's Annual Report for the year ended 30 June 2018.

Resolution means the resolutions referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Schedule 1 - Employee Share Plan Terms

The Company has adopted an executive share plan (**Plan**) to foster an ownership culture within the Company and to motivate senior management and Directors to achieve performance targets of the Company. Selected senior management of the Company and the Directors are eligible to participate in the Plan at the absolute discretion of the Board.

Shares allotted and issued under the Plan must rank equally in all respects with other Shares from the date of allotment and issue, subject to satisfaction of any applicable disposal restrictions.

The aggregate number of Shares which may be issued pursuant to the Plan, (when aggregated with all Shares issued under all other employee incentive plans), shall not at any time exceed 7.5% of the total number of issued Shares.

The Company may include, with an invitation to participate in the Plan, an offer of a limited recourse loan to assist in funding the issue price in respect of the relevant Shares. The issue price of Shares issued and to be issued under the Plan is to be determined from time to time by the Board, subject to any variation under rules of the Plan, to reflect the then market value of the relevant Shares as at the time of allotment.

Under the Plan the Board is empowered to exercise its discretion to issue fully paid ordinary shares in the Company (**Plan Shares**) to employees who qualify to participate in the Employee Share Plan, upon the basis that the Company advances (provides a **Loan**) the Participant the funds to purchase the Plan Shares pursuant to the terms of a secured limited recourse loan agreement between the Participant and the Company (**Loan Agreement**) and that the Participant enters a Restriction Agreement with the Company.

The key terms and conditions of the Employee Share Plan are set out below (**Loan Terms**):

- (i) the Loan may only be applied towards the subscription price for the Plan Shares;
- (ii) the Loan will be interest free, provided that if the Loan is not repaid by the repayment date set by the Board, the Loan will incur interest at the default interest rate set from time to time under Victorian legislation after that date (which will accrue on a daily basis and compound annually on the then outstanding Loan balance);
- (iii) by signing and returning a limited recourse Loan application, the participant of the Employee Share Plan (each a **Participant**) acknowledges and agrees that the Plan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the Loan is repaid in full to the Company;
- (iv) the Company is entitled, at the Company's discretion, to take security over the Plan Shares as security for repayment of the Loan;
- (v) the Participant is required to enter a restriction agreement with the Company (**Restriction Agreement**) in accordance with the terms of the Employee Share Plan;
- (vi) the Loan becomes repayable on the earliest of:
 - (a) 5 years from the date on which the Loan is advanced to the Participant;

- (b) one month after the date of the Participant's resignation or cessation of office/engagement/employment (as the case may be) other than if the Participant is removed from office, if the Company does not renew the Participant's employment agreement or engagement terms, or where the Company dismisses the Participant other than for cause; and
- (c) (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death;

the earliest date being the **Repayment Date**.

- (vii) notwithstanding paragraph (vi) above, the Participant may repay all or part of the Loan at any time before the Repayment Date; and
- (viii) the Loan will be limited recourse such that on the Repayment Date the repayment obligation under the Loan will be limited to the lesser of:
 - (a) the outstanding balance of the Loan, and
 - (b) the market value of the Plan Shares on that date.

In addition, where the Participant has elected for the Plan Shares to be provided to the Company in full satisfaction of the Loan, the Company must accept the Plan Shares as full settlement of the repayment obligation under the Loan.

Rights attaching to the Plan Shares

The Plan Shares will rank equally with all other fully paid ordinary shares on issue in the capital of the Company. Holders of Plan Shares will be entitled to exercise all voting rights attaching to those Shares in accordance with the Company's constitution. In addition, holders of Plan Shares will be entitled to participate in dividends declared and paid by the Company in accordance with the Company's constitution.

Sale of the Plan Shares

The Plan Shares may only be sold by a Participant (who has been granted a limited recourse loan) where the Loan has been repaid in full (otherwise any dealing by the Participant in the Plan Shares is prohibited without the prior written consent of the Company).

If the Loan becomes due and payable under the Loan Agreement and the Participant has not repaid the amount of the Loan in full within 21 days of the due date, then the Participant will forfeit their interest in the Plan Shares as full consideration for the repayment of the outstanding Loan balance, and the Company may either (at its election) take such action in the Participant's name or direct that the Participant take such action in relation to the Plan Shares as the Company considers appropriate, which may include but is not limited to the Company undertaking a buy-back of the Plan Shares or selling the Plan Shares.

Copies of the Employee Share Plan are available for inspection at the Company's registered office and will be provided without charge to shareholders on request.

Application Form Terms

The Application for the Plan Shares to be executed by a Participant includes the appointment by the Participant of the Company to be its attorney under a power of attorney (**Power of Attorney**) to perform all acts required on the Participant's behalf in order:

- (i) to transfer the shares (not yet vested) which are the subject of the Application to a nominee or nominees of the Company at the Issue Price per Share, or
- (ii) for the Company to undertake a buy back (at the Issue Price per Share) or capital reduction of those Shares not yet vested pursuant to the provisions of the Corporations Act 2001,

upon the basis that the Application Form is a irrevocable direction to the Company to apply all proceeds that would have otherwise been provided or due to the Participant on a transfer, buy back or capital reduction solely in satisfaction of the Outstanding Loan Balance (as defined in the Loan Agreement).

The Application Form also contains a vesting condition that prevails over all other (if any) vesting conditions (**Liquidity Event Vesting Condition**), namely that all Plan Shares vest immediately upon the happening of a Liquidity Event (as defined). A "Liquidity Event" is defined as:

- (i) where a bidder under a takeover offer (as defined in the Corporations Act) has acceptances for more than 50% of the ordinary shares in the Company and there are no unsatisfied conditions (or conditions that not been waived) under the bid, or
- (ii) on shareholder approval being obtained for a scheme of arrangement (as defined in the Corporations Act) with respect to the assets or securities of the Company; or
- (iii) completion under a contract of sale with a third party purchaser of all, or substantially all, of the assets and undertaking of the Company.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

 **For your vote to be effective it must be received by 11:00am (AEDT) on Saturday, 24 November 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report or update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.


Proxy Form

Please mark  to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Paradigm Biopharmaceuticals Limited hereby appoint

☐ the Chairman of the Meeting **OR**


 **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Paradigm Biopharmaceuticals Limited to be held at the offices of K&L Gates, Level 25, South Tower, 525 Collins Street, Melbourne, Victoria on Monday, 26 November 2018 at 11:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6, 7, 8 and 9 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

 **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Approval of proposed Share issue to Paul Rennie re 2018 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Graeme Kaufman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Ratification of Tranche 1 Shares issued to Sophisticated Investors re 2018 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of increased placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Approval for the issue of Tranche 2 Shares to Sophisticated Investors re 2018 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of prior option issue to 51 Fund Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Ratification of prior option issue to Baker Young Stockbrokers Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Approval of Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Approval of proposed issue of Employee Share Plan Shares to Paul Rennie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Approval of proposed Share issue to Paul Rennie re 2017 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date