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Notice of Annual General Meeting Wednesday 6 May 2015

NOTICE IS GIVEN that the Annual General Meeting of Sigma Pharmaceuticals Limited (**Company**) will be held at the ANZ Pavilion, Victorian Arts Centre, 100 St Kilda Road, Melbourne, Victoria on Wednesday 6 May 2015 at 11.00am.

Items of Business

1 Chairman's Address and Presentation by the Managing Director and Chief Executive Officer

2 Financial Statements and Reports

To consider the Company's Financial Report and Directors' and Auditor's Reports for the year ended 31 January 2015.

3 Remuneration Report

To adopt the Remuneration Report for the year ended 31 January 2015.

The vote on this resolution is advisory and does not bind the Company or its Directors.

4 Re-election of Directors

4.1 To re-elect as a Director Ms Linda Nicholls who retires by rotation in accordance with Rule 3.6 of the Company's Constitution and, being eligible, offers herself for re-election.

4.2 To re-elect as a Director Mr David Bayes who retires by rotation in accordance with Rule 3.6 of the Company's Constitution and, being eligible, offers himself for re-election.

5 Remuneration arrangements for the Managing Director and Chief Executive Officer

5.1 To consider and, if thought fit, pass the following resolution:

'That approval be given for the issue to the Managing Director and Chief Executive Officer of the Company, Mr Mark Hooper, of performance rights under the Company's Executive Short Term Incentive Plan (**STIP**), on the terms set out in the Explanatory Notes accompanying the Notice of this Meeting and for the issue of Shares upon the exercise of those rights.'

5.2 To consider and, if thought fit, pass the following resolution:

'That for the purposes of sections 200B and 200E of the Corporations Act, approval is given for the Company to provide the benefits to Mr Mark Hooper (details of which are set out in the Explanatory Notes accompanying the Notice of

this Meeting) arising from his participation in the STIP and the benefits arising from contractual arrangements with the Company in connection with any future termination of his employment or office.'

6 Non Executive Directors' Remuneration

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

'In accordance with Rule 10.2 of the Company's Constitution and for the purposes of Australian Stock Exchange Listing Rule 10.17, that the maximum aggregate sum per annum available for payment to the Non Executive Directors of the Company as remuneration for their services as directors of the Company be increased by \$250,000 from \$1,250,000 to \$1,500,000.'

Information for Shareholders:

Shareholders of the Company

For the purpose of voting at the Meeting, the Board has determined that persons holding Shares in the Company which are listed for quotation on the Australian Securities Exchange at 7.00pm in Melbourne on Monday 4 May 2015 will be treated as Shareholders of the Company.

Appointment of proxies

Proxies may be appointed for the Annual General Meeting. Please note that:

- a Shareholder entitled to attend and vote at the Meeting is entitled to appoint no more than two proxies to attend and vote on behalf of the Shareholder. Where two proxies are appointed, each proxy must be appointed to represent a specified number of votes or proportion of the Shareholder's voting rights. If no number or proportion is specified, each proxy may exercise half of the votes;
- a proxy need not be a Shareholder of the Company and may be an individual or a body corporate;
- a Shareholder that is a body corporate or a body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a

proxy at the Meeting. The representative should bring to the Meeting evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company;

- if a Shareholder appoints a KMP (as defined in the explanatory notes) as proxy, the KMP will not be able to cast the Shareholder's votes on Item 3, Item 5, or Item 6 unless the Shareholder directs the KMP how to vote or the Chairman of the Meeting is appointed as proxy. If a Shareholder appoints the Chairman as their proxy (or the Chairman is appointed proxy by default) and the Shareholder does not direct the Chairman how to vote, then by signing a returning the proxy form the Shareholder will be expressly authorising the Chairman to exercise the proxy in the relevant Item even though the Item is connected with the remuneration of the KMP; and
- if a Shareholder appoints the Chairman of the meeting as proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote (if permitted under the proxy form and subject to any applicable voting restrictions), as proxy in favour of the resolution.

Joint holders

In the case of joint holders of shares any one of the joint holders may vote at any meeting, but if more than one of such joint holders submits a vote, the vote of the first named of the joint holders in the Register of Members, whether submitted in person or by proxy or by attorney or in any other approved means, will be accepted to the exclusion of the votes of the other joint holder(s).

Lodgement of proxy forms

A proxy form accompanies this Notice of Meeting. To be effective, the completed proxy form and the power of authority (if any) under which the proxy form is signed or a certified copy of the relevant authority must be received by the Company at least 48 hours before the start of the Meeting (that is, by 11.00am Melbourne time) on Monday, 4 May 2015.

Proxies (and, if applicable, authorities) may be returned:

By mail:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

By hand:

Link Market Services Limited
Level 12, 680 George Street
Sydney 2000

By facsimile:

+61 2 9287 0309

Online:

at www.linkmarketservices.com.au

Login to the Link website using the details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online voting facility, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).

If you have any difficulties lodging your vote online, or if you require an additional proxy form, please contact Link Market Services on +61 1300 139 653.

Explanatory Notes on Resolutions

Item 2 – Financial Statements and Reports

The Corporations Act 2001 (Cth) (**Corporations Act**) requires the Directors to lay before the Meeting the Financial Report, Directors' Report and the Auditor's Report for the financial period ended 31 January 2015.

Shareholders have been provided with relevant information concerning the Company's financial statements in the Annual Report of the Company for the year ended 31 January 2015. The Annual Report is available on the Company's website and has been forwarded to Shareholders who have elected to receive a hard copy. A copy of the financial statements and the associated reports will also be tabled at the Meeting.

There is no requirement either in the Corporations Act or the Company's Constitution for Shareholders to vote on the reports. However, Shareholders will be given a reasonable opportunity to ask questions and make comments on these reports at the Meeting.

The Company's auditors will be present at the meeting.

Item 3 - Remuneration Report

The Corporations Act requires a non-binding resolution to be put to Shareholders for the adoption of the Remuneration Report and a reasonable opportunity for Shareholders to comment on and ask questions about the Remuneration Report.

The Remuneration Report is contained in the Annual Financial Report. Copies of the Annual Financial Report, including the Remuneration Report, are available on the Company's website at www.sigmaco.com.au or may be obtained from the Office of the Company Secretary by telephoning (03) 9215 9215.

The Remuneration Report includes:

- an explanation of the Company's policy for determining the remuneration of the Key Management Personnel;
- a discussion of the relationship between that policy and the Company's performance;
- prescribed information regarding key management personnel; and
- where any element of the remuneration of a member of the key management personnel depended on the satisfaction of a performance condition, a summary of that performance condition and an explanation of why it was adopted in relation to the relevant personnel.

The vote on the proposed resolution in this item is advisory only and will not bind the Company or its directors. However, if comments are made on the Remuneration Report at the meeting, the Company's remuneration report in respect of the financial year ending 31 January 2015 will include an explanation of the Board's proposed action in response to those comments or, if no action is proposed, the reasons why.

If at least 25% of the votes cast on the resolution are against adoption of the Remuneration Report at two consecutive AGMs, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be held within 90 days of the second AGM to consider the election of directors of the Company (**Spill Resolution**). If more than 50% of the votes cast on the Spill Resolution are in favour of the Spill Resolution, the Spill Resolution will be passed and all of the directors in office will cease to hold office immediately before the end of the Spill Meeting, unless they are re-elected at the Spill Meeting.

Voting Restrictions

The Corporations Act prohibits any votes being cast on the proposed resolution in Item 3 by or on behalf of:

- a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report (**KMP**); or
- a closely related party of a KMP,

whether the votes are cast as a shareholder, proxy or in any other capacity and the Company will disregard any such votes, unless:

- the vote is cast by a proxy appointed in writing that specifies how the proxy is to vote on Item 3, and is not cast on behalf of a KMP or a closely related party of a KMP; or
- the vote is cast as a proxy by the Chairman of the meeting and the proxy appointment expressly authorises the Chairman to exercise an undirected proxy.

A closely related party of a KMP includes a spouse of the KMP or a child or dependant of the KMP or the KMP's spouse, anyone else in the KMP's family who may be expected to influence the KMP or be influenced by the KMP in the KMP's dealings with the entity, or a company the KMP controls.

The Chairman of the meeting intends to vote undirected proxies (subject to the instructions set out in the proxy form and any other applicable restrictions) in favour of Item 3.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as described above), you may commit an offence by breaching the voting restrictions that apply to you under the Corporations Act.

Item 4 – Re-election of Directors

Rule 3.6 of the Company's Constitution requires one-third of the current Directors (excluding the Managing Director), or the whole number nearest one-third, to retire by rotation at each Annual General Meeting. Accordingly Ms Linda Nicholls and Mr David Bayes being amongst the longest serving Directors, retire at the end of the Meeting. Being eligible, Ms Linda Nicholls and Mr David Bayes offer themselves for re-election. Each election will be conducted as a separate resolution.

Profiles on each of the Directors are set out below.



Ms Linda Nicholls AO
BA (Econ), MBA, FAICD, Non Executive Director

Chairman of Risk Management and Audit Committee. Appointed a Director of Sigma Company Limited in April 1997 and of Sigma Pharmaceuticals Limited in December 2005. Ms Nicholls is Chairman of KDR VIC (Yarra Trams) and Japara Healthcare Limited. She is a Non-Executive Director of Pacific Brands Group and Medibank Private Limited, and a Director of Fairfax Media Limited. She is a former Chairman of Healthscope Limited and Australia Post Corporation. She is a former Director of St George Bank, Insurance Manufacturers of Australia, Low Carbon Australia Limited, Harvard Business School Alumni Board, and the Walter and Eliza Hall Institute of Biomedical Science. Ms Nicholls has over 30 years' experience in banking and finance in Australia, the USA and New Zealand. Ms Nicholls has not held any directorships of listed entities in addition to those set out above during the last 3 years.



Mr David Bayes
Non Executive Director, Chairman of the Remuneration and Nomination Committee.

Chairman of the Remuneration and Nomination Committee and a Member of the Risk Management and Audit Committee. Appointed a Director of Sigma in June 2007. Mr Bayes has held a variety of board and executive positions including former Chief Executive Officer of Choice Hotels Australasia, Chief Operating

Officer of Mortgage Choice, Chief Executive Officer and Director of Bakers Delight, former Non-Executive Director of Chiquita Brands South Pacific Ltd, former Non-Executive Director of North Western Healthcare Network and former Director of McDonald's Australia. Mr Bayes is member of the Board of the Australian Institute of Company Directors and President of the Victoria Council AICD. Mr Bayes has over 30 years' experience in multi-outlet retail business. Mr Bayes has not held any directorships of listed entities in addition to those set out above during the last three years.

Item 5 – Remuneration arrangements for the Managing Director and Chief Executive Officer

Item 5 relates to the proposed issue of securities to Mr Hooper, as part of his remuneration by the Company, in the Company's Executive Short Term Incentive Plan (**STIP**).

5.1 Executive Short Term Incentive Plan (STIP)

ASX Listing Rule 10.14 requires Shareholder approval for Mr Hooper to participate in an employee incentive scheme under which he acquires, or may acquire, equity securities in the Company. The STIP constitutes an 'employee incentive scheme' under the ASX Listing Rules. In addition, issues of securities under this Listing Rule are not taken into account for the purposes of calculating the 15% limit on the number of Shares that the Company may issue in any 12 month period under ASX Listing Rule 7.1 (although they are added to the denominator on which the 15% placement limit prescribed by Listing Rule 7.1 is calculated).

Subject to Shareholder approval, the number of performance rights to be granted to Mr Hooper under the STIP will be determined according to the following formula. This grant of performance rights to Mr Hooper will be made around March 2016 (**STIP Grant Date**).

$$A \div B \times C$$

A = the value of total annual fixed remuneration

B = the average closing price of the Company's Shares over the 5 last trading days of the 2015/16 financial year

C = the Executive Deferred STI component of total remuneration (maximum of 40% of fixed remuneration for this grant).

The extent to which Mr Hooper is awarded an incentive is first contingent upon the achievement of the Company's NPAT hurdle target. Once the hurdle has been achieved the extent to which Mr Hooper is awarded an incentive is contingent upon his ability to meet or exceed set KPIs for the 2015/16 financial year.

The number of STIP performance rights to be issued to Mr Hooper under the STIP cannot be determined until the end of the 2015/16 financial year and Mr Hooper's performance has been assessed against the relevant KPIs. However the maximum value of performance rights that may be granted to Mr Hooper is \$486,616.08.

Performance Conditions/Vesting of STIP Performance Rights

Provided Mr Hooper remains employed by the Company half of the performance rights will vest 1 year after the conclusion of the STIP performance period and the remaining half will vest 2 years after the conclusion of the STIP performance period.

Lapse of Performance Rights

All STIP performance rights in relation to which the relevant Performance Conditions are not satisfied will lapse.

If Mr Hooper ceases to be employed because of retirement, redundancy, death or total and permanent disablement, the Board has the discretion to determine that a number of STIP performance rights may vest (an **Accelerated Event**).

If a capital event occurs prior to completion of a STIP performance period, the STIP performance rights held by Mr Hooper will automatically vest (also an **Accelerated Event**).

All STIP performance rights held by Mr Hooper will lapse, and all Shares held in the STIP for Mr Hooper after satisfaction of the STIP Performance Conditions will be forfeited, if the Board determines that Mr Hooper has acted fraudulently or dishonestly or is in serious breach of duty to the Company or in the Board's reasonable opinion has brought the Company into disrepute.

Source of Shares

At the discretion of the Board, the Shares required for the STIP upon vesting of the performance rights may be provided either by issuing new Shares or by procuring the transfer of existing Shares including Shares acquired on-market.

Additional information

In accordance with the ASX Listing Rules, the following additional information is provided concerning the performance rights awarded to Mr Hooper under the STIP:

- (a) There is no loan scheme in relation to the STIP;
- (b) Non-executive directors are not entitled to participate in the STIP. Accordingly, Mr Hooper is the only director entitled to participate in the STIP;
- (c) Details of any securities issued to Mr Hooper under the STIP will be published in the annual report to Shareholders (and released to ASX) relating to the period in which the securities have been issued, and will state that approval for the issue of securities was obtained under ASX Listing Rule 10.14; and
- (d) Any additional persons referred to in Listing Rule 10.14 who become entitled to participate after Item 5.1 is approved, and who were not named in the Notice of this Meeting, will not participate until approval is obtained under Listing Rule 10.14.

A copy of the rules of the STIP is available for inspection by Shareholders prior to the day of the Annual General Meeting during business hours at the Company's registered office at 3 Myer Place, Rowville, Victoria.

Directors' Recommendation

The Directors, other than Mr Hooper (who is interested in the outcome of the resolution), recommend that Shareholders vote in favour of the resolution in Item 5.1.

5.2 Approval of the Issue of the STIP Performance Rights on an Accelerated Event and Payment of Termination Benefit

Why is this resolution being proposed?

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a person who holds or has held in the previous 3 years a managerial or executive office in the Group a benefit in connection with that person's retirement from office, or position of employment in excess of that person's average annual base salary over the relevant period, unless approved by Shareholders or such benefit is exempt from the need for Shareholder approval.

A consequence of these provisions is that the Company may (in general terms) be prohibited from providing the benefit of converting an Executive Officer's STIP performance rights into Shares upon an Accelerated Event (such as redundancy) (the value of that benefit being the **Acceleration Benefit**). This resolution is proposed to seek Shareholder approval to pay or provide Mr Mark Hooper a combined termination benefit (comprising both a payment in accordance with existing employment arrangements and the Acceleration Benefit) with a value potentially in excess of his average annual base salary remuneration).

If you approve this resolution, what can the Company do?

Approval by Shareholders of Item 5.2 will give the Company authority to convert any performance rights that Mr Hooper may hold, under the STIP, into Shares upon an Accelerated Event, even if the value of the associated Acceleration Benefit, when combined with his existing termination benefit (described below) exceeds his average annual base salary remuneration.

Approval of the Item 5.2 does not give the Board authority to pay ex-gratia golden handshakes to Mr Hooper or accelerate the vesting of any performance rights (other than as described above in section 5.1).

Maximum benefit payable

- (a) Existing benefit

Mr Hooper is eligible for up to a 12 month payment in lieu of notice period as a termination benefit (**Termination Benefit**). More detail on the Termination Benefit is provided below.

- (b) New proposed additional benefit

Performance rights granted to Mr Hooper under the STIP will vest on satisfaction of the Performance Conditions or if any earlier Acceleration Event occurs (as described in section 5.1). The value of the Shares Mr Hooper may receive under the STIP is explained under section 5.1.

Termination Benefit

A Termination Benefit is payable where Mr Hooper:

- (a) is entitled to receive a payment from the Company on termination of employment by the Company; or
- (b) is otherwise made redundant.

The amount of a Termination Benefit includes up to 12 months' Fixed Remuneration in lieu of the Company giving notice of termination of office or employment.

Legal Requirements – Accelerated Event and Termination Benefit

Subject to a number of exceptions, Shareholder approval must be given for the purposes of sections 200B and 200E of the Corporations Act for the Company to give a person a benefit in connection with that person's retirement from office, or position of employment, in a company or a related body corporate if:

- (a) the office or position is a managerial or executive office; and
- (b) the retiree has, at any time during the last three years before his or her retirement, held a managerial or executive office in the Company or a related body corporate.

The term 'benefit' has a wide operation and extends to:

- (a) early vesting of the performance rights under any of the categories of Accelerated Event as described above; and
- (b) payment of any Termination Benefit (but excludes among other things payments for accrued annual leave and long-service leave).

Item 5.2 has therefore been proposed to deal with Acceleration Benefits in respect of performance rights granted under the STIP and any payment of a Termination Benefit.

The Resolution applies to:

- (a) the performance rights proposed to be granted under the STIP to Mr Hooper and such performance rights vest in accordance with an Accelerated Event; and
- (b) any Termination Benefit payable to Mr Hooper.

The value of any Acceleration Benefit cannot currently be ascertained. The details of the Acceleration Benefits for which approval is sought are as follows:

Description of benefit	Manner in which value to be calculated	Matters, events and circumstances that will, or are likely to, affect the calculation of value
Vesting of performance rights if Mr Hooper ceases employment, or is no longer in office, with the Company, prior to the satisfaction of a performance condition, under a Plan, due to an Accelerated Event.	The Company will calculate the value of this benefit as being equal to the value of the number of performance rights that vest, where that value is determined as being equal to the closing market price of a Share on ASX on the ASX trading day before the date of the calculation.	<ul style="list-style-type: none"> (a) The number of performance rights held by Mr Hooper prior to the date of cessation of employment or loss of office with the Company; (b) the amount of time under a Plan that has elapsed by that date; and (c) the closing market price of a Share on ASX on the ASX trading date before the date of calculation.

The amount of any Termination Benefit cannot currently be ascertained. The details of the Termination Benefit for which approval is sought are as follows:

Description of benefit	Manner in which value to be calculated	Matters, events and circumstances that will, or are likely to, affect the calculation of value
Payment of Termination Benefit where Mr Hooper: <ul style="list-style-type: none"> (a) has his employment or position terminated on notice by the Company; or (b) is otherwise made redundant. 	The Company will calculate the value of this benefit as including up to 12 months' Fixed Remuneration in lieu of the Company giving notice of termination of office.	<ul style="list-style-type: none"> (a) The amount Mr Hooper is entitled to receive from the Company by way of remuneration at the time of his termination; and (b) The time after the commencement of the financial year that notice is served terminating employment.

Advantages and Disadvantages

The Board notes that advantages may accrue to the Company and Shareholders as a result of the passing of this resolution, including the continuing focus of Mr Hooper on Shareholders' long term interests.

The Board recognises that the sector in which the Company operates is dynamic with significant merger and acquisition activity. The passing of this resolution will enable Mr Hooper to receive any accrued benefits under the STIP that may otherwise be lost or voided under a takeover or other Accelerated Event. The Board considers it advantageous that Mr Hooper should be entitled, in these limited circumstances, to receive the benefits of any granted at-risk component of his remuneration. The Board believes that keeping the senior executives focussed on long term value creation will be in the best interests of all Shareholders and considers this resolution will recognise its commitment to Mr Hooper.

The Board notes that disadvantages may accrue to the Company and Shareholders as a result of the passing of this resolution. The only material disadvantage identified by the Board is dilution of Shareholders' interest in the Company as a result of the grant of Shares pursuant to the vesting of performance rights. This disadvantage will not eventuate if Shares granted to Mr Hooper are acquired on-market rather than through new issue of Shares. Further, it should be noted that approval of this resolution may permit the conversion of granted performance rights that Mr Hooper may hold into Shares upon an Accelerated Event occurring. On balance, the Board believes the advantages clearly outweigh the disadvantages.

Voting Restrictions

The Company will disregard any votes cast on proposed Items 5.1 or 5.2 by:

- any director of the Company who is eligible to participate in any employee incentive scheme in relation to the Company and any associate of any such director; and
- as a proxy by a member of the KMP or their closely related parties.

However, the Company need not disregard a vote (and that person is not prohibited from voting) if:

- the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- where the proxy is a member of the KMP, the proxy is appointed by writing that specifies how the proxy is to vote on the resolutions proposed in Item 5 and it is not cast on behalf of a KMP or a closely related party of a KMP (including Mr Hooper); or
- the vote is cast as a proxy by the Chairman of the meeting and the proxy appointment expressly authorises the Chairman to exercise an undirected proxy as the Chairman decides.

The Chairman of the meeting intends to vote undirected proxies (where the Chairman has been appropriately authorised) in favour of the resolutions in Item 5.

Key management personnel and their closely related parties are as described above in the voting exclusion statement for Item 3.

Directors' Recommendation

The Directors, other than Mr Hooper (who is interested in the outcome of the resolution), recommend that Shareholders vote in favour of the resolution in Item 5.2.

Item 6 - Non Executive Directors' Remuneration

The maximum aggregate remuneration that the Non Executive Directors are entitled to be paid out of the funds of the Company is currently \$1,250,000 per annum. This amount was last fixed by ordinary resolution of Shareholders on 9 May 2012.

ASX Listing Rule 10.17 provides that a listed company must not, without shareholder approval, increase the total amount of Non-Executive Directors' fees. Rule 10.2 of the Company's Constitution governs Non Executive Directors' remuneration and contemplates that the amount of remuneration the Non-Executive Directors are entitled to be paid must not exceed in aggregate the amount last fixed by ordinary resolution.

Following an independent review by Deloitte of the remuneration paid to the Non Executive Directors, and consideration of its findings by the Remuneration and Nomination Committee and Board it is proposed that the maximum aggregate sum per annum available for payment as remuneration (inclusive of superannuation and exclusive of other on-costs) be increased from \$1,250,000 to \$1,500,000. The proposed Directors' fees for the next financial year will utilise only a portion of the increase in the aggregate sum available.

The proposed increase to the maximum aggregate sum per annum available for payment as remuneration reflects current market benchmarks. The increase is aimed at ensuring that the Company can retain the appropriate people to act as Non Executive Directors taking into account the size, complexity and

accountability of the roles. It will also provide the capacity to appoint a new Director, if it is determined appropriate to do so, having regard to the operations of the Company and the workload of existing Directors.

Voting restrictions

In accordance with the ASX Listing Rules, the Company will disregard any votes (and the Company will disregard any such votes) cast on proposed Item 6 by:

- a Director; or
- an associate of a Director.

However, the Company need not disregard a vote (and that person is not prohibited from voting) if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

In addition, the Corporations Act prohibits the casting of any votes on Item 6 by or on behalf of:

- a member of the key management personnel of the Company, details of whose remuneration are included in the remuneration report for the year ended 31 January 2015 (**KMP**); or
- a closely related party of a KMP,

where the votes are cast as a proxy. The Company will disregard any such votes.

However, the Company will not disregard a vote cast by a KMP or closely related party of a KMP if it is cast as a proxy and either:

- the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed in Item 6 and it is not cast on behalf of a KMP or a closely related party of a KMP; or
- the proxy is the Chairman of the meeting and the Chairman's appointment expressly authorizes the Chairman to exercise the proxy even though the resolution is connected with the remuneration of a KMP.

If a member appoints the Chairman of the meeting as their proxy and the member does not direct the Chairman of the meeting how to vote on Item 6, the member authorises the Chairman of the meeting in respect of Item 6 to exercise the proxy:

- notwithstanding that Item 6 is connected directly or indirectly with the remuneration of a member of the Company's KMP; and
- even if the Chairman of the meeting has an interest in the outcome of the vote of Item 6 and that any votes cast by the Chairman of the meeting in respect of Item 6, other than as proxy holder, will be disregarded because of that interest.

The Chairman of the meeting intends to vote undirected proxies (where the Chairman has been appropriately authorised) in favour of Item 6.

If you are a member of KMP (other than the Chairman of the meeting acting as a proxy) or a closely related party of a member of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Key management personnel and their closely related parties are as described above in the voting exclusion statement for Item 3.

Recommendation

Given their interest in the subject matter of this resolution, the Directors make no recommendation to shareholders on Item 6.