

Botanix Pharmaceuticals Limited

ABN 70 009 109 755

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

23 November 2022

Time of Meeting

9.00am AWST

Place of Meeting

D2

661 Newcastle Street

Leederville WA 6007

A Proxy Form is enclosed or has otherwise been provided to you

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the Proxy Form in accordance with the specified directions.

BOTANIX PHARMACEUTICALS LIMITED

ABN 70 009 109 755

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Botanix Pharmaceuticals Limited ABN 70 009 109 755 will be held at D2, 661 Newcastle Street Leederville WA 6007 on 23 November 2022 at 9.00am for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2022, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1 Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2022 as set out in the 2022 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution ; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

2 Resolution 2 – Re-election of Mr Danny Sharp as a Director

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

"That, Mr Danny Sharp, who ceases to hold office in accordance with Article 6.3(j) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected a Director of the Company."

3 Resolution 3 – Re-election of Dr Stewart Washer as a Director

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

"That, Dr Stewart Washer, who retires in accordance with Article 6.3(b)(ii) of the Constitution and Listing Rule 14.4 and, being eligible for re-election, be re-elected as a Director."

4 Resolution 4 – Approval of Additional 10% Placement Capacity

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

"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) any person 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 entity); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 Resolution 5 – Grant of Incentive Options to Dr Stewart Washer (Director) (or his nominee(s)) under the 2021 Plan

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 5,000,000 Incentive Options for no consideration, with each Incentive Option having an exercise price of \$0.102 and expiring 22 March 2025, to Dr Stewart Washer or his nominee(s) under the 2021 Plan, on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or their nominee(s); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

6 Resolution 6 - Approval of potential termination benefit in relation to Incentive Options to Dr Stewart Washer (or his nominee(s))

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

“Subject to the passing of Resolution 5, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefit in relation to the Incentive Options described in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum) which may become payable to Dr Stewart Washer (or his nominee(s)), be approved.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

7 Resolution 7 – Approval of Employee Incentive Plan

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

""That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve any issue of up to a maximum of 150,000,000 securities under the Plan over a period of up to 3 years from the date of the Meeting for employees and Directors known as "Employee Awards Plan", a summary of the rules of which are set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum), as an exception to Listing Rules 7.1 and 7.1A."

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is eligible to participate in the employee incentive scheme; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides;
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

8 Resolution 8 – Approval of potential termination benefit in relation to securities issued pursuant to the Plan

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

"Subject to the passing of Resolution 8, that, for the purposes of Listing Rule 10.19 and Part 2D.2 of the Corporations Act, and for all other purposes, approval be given for the giving of benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office under the terms of the Plan as set out in the Explanatory Memorandum, including Annexure C to the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) an officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit; and

- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

9 Resolution 9 – Ratification of issue of Placement Shares under Listing Rule 7.1

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,137,218 Placement Shares (at an issue price of \$0.066 each) on 12 September 2022 to institutional and sophisticated investors under the Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10 Resolution 10 – Ratification of issue of Placement Shares under Listing Rule 7.1A

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 97,923,388 Placement Shares (at an issue price of \$0.066 each) on 12 September 2022 to institutional and sophisticated investors under the Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11 Resolution 11 – Ratification of issue of Placement Options under Listing Rule 7.1

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 53,030,464 Placement Options (with an exercise price of \$0.09 per Placement Option and an expiry date of 18 months from their date of issue) on 12 September 2022 to institutional and sophisticated investors under the Placement on the terms and conditions set out in the Explanatory Memorandum, including Annexure E to this Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

12 Resolution 12 – Ratification of issue of Tranche 1 Lead Manager Options to the Lead Manager (or its nominee(s))

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,000,000 Lead Manager Options (with an exercise price of \$0.0792 and an expiry date of 2 years from their date of issue) at an issue price of \$0.00001 each on 12 September 2022 to Euroz Hartleys Limited (or its nominee(s)) on the terms and conditions set out in the Explanatory Memorandum, including Annexure F to the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

13 Resolution 13 – Ratification of issue of Tranche 2 Lead Manager Options to the Lead Manager (or its nominee(s))

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Lead Manager Options (with an exercise price of \$0.099 and an expiry date of 2 years from their date of issue) at an issue price of \$0.00001 each on 12 September 2022 to Euroz Hartleys Limited (or its nominee(s)) on the terms and conditions set out in the Explanatory Memorandum, including Annexure F to the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

14 Resolution 14 – Ratification of issue of Tranche 3 Lead Manager Options to the Lead Manager (or its nominee(s))

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Lead Manager Options (with an exercise price of \$0.132 and an expiry date of 2 years from their date of issue) at an issue price of \$0.00001 each on 12 September 2022 to Euroz Hartleys Limited (or its nominee(s)) on the terms and conditions set out in the Explanatory Memorandum, including Annexure F to the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

15 Resolution 15 – Issue of Placement Shares to Mr Vincent Ippolito (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,515,151 Placement Shares at an issue price of \$0.066 per Placement Share to Mr Vincent Ippolito, Director, and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and/or his nominee(s); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

16 Resolution 16 – Issue of Placement Shares to Mr Matthew Callahan (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,515,151 Placement Shares at an issue price of \$0.066 per Placement Share to Mr Matthew Callahan, Director, and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and/or his nominee(s); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

17 Resolution 17 – Issue of Placement Shares to Dr William Bosch (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,515,151 Placement Shares at an issue price of \$0.066 per Placement Share to Dr William Bosch, Director, and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and/or his nominee(s); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

18 Resolution 18 – Issue of Placement Shares to Dr Stewart Washer (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,515,151 Placement Shares at an issue price of \$0.066 per Share to Dr Stewart Washer, Director, and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and/or his nominee(s); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

19 Resolution 19 – Issue of Placement Shares to Mr Danny Sharp (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,515,151 Placement Shares at an issue price of \$0.066 per Placement Share to Mr Danny Sharp, Director, and/or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and/or his nominee(s); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

20 Resolution 20 – Grant of Incentive Performance Rights to Mr Vincent Ippolito (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 6,000,000 Incentive Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date of 30 November 2026, to Mr Vincent Ippolito, Director, or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures C and G to the Explanatory Memorandum).”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
 - (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

21 Resolution 21 – Grant of Incentive Performance Rights to Mr Matthew Callahan (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 3,500,000 Incentive Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date of 30 November 2026, to Mr Matthew Callahan, Director, or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures C and G to the Explanatory Memorandum).”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or

- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

22 Resolution 22 – Grant of Incentive Performance Rights to Dr William Bosch (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,500,000 Incentive Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date of 30 November 2026, to Dr William Bosch, Director, or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures C and G to the Explanatory Memorandum).”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
(b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

23 Resolution 23 – Grant of Incentive Performance Rights to Dr Stewart Washer (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,000,000 Incentive Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date of 30 November 2026, to Dr Stewart Washer, Director, or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures C and G to the Explanatory Memorandum).”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
 - (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

24 Resolution 24 – Grant of Incentive Performance Rights to Mr Danny Sharp (Director) (or his nominee(s))

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,000,000 Incentive Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date of 30 November 2026, to Mr Danny Sharp, Director, or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexures C and G to the Explanatory Memorandum).”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (or their nominee(s)); or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Simon Robertson
Company Secretary

Dated: 17 October 2022

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronic address or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Questions at the Meeting

Please note, only Shareholders may ask questions once they have been verified. It may not be possible to respond to all questions. Shareholders are encouraged to submit questions prior to the AGM (please see below).

A Shareholder who is entitled to vote at the meeting may submit a written question to the Company in advance of the Meeting. We ask that all pre-Meeting questions be received by the Company no later than 2 days before the date of the AGM, being 5.00 pm (AWST) on 21 November 2022. Any questions should be directed to info@botanixpharma.com.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).

- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 5, 6, 7, 8, 20, 21, 22, 23 and 24 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. However, in exceptional circumstances, the Chair of the Meeting may change his voting intention, in which case an ASX announcement will be made. These rules are explained in this Notice.
- To be effective, proxies must be received by 9.00am (AWST) on 21 November 2022. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed Proxy Form by post to:

Automic
GPO Box 5193
Sydney NSW 2001

- or
- by returning a complete Proxy Form and delivering it in person at:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000
- by faxing a complete Proxy Form to +61 2 8583 3040;
- or
- by email to:
meetings@automicgroup.com.au
- or
- by recording the proxy appointment and voting instructions via the internet at <https://investor.automic.com.au/#/loginsah>.
Only registered Shareholders may access this facility and will need their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**)
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 9.00am (AWST) on 21 November 2022. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4.00pm (AWST) on 21 November 2022.

Receiving shareholder communications

Shareholders can elect to receive some or all of their communications in physical or electronic form, or elect not to receive certain documents. To review your communications preferences, or sign up to receive your shareholder communications via email, please update your details by contacting Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

BOTANIX PHARMACEUTICALS LIMITED

ABN 70 009 109 755

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2022, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

1 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

1.1 Background

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2022 Annual Report be adopted. The Remuneration Report is set out in the Company's 2022 Annual Report and is also available on the Company's website (<https://botanixpharma.com/>).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors

who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors. The remuneration report for the financial year ended 30 June 2021 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 26 October 2021. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

1.2 Voting

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

2 Resolution 2 – Re-election of Mr Danny Sharp as a Director

2.1 Background

Resolution 2 seeks approval for the re-election of Mr Danny Sharp as a Director with effect from the end of the Meeting.

Article 6.2(b) of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Sharp having been appointed by the Board on 22 March 2022, retires from office in accordance with the requirements of Article 6.3(j) of the Constitution and submits himself for re-election.

2.2 Qualifications

Mr Sharp is a respected investment banker with more than 30 years' experience and strong networks within global capital markets, institutional investment and private wealth. Healthcare and technology are his speciality areas of expertise.

Most recently, Mr Sharp was Corporate Finance Executive Director of Canaccord Genuity, and he has previously spearheaded the Corporate Finance departments at both Shaw and Partners and Lodge Partners.

Mr Sharp holds a Bachelor of Economics and Law and is a CFA Charter Holder.

2.3 Other material directorships

Currently, Mr Sharp is a Non-Executive Director on the Board of health informatics Company Alcidion Group Limited (ASX: ALC) and on the Investment Committee of the Baker Heart and Diabetes Institute. Mr Sharp does currently not hold any other directorship positions.

2.4 Independence

The Board considers that Mr Sharp, if re-elected, will continue to be classified as an independent director.

2.5 Board recommendation

The Company confirms it has conducted appropriate checks into Mr Sharp's background and experience and those checks have not revealed any information of concern.

Based on Mr Sharp's relevant experience and qualifications the members of the Board, in the absence of Mr Sharp, support the re-election of Mr Sharp as a director of the Company and recommend that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

3 Resolution 3 – Re-election of Dr Stewart Washer as a Director

3.1 Background

Pursuant to Article 6.3(b)(ii) of the Company's Constitution and Listing Rule 14.4, Dr Stewart Washer, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

If the Resolution is passed, Dr Stewart Washer will be re-elected and will continue to act as a Director. If the Resolution is not passed, Dr Stewart Washer will not be re-elected and will cease to act as a Director.

3.2 Qualifications

Dr Stewart Washer is a respected senior executive with more than 20 years of experience at Board and senior executive levels across medical technology, biotechnology and **agri-food** companies. He has an established track record and has overseen acquisitions and strategic partnerships in the pharmaceutical and cannabinoid medicine sectors, with some of the world's leading companies. Previously, Dr Washer has been an Investment Director at Bioscience Managers, a leading life science investment firm and was a Venture Partner with the Swiss Inventages Fund, a €1.5bn life science fund, funded by Nestle. Dr Washer has held a number of Board positions previously including Chairman of Hatchtech which sold for A\$279m in 2015 and as a Director of iCeutica, which was sold to US-based Iroko Pharmaceuticals in 2011.

Dr Washer holds a Bachelor of Science and PhD in Microbiology/Biochem.

3.3 Other material directorships

Currently, Dr Washer is also a director of Orthocell Limited (ASX:OCC), Enyria Limited (ASX:EMD) and Cynata Therapeutics Limited (ASX:CYP). Dr Washer does currently not hold any other directorship positions.

3.4 Independence

Dr Washer was appointed to the Board on 21 February 2019. The Board considers that Dr Washer, if re-elected, will continue to be classified as an independent director.

3.5 Board recommendation

Based on Dr Washer's relevant experience and qualifications the members of the Board, in the absence of Dr Washer, support the re-election of Dr Washer as a director of the Company and recommend that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

4 Resolution 4 – Approval of Additional 10% Placement Capacity

4.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Listing Rule 7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 The number of Equity Securities which may be issued pursuant to the Listing Rule 7.1A Mandate

Based on the number of Shares on issue at the date of this Notice, the Company will have 1,085,293,993 Shares on issue and therefore, subject to Shareholder approval being obtained under this Resolution, 108,529,399 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A, subject to the passing of Resolutions 9 and 10). Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Listing Rule 7.1A Mandate is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

$$(A \times D) - E$$

A is the number of Shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):

- (a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

- (i) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (ii) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (iii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;
- (b) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the Relevant Period; or
 - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
- (c) plus the number of fully paid Shares issued in the Relevant Period with approval of holders of Shares under Listing Rules 7.1 and 7.4;
- (d) plus the number of partly paid Shares that become fully paid in the Relevant Period;
- (e) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

Resolution 4 is a special resolution, requiring 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) in order to be passed.

4.3 Specific information required by Listing Rule 7.3A

- (a) If the Resolution is passed, the Listing Rule 7.1A Mandate will be valid during the period from the date of the Meeting and will expire on the earlier of:
 - (i) the date that is 12 months after the date of the Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date on which the Company receives approval by Shareholders for 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) (**Approval Period**).
- (b) The Equity Securities to be issued will be in an existing class of quoted securities and will be issued for cash consideration at an issue price per Equity Security of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
 - (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities as cash consideration in which case the Company intends to use the funds raised towards:
- (i) its existing and new product development studies and intellectual property maintenance costs;
 - (ii) general working capital; or
 - (iii) for the potential acquisition of new assets and investments.
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Listing Rule 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also 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 Equity Securities than on the date the Listing Rule 7.1A Mandate was approved; and
 - (ii) the Equity 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 Equity Securities.

The table below demonstrates the potential dilution of existing Shareholders in three differing scenarios.

Variable 'A' (refer above for calculation)		Dilution		
		\$0.0325 Issue Price at half the current market price	\$0.065 Issue Price at current market price	\$0.13 Issue Price at double the current market price
Current Variable 'A' 1,085,293,993 Shares	Shares issued	108,529,399	108,529,399	108,529,399
	Funds raised	\$3,527,205	\$7,054,411	\$14,108,822
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 1,627,940,990 Shares	Shares issued	162,794,099	162,794,099	162,794,099
	Funds raised	\$5,290,808	\$10,581,616	\$21,163,233
	Dilution	10%	10%	10%
	Shares issued	217,058,799	217,058,799	217,058,799

Variable 'A' (refer above for calculation)		Dilution		
		\$0.0325 Issue Price at half the current market price	\$0.065 Issue Price at current market price	\$0.13 Issue Price at double the current market price
100% increase in current variable 'A' 2,170,587,986 Shares	Funds raised	\$7,054,411	\$14,108,822	\$28,217,644
	Dilution	10%	10%	10%

Note: This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Listing Rule 7.1A Mandate consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Listing Rule 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4 (including those Resolutions for which ratification is being sought at the Meeting).
- This table does not set out any dilution pursuant to future ratification under Listing Rule 7.4 (excluding the Resolutions seeking Shareholder approval for ratification under this Notice).

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (e) The identity of the persons to whom Shares under the Listing Rule 7.1A Mandate will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- the purpose of the issue;
 - the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlements offer;
 - the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - the financial situation and solvency of the Company; and

- (v) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Listing Rule 7.1A Mandate have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2021 annual general meeting held on 26 October 2021. A total of 97,923,388 Equity Securities were issued, which represents 9.57% of the total number of Equity Securities on issue at the commencement of that 12-month period.
- (g) The details of each of issue or agreement to issue Equity Securities under Listing Rule 7.1A2 in the 12 months preceding the date of the Meeting are set out in Annexure A.

5 Resolution 5 – Grant of Incentive Options to Dr Stewart Washer (or his nominee(s)) under the 2021 Plan

5.1 Background

The Company is seeking shareholder approval under Resolution 5 to grant a total of up to 5,000,000 Incentive Options (each with an exercise price of A\$0.102 and an expiry date of 22 March 2025 to Dr Stewart Washer (or his nominee(s)), under the 2021 Plan.

The Incentive Options proposed to be granted to Dr Washer (or his nominee(s)) will vest and become exercisable as follows:

- (a) 1,000,000 Incentive Options will vest immediately on issue;
- (b) 2,000,000 Incentive Options will vest on 22 March 2023; and
- (c) 2,000,000 Incentive Options will vest on 22 March 2024.

The Incentive Options will be subject to the terms and conditions of the 2021 Plan and as set out in Annexure B to this Explanatory Memorandum.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

5.2 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Dr Washer is a related party of the Company.

In relation to this Resolution, the Board (excluding Dr Washer) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Incentive Options as the Board considers that the Incentive Options are reasonable remuneration for the purposes of section 211 of the Corporations Act.

Under the Company's current circumstances, the Directors (in the absence of Dr Washer) consider that the grant of Incentive Options represents a cost effective way for the Company to remunerate Dr Washer and incentivise his continued performance in his role as a Director. The Directors consider that the grant of Incentive Options is designed to attract and retain suitably qualified non-executive directors to the Company.

Shareholders should note that for the reasons noted above, it is proposed to grant Incentive Options to Dr Washer notwithstanding the guidelines contained in Box 8.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) which states that non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as this may lead to bias in their decision-making and compromise their objectivity. The Board considers the grant of Incentive Options to Dr Washer is reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, while maintaining the Company's cash reserves.

The number of Incentive Options to be granted to Dr Washer has been determined based upon a consideration of:

- (a) the remuneration of the Directors;
- (b) the extensive experience and reputation of Dr Washer within the pharmaceuticals industry;
- (c) the current price of Shares;
- (d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Incentive Options to be granted and will ensure that the Participating Directors' overall remuneration is in line with market practice;
- (e) attracting and retaining suitably qualified non-executive directors; and
- (f) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed.

5.3 Valuation of Incentive Options

The Company's advisers have valued the Incentive Options to be granted to Dr Washer using the Black – Scholes Model. The value of an Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Incentive Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.071
Exercise price	\$0.102
Risk Free Interest Rate	1.88%
Volatility	80%
Time (years to expiry)	3

The Company's advisers have calculated the value of each Incentive Option based on the following assumptions:

- (a) they have based the underlying value of each Share in the Company on the ASX closing price of A\$0.071 on 22 March 2022;
- (b) risk free rate of return – 1.88% (estimated, based on published RBA data; and
- (c) they used a volatility of the Share price of 80%.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Incentive Options are granted would have an impact on their value.

Based on the assumptions, it is considered that the estimated average value of the Incentive Options to be granted to Dr Washer is \$0.031 per Incentive Option.

5.4 Directors' recommendation

The Directors (other than Dr washer) recommend that Shareholders vote in favour of the Resolution. Dr Washer declines to make a recommendation about the Resolution as he may have a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Incentive Options to him and/or his nominee(s).

5.5 Information Requirements – Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Incentive Options to Dr Washer (or his nominee(s)) pursuant to the 2021 Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If this Resolution is passed, the Company will grant Incentive Options to Dr Washer (or his nominee(s)) as noted above.

If this Resolution is not passed, the Company will not grant Incentive Options to Dr Washer (or his nominee(s)) and the Company may need to consider alternative ways to remunerate Dr Washer.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Incentive Options will be granted to Dr Washer, and/or his nominee(s), as noted above;
- (b) Dr Washer falls within Listing Rule 10.14.1, as he is a Director;
- (c) up to 5,000,000 Incentive Options will be granted to Dr Washer;
- (d) Dr Washer is a Director of the Company and the issue the subject of this Resolution is intended to remunerate or incentivise Dr Washer, whose current total remuneration package, including

his fees per annum (including superannuation) and the total financial benefit to be received him in this current period, as a result of the grant of the Incentive Options the subject of the Resolution, is as follows:

Fees p.a. (A\$)	Value of Incentive Options (A\$)	Total Financial Benefit (A\$)
60,775	\$155,000	215,775

The indicative option valuation of A\$155,000 is a theoretical valuation of each Incentive Option using the Black – Scholes Model;

- (e) Dr Washer has not previously been issued any Equity Securities under the 2021 Plan;
- (f) the terms and conditions of the Incentive Options are set out in Annexure B to this Explanatory Memorandum;
- (g) Incentive Options were selected to be granted to Dr Washer (or his nominee(s)), as in light of the Company's current circumstances, the Directors (in the absence of Dr Washer) consider that the grant of Incentive Options represents a cost effective way for the Company to remunerate Dr Washer and incentivise his continued performance in his role as a Director. The Directors also consider that the grant of Incentive Options is designed to attract and retain suitably qualified non-executive directors to the Company;
- (h) as noted above, the Company's advisors have valued the Incentive Options using the Black – Scholes method. Based on the assumptions set out in section 5.3 above it is considered that the estimated average value of the Incentive Options to be granted to Dr Washer (or his nominee(s)) is A\$0.031 per Incentive Option;
- (i) the Incentive Options will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (j) the Incentive Options will be granted for no consideration;
- (k) a summary of the material terms of the 2021 Plan is set out in Annexure D;
- (l) details of any securities issued under the 2021 Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

5.6 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

6 Resolution 6 – Approval of potential benefit on termination in relation to Incentive Options to Dr Stewart Washer (or his nominee(s))

6.1 Background

Shareholder approval of Resolution 6, Shareholder approval is also sought for all purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 to approve the giving of benefits to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) in relation to the proposed issue of Incentive Options to Dr Washer (or his nominee(s)) under the 2021 Plan on the terms and conditions in this Explanatory Memorandum. If Resolution 5 is not approved at the Meeting, Resolution 6 will not be put to the Meeting.

Under the terms of the 2021 Plan, where a participant under the 2021 Plan ceases to be an employee due to termination or cessation of employment, all unvested convertible securities will automatically be forfeited by the person, unless the Board otherwise determines in its discretion to permit some or all the convertible securities to vest.

The term "benefit" has a wide operation and would include the exercise of discretion relating to any automatic and accelerated vesting of securities under the 2021 Plan (including the Incentive Options proposed to be issued to Dr Washer (or his nominee(s)) under the 2021 Plan pursuant to Resolution 5), or the decision to permit securities under the 2021 Plan (including the Incentive Options proposed to be issued to Dr Washer (or his nominee(s)) under the 2021 Plan pursuant to Resolution 5) to remain on foot, upon termination or cessation of employment in accordance with their terms.

The exercise of this discretion by the Board pursuant to the 2021 Plan as described above may constitute a "benefit" for the purposes of section 200B of the Corporations Act and ASX Listing Rule 10.19. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion under Resolution 6 in respect of Dr Washer whilst he holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of his leaving or at any time in the three years prior to his leaving; and
- (b) Incentive Options under the 2021 Plan at the time of his leaving; and

The value of the termination benefits that the Board may give Dr Washer (or his nominee(s)) with respect to the proposed issue of Incentive Options under the 2021 Plan, cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of securities that will vest. The following additional factors may also affect the benefit's value:

- (a) the length of service at the time employment or office ceases; and
- (b) the number of unvested securities that held at the time a participant in the 2021 Plan ceases employment or office.

6.2 Part 2D.2 of the Corporations Act

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate, unless an exception applies.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies.

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

If this Resolution is passed, the Company will be able to give termination benefits above to Dr Stewart Washer (or his nominee(s)) in connection with him ceasing to hold managerial or executive office.

If this Resolution is not passed, and the future termination benefits are of the kind which would require Shareholder approval and no separate Shareholder approval is obtained, the Company will not be able to give those termination benefits above to Dr Stewart Washer (or his nominee(s)) in connection with him ceasing to hold that managerial or executive office.

6.3 Information Requirements – Listing Rule 10.19

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (**5% Threshold**).

Accordingly, Shareholder approval is being sought on the basis that Dr Washer, being an officer of the Company, may be entitled to termination benefits under the 2021 Plan which exceeds the 5% Threshold.

Depending upon the value of the termination benefits (see above), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the giving of the benefits would exceed the 5% Threshold. In the event of such termination benefits crystallising, the Company will comply with Listing Rule 10.19.

If Resolution 6 is passed, the Company will be able to give termination benefits which may exceed the 5% Threshold to Dr Washer (or his nominee(s)) in accordance with the terms of the Incentive Options and the 2021 Plan.

If Resolutions 6 is not passed, the Company will not be able to give termination benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office in accordance with the rules of the 2021 Plan where those termination benefits exceed the 5% Threshold.

Resolution 6 is an ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 7 and 8.

7 Resolution 7 – Approval of Employee Incentive Plan

7.1 Background

The Directors considered that it was desirable to establish a new incentive plan under which persons who are employees or directors of, or individuals who provide services to, a Group Company (**Eligible Employees**) may be offered the opportunity to subscribe for Equity Securities in the form of Shares, Options and/or Performance Rights (together, **Incentives**) in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and Directors and accordingly adopted the Employee Incentive Plan (**Plan**).

The Plan is designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees and Directors are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist

the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company. The Plan also incorporates provisions to meet the latest requirements applicable to employee incentive schemes under the *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022* which replaces the existing ASIC instruments in respect to employee incentive schemes effective 1 October 2022.

Shareholder approval is required if any issue of Incentives pursuant to the Plan is to fall within the exception to the calculation of the 25% limit imposed by Listing Rules 7.1 and 7.1A on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rules 7.1 and 7.1A does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to Eligible Employees the opportunity to subscribe for such number of Incentives in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is contained in Annexure C of this Explanatory Memorandum. Incentives granted under the Plan will be offered to Participants in the Plan on the basis of the Board's view of the contribution of the Eligible Employee to the Company.

The maximum number of Incentives proposed to be issued under the Plan following approval of this Resolution is 150,000,000. The maximum number stated is not intended to be a prediction of the actual number of securities that may be issued under the Incentive Plan – it is simply a ceiling for the purposes of Listing Rule 7.2, Exception 13(b).

If Resolution 7 is passed, the Company will be able to issue Incentives under the Plan up the maximum number set out in this Notice. In addition, those issues of Incentives will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1 and Listing Rule 7.1A.

If the Resolution 7 is not passed, the Company will be able to proceed to issue Incentives under the Plan, however the issue of those Incentives will not fall within the exception to the calculation of the 25% limit imposed by Listing Rules 7.1 and 7.1A and therefore effectively decreasing the number of Equity Securities which may be issued without Shareholder approval.

Resolution 7 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 7.

7.2 Information Requirements – Listing Rule 7.2 Exception 13

In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the following information is provided to Shareholders:

- (a) a summary of the terms of the Plan is set out in Annexure C of this Explanatory Memorandum and a full copy of the Plan is available on the Company's website at <https://botanixpharma.com/>;
- (b) this is the first approval sought under Listing Rule 7.2 Exception 13(b) with respect to the Plan. A total of 25,000,000 Equity Securities have been issued pursuant to the 2021 Plan;

- (c) the maximum number of Incentives proposed to be issued under the Plan following approval of Resolution 7 is 150,000,000 over the 3 year life of the Plan; and
- (d) a voting exclusion statement has been included in the Notice for the purposes of Resolution 7.

8 Resolution 8 – Approval of potential termination benefits in relation to securities issued under the Plan

8.1 Background

Shareholder approval is sought for all purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum. Resolution 8 is subject to the passing of Resolution 7. If Resolution 7 is not passed, Resolution 8 will not be put to the Meeting.

The Plan allows for Board discretion in the following circumstances:

- (a) discretion not to forfeit any unvested Shares issued under the Plan upon the participant ceasing to be employed;
- (b) discretion to determine that any unvested or vested Options or Performance Rights granted under the Plan will not immediately lapse upon the participant ceasing to be employed; and
- (c) a general discretion to reduce or waive vesting conditions to Incentives in whole or in part at any time and in any particular case, which might include upon the termination or cessation of employment.

The term "benefit" has a wide operation and would include any automatic and accelerated vesting of awards upon termination or cessation of employment in accordance with their terms.

The exercise of the Board's discretion in the above circumstances may constitute a "benefit" for the purposes of section 200B of the Corporations Act and ASX Listing Rule 10.19. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) directly or through their nominee(s), Equity Securities under the Plan at the time of their leaving.

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of Equity Securities that will vest. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant award at the time of the participant's employment or office ceases; and
- (b) the number of unvested awards that the participant holds at the time they cease employment or office.

8.2 Part 2D.2 of the Corporations Act

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a “managerial or executive office” (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate, unless an exception applies.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies.

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

If this Resolution is passed, the Company will be able to give termination benefits above to Eligible Employees (or their nominee(s)) in connection with those Eligible Employees ceasing to hold that managerial or executive office.

If this Resolution is not passed, and the future termination benefits are of the kind which would require Shareholder approval and no separate Shareholder approval is obtained, the Company will not be able to give those termination benefits above to Eligible Employees (or their nominee(s)) in connection with those Eligible Employees ceasing to hold that managerial or executive office.

8.3 Information Requirements - Listing Rule 10.19

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (**5% Threshold**). Accordingly, Shareholder approval is being sought on the basis that officers of the Company may be entitled to termination benefits under the Plan which exceed the 5% Threshold.

Depending upon the value of the termination benefits (see above), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the giving of the benefits would exceed the 5% Threshold. In the event of such termination benefits crystallising, the Company will comply with Listing Rule 10.19.

If Resolution 8 is passed, the Company will be able to give termination benefits which may exceed the 5% Threshold to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office in accordance with the rules of the Plan.

If Resolution 8 is not passed, the Company will not be able to give termination benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that managerial or executive office in accordance with the rules of the Plan where those termination benefits exceed the 5% Threshold without obtaining separate Shareholder approval with respect to that specific termination benefit before it is provided.

The Chairman intends to vote all available proxies in favour of this Resolution.

9 Background to Placement and Resolutions 9 to 19 (inclusive)

On 2 September 2022, the Company announced it had received firm commitments from new and existing institutional and sophisticated investors for a placement of an aggregate of 113,636,364 Shares at \$0.066 per Share (**Placement Shares**) to raise up to \$7.5 million (before costs) (**Placement**). Funds raised from the Placement are proposed to be used towards the costs

associated with the filing for FDA approval for Sofpironium Bromide, preparation for commercial launch in the US, enhancing quality and manufacturing capabilities for Sofpironium Bromide and for general working capital purposes.

Investors who subscribed for Placement Shares under the Placement were also entitled to receive a free-attaching unlisted Placement Option (each with an exercise price of \$0.09 and expiring 18 months from the date of issue) for every two Placement Shares issued to them under the Placement.

Refer to the Company's ASX announcement dated 2 September 2022 for further details of the Placement.

On 12 September 2022, the Company announced that it had issued a total of 106,060,609 Placement Shares (utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A) and 53,030,464 Placement Options (utilising the Company's placement capacity under Listing Rule 7.1) under the Placement to institutional and sophisticated investors (all of whom are unrelated to the Company), Shareholder ratification of which is sought pursuant to Listing Rule 7.4 under Resolutions 9 to 11 (inclusive).

Additionally, each of the Directors have committed to subscribe for Placement Shares, with the Directors subscribing for a total of 7,575,758 of the Placement Shares, subject to shareholder approval under Resolutions 15 to 19 (inclusive).

Euroz Hartleys Limited was the sole lead manager and book runner for the Placement (**Lead Manager**). On 12 September 2022, in connection with acting as lead manager and bookrunner for the Placement, the Lead Manager (or its nominee(s)) was issued a total of 10,000,000 Lead Manager Options (utilising the Company's existing placement capacity under Listing Rule 7.1) each with an expiry date of 2 years from the date of issue and with the following exercises and otherwise on the same terms as the Placement Options (**Lead Manager Options**):

- (a) 6,000,000 Lead Manager Options with an exercise price of \$0.0792 each (**Tranche 1 Lead Manager Options**);
- (b) 2,000,000 Lead Manager Options with an exercise price of \$0.099 each (**Tranche 2 Lead Manager Options**); and
- (c) 2,000,000 Lead Manager Options with an exercise price of \$0.132 each (**Tranche 3 Lead Manager Options**).

Shareholder ratification of the Lead Manager Options is sought pursuant to Listing Rule 7.4 under Resolutions 12 to 14 (inclusive).

Refer to the Company's ASX announcements dated 12 September 2022 for further details of the Equity Securities issued under, and in relation to, the Placement.

10 Resolutions 9 to 11 (inclusive) – Ratification of issue of Placement Securities to institutional and sophisticated investors

10.1 Background

Resolution 9 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 8,137,218 Placement Shares to institutional and sophisticated investors pursuant to the Company's capacity under Listing Rule 7.1.

Resolution 10 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 97,923,388 Placement Shares to institutional and sophisticated investors pursuant to the Company's capacity under Listing Rule 7.1A.

Resolution 11 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 53,030,464 Placement Options to institutional and sophisticated investors pursuant to the Company's capacity under Listing Rule 7.

Resolutions 9 to 11 (inclusive) are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 9 to 11 (inclusive).

10.2 Listings Rules 7.1, 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. Shareholders approved this additional capacity at the Company's last annual general meeting.

The Placement does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up all the 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the 12 months from the date of issue of the Placement Securities.

Additionally, given the Placement does not fit within any of the exceptions and it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date on which the Company issued the Placement Securities.

Listing Rule 7.4 allows the shareholders of a company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 or 7.1A (as applicable) and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under the relevant rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 or 7.1A and therefore seeks Shareholder approval to ratify the issue of Placement Securities pursuant to the Placement under and for the purposes of Listing Rule 7.4.

If Resolutions 9 to 11 (inclusive) are passed, the Placement Securities pursuant to the Placement will be excluded in calculating the Company's 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval:

- under Listing Rule 7.1 for the 12-month period following the date the Company issued the Placement Securities pursuant to the Placement; and
- under Listing Rule 7.1A for the 12-month period following the date the Company issued the Placement Securities pursuant to the Placement (subject to Resolution 4 being passed and the Listing Rule 7.1A Mandate not otherwise expiring).

If:

- Resolution 9 is not passed, the Placement Shares issued under Listing Rule 7.1 will be included in calculating the Company's 15% limit under that rule;
- Resolution 10 is not passed, the Placement Shares issued under Listing Rule 7.1A will be included in calculating the Company's 10% limit under that rule; and

- Resolution 11 is not passed, the Placement Options issued under Listing Rule 7.1 will be included in calculating the Company's 15% limit under that rule,

in each case, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under Listing Rules 7.1 and 7.1A for the periods noted immediately above.

10.3 Information Requirements – Listing Rule 7.5

The following information in relation to the Placement Securities the subject of the Placement is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the Placement Securities were issued to sophisticated and professional investors and other investors qualifying under section 708 of the Corporations Act 2001 (Cth), all of whom are unrelated parties of the Company. The placees were selected following a bookbuild process by Euroz Hartleys. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties participated in the Placement;
- (b) the Placement Securities comprise of:
 - (i) the issue of 8,137,218 Placement Shares pursuant to Listing Rule 7.1, ratification which is sought pursuant to Resolution 9;
 - (ii) the issue of 97,923,388 Placement Shares pursuant to Listing Rule 7.1A, ratification which is sought pursuant to Resolution 10; and
 - (iii) the issue of 53,030,464 Placement Options pursuant to Listing Rule 7.1, ratification which is sought pursuant to Resolution 11;
- (c) the Placement Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the terms and conditions of the Placement Options are set out in Annexure E to this Explanatory Memorandum;
- (e) the Placement Shares and Placement Options were issued on 12 September 2022;
- (f) the Placement Shares were each issued at an issue price of \$0.066 per Share;
- (g) the Placement Options were free-attaching to the Placement Shares on the basis of each investor under the Placement being issued one Placement Option for every two Placement Shares issued, and accordingly, the Placement Options were each issued for nil cash consideration;
- (h) as set out above, the purpose of the Placement was to raise up to \$7.5 million to be used towards the costs associated with the filing for FDA approval for Sofpironium Bromide, preparation for commercial launch in the US, enhancing quality and manufacturing capabilities for Sofpironium Bromide and for general working capital purposes. No funds were raised from the issue of the Placement Options under the Placement, given they are free-attaching to the Placement Shares on the basis set out above and therefore, have a nil issue price. The price payable on exercise of the Placement Options will be used towards working capital purposes; and
- (i) a voting exclusion applies in respect of Resolutions 9 to 11 (inclusive) as set out in the Notice of Meeting.

11 Resolutions 12 to 14 (inclusive) – Ratification of issue of Lead Manager Options to Lead Manager (or its nominee(s))

11.1 Background

Resolution 12 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 6,000,000 Tranche 1 Lead Manager Options to the Lead Manager (or its nominee(s)), each with an exercise price of \$0.0792 and an expiry date two years from the date of issue pursuant to the Company's capacity under Listing Rule 7.1.

Resolution 13 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 2,000,000 Tranche 2 Lead Manager Options to the Lead Manager (or its nominee(s)), each with an exercise price of \$0.099 and an expiry date two years from the date of issue pursuant to the Company's capacity under Listing Rule 7.1.

Resolution 14 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of 2,000,000 Tranche 3 Lead Manager Options to the Lead Manager (or its nominee(s)), each with an exercise price of \$0.132 each with an expiry date two years from the date of issue pursuant to the Company's capacity under Listing Rule 7.1.

Resolutions 12 to 14 (inclusive) are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 12 to 14 (inclusive).

11.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Lead Manager Options does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date the Company issued the Lead Manager Options.

Listing Rule 7.4 allows the shareholders of a company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and therefore seeks Shareholder approval to ratify the issue of the Lead Manager Options under and for the purposes of Listing Rule 7.4.

If Resolutions 12 to 14 (inclusive) are passed, the relevant tranche of Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued the Lead Manager Options. In addition, the relevant tranche of Lead Manager Options will not be included in calculating the Company's 10% capacity in Listing Rule 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

If Resolutions 12 to 14 (inclusive) are not passed, the relevant tranche of Lead Manager Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued the Lead Manager Options. In addition, the relevant

tranche of Lead Manager Options will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

11.3 Information Requirements – Listing Rule 7.5

The following information in relation to the Lead Manager Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 10,000,000 Lead Manager Options were issued to the Lead Manager (or its nominee(s)), who acted as sole lead manager and book runner to the Placement, comprising:
 - (i) the issue of 6,000,000 Tranche 1 Lead Manager Options each with an exercise price of \$0.0792 and an expiry date two years from the date of issue, pursuant to Listing Rule 7.1, ratification of which is sought pursuant to Resolution 12;
 - (ii) the issue of 2,000,000 Tranche 2 Lead Manager Options each with an exercise price of \$0.099 and an expiry date two years from the date of issue, pursuant to Listing Rule 7.1, ratification of which is sought pursuant to Resolution 13; and
 - (iii) the issue of 2,000,000 Tranche 3 Lead Manager Options each with an exercise price of \$0.0132 and an expiry date two years from the date of issue, pursuant to Listing Rule 7.1, ratification of which is sought pursuant to Resolution 14;
- (b) the terms and conditions of the Lead Manager Options are set out in Annexure F to this Explanatory Memorandum;
- (c) the Lead Manager Options were issued on 12 September 2022;
- (d) the Lead Manager Options were issued to the Lead Manager (or its nominee(s)) in consideration for and acting as sole lead manager and book runner to the Placement;
- (e) the Lead Manager Options had an issue price of \$0.00001 each;
- (f) the funds raised through the issue of the Lead Manager Options will be used towards the costs of the Placement;
- (g) the Lead Manager Options were issued pursuant to a mandate between the Company and the Lead Manager pursuant to which the Lead Manager agreed to provide capital raising services to the Company and act as sole lead manager and book runner to the Placement, in consideration for:
 - (i) a 2% management fee and 4% capital raising fee, calculated on the total amount of funds raised under the Placement; and
 - (ii) the issue of the Lead Manager Options to the Lead Manager (or its nominee(s)); and
- (h) a voting exclusion applies in respect of Resolutions 12 to 14 (inclusive) as set out in the Notice of Meeting.

12 Resolutions 15 to 19 (inclusive) – Proposed Issue of Placement Shares to Directors

12.1 Background

The Company is proposing to issue the following Placement Shares to the Directors (or their nominees), subject to obtaining Shareholder approval under Listing Rule 10.11:

- (a) up to 1,515,151 Placement Shares to Mr Vincent Ippolito (or his nominee(s)) (the subject of Resolution 15);
- (b) up to 1,515,151 Placement Shares to Mr Matthew Callahan (or his nominee(s)) (the subject of Resolution 16);
- (c) up to 1,515,151 Placement Shares to Dr William Bosch (or his nominee(s)) (the subject of Resolution 17);
- (d) up to 1,515,151 Placement Shares to Dr Stewart Washer (or his nominee(s)) (the subject of Resolution 18); and
- (e) up to 1,515,151 Placement Shares to Mr Danny Sharp (or his nominee(s)) (the subject of Resolution 19).

Resolutions 15 to 19 (inclusive) are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 15 to 19 (inclusive).

12.2 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each Director is a related party of the Company. Resolutions 15 to 19 (inclusive) relate to a proposed issued of Placement Shares to each of the Directors (or their nominee(s)), which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the Board to constitute a proposed issue which is on arm's length terms or less favourable to the Directors, and, therefore, the exception in section 210 of the Corporations Act applies.

Section 210 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit is provided on terms that would be reasonable in the circumstances if the Company and related party were dealing at arm's length or less favourable terms to the related party.

The Placement Shares proposed to be issued to the Directors (or their nominees) are the same Placement Shares which have been issued to unrelated institutional and sophisticated investors under the Placement. Unlike those unrelated investors under the Placement, the Directors will not receive any free-attaching Placement Options to their Placement Shares. Therefore, the proposed issue of Placement Shares to the Directors (or their nominees) is on terms less favourable than arm's length to the Directors.

Each Director did not consider the relevant Resolution which relates to the proposed issue of Placement Shares to themselves (or their nominee(s)). Each Director determined they were able to consider and resolve that the proposed issue of Placement Shares to the other Directors (or their nominees) was on less than favourable arm's length terms notwithstanding that Director was also proposed to be issued Placement Shares on the same terms given the clear evidence relating to the terms of the Placement Shares and the absence of the offer of Placement Options to the Directors.

12.3 Directors' recommendation

The Directors (in the absence of Mr Vincent Ippolito) recommend that Shareholders vote in favour of Resolution 15. Mr Ippolito declines to make a recommendation about Resolution 15 as he may have a material personal interest in the outcome of the Resolution given it relates to the proposed issue of Placement Shares to him (or his nominee(s)).

The Directors (in the absence of Mr Matthew Callahan) recommend that Shareholders vote in favour of Resolution 16. Mr Callahan declines to make a recommendation about Resolution 16 as he may have a material personal interest in the outcome of the Resolution given it relates to the proposed issue of Placement Shares to him (or his nominee(s)).

The Directors (in the absence of Dr William Bosch) recommend that Shareholders vote in favour of Resolution 17. Dr Bosch declines to make a recommendation about Resolution 17 as he may have a material personal interest in the outcome of the Resolution given it relates to the proposed issue of Placement Shares to him (or his nominee(s)).

The Directors (in the absence of Mr Dr Stewart Washer) recommend that Shareholders vote in favour of Resolution 18. Dr Washer declines to make a recommendation about Resolution 18 as he may have a material personal interest in the outcome of the Resolution given it relates to the proposed issue of Placement Shares to him (or his nominee(s)).

The Directors (in the absence of Mr Danny Sharp) recommend that Shareholders vote in favour of Resolution 19. Mr Sharp declines to make a recommendation about Resolution 19 as he may have a material personal interest in the outcome of the Resolution given it relates to the proposed issue of Placement Shares to him (or his nominee(s)).

The Directors (for each of Resolutions 15 to 19, in the absence of the relevant Director who is proposed to be issued Placement Shares under that Resolution) are not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 15 to 19.

12.4 Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- a related party (Listing Rule 10.11.1);

- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

The proposed issue of Placement Shares to the Directors (or their nominees) falls within Listing Rule 10.11.1 (as the Directors are each related parties of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 15 to 19 (inclusive) seek Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow the relevant Director (or his nominee(s)) to be issued Placement Shares, in addition to the 106,060,606 Placement Shares issued to unrelated parties as detailed in paragraph 9 above.

If each of Resolutions 15 to 19 (inclusive) are passed, the Company will be able to proceed with the issue of Placement Shares to the relevant Directors (or his nominee(s)) and if all of those Resolutions are passed, the Company will raise up to \$500,000 from the issue of Placement Shares to the Directors (or their nominee(s)).

If each of Resolutions 15 to 19 (inclusive) are not passed, the Company will be unable to proceed with the issue of Placement Shares to the relevant Director (or his nominee(s)) and the Company will not raise funds from that proposed issue of Placement Shares.

The impact of passing Resolutions 15 to 19 (inclusive) on the Directors' voting power in the Company, assuming they are issued an aggregate of 7,575,755 Placement Shares, is set out in the following table:

Director	Number of Shares (including Shares pursuant to Resolutions 15-19 inclusive)	Number of Options	Percentage voting power in the Company on an undiluted basis (<i>Total issued share capital of the Company is 1,092,869,747</i>)	Percentage voting power in the Company on a fully diluted basis (<i>Total issued share capital of the Company is 1,117,869,748</i>)
Mr Vincent Ippolito	6,801,844	15,000,000	0.62%	1.95%
Mr Matthew Callahan	72,253,458	-	6.61%	6.46%
Dr William Bosch	17,866,702	-	1.63%	1.60%
Dr Stewart Washer	1,866,702	5,000,000	0.17%	0.61%
Mr Danny Sharp	1,515,151	5,000,000	0.14%	0.58%

12.5 Information Requirements – Listing Rule 10.13

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Placement Shares will be issued to Mr Vincent Ippolito, Mr Matthew Callahan, Dr William Bosch, Dr Stewart Washer and Mr Danny Sharp and/or their nominee(s);
- (b) up to an aggregate of 7,575,755 Placement Shares will be issued to the Directors (or their nominees), comprising:
 - (i) up to 1,515,151 Placement Shares to be issued to Mr Ippolito (or his nominee(s)) under Resolution 15;
 - (ii) up to 1,515,151 Placement Shares to be issued to Mr Callahan (or his nominee(s)) under Resolution 16;
 - (iii) up to 1,515,151 Placement Shares to be issued to Dr Bosch (or his nominee(s)) under Resolution 17;
 - (iv) up to 1,515,151 Placement Shares to be issued to Dr Washer (or his nominee(s)) under Resolution 18; and
 - (v) up to 1,515,151 Placement Shares to be issued to Mr Sharp (or his nominee(s)) under Resolution 19;
- (c) Mr Ippolito, Mr Callahan, Dr Bosch, Dr Washer and Mr Sharp each fall within Listing Rule 10.11.1, as they are each related parties by virtue of being Directors of the Company;

- (d) the Placement Shares proposed to be issued to the Directors (or their nominees) are all fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (e) the Placement Shares will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (f) the Placement Shares will be issued at an issue price of \$0.066 each;
- (g) the purpose of the issue of the Placement Shares to the Directors (or their nominees) is to raise up to \$500,000 to be used towards the costs associated with the filing for FDA approval for Sofpironium Bromide, preparation for commercial launch in the US, enhancing quality and manufacturing capabilities for Sofpironium Bromide and for general working capital purposes;
- (h) the proposed issue of the Placement Shares the subject of Resolutions 15 to 19 (inclusive) is not intended to remunerate or incentivise Mr Vincent Ippolito, Mr Matthew Callahan, Dr William Bosch, Dr Stewart Washer or Mr Danny Sharp; and
- (i) a voting exclusion statement applies to each of Resolutions 15 to 19 (inclusive) as set out in the Notice.

If approval is given for the grant of the Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

13 Resolutions 20, 21, 22, 23 and 24 – Grant of Incentive Performance Rights to the Directors (or their nominee(s))

The Company proposes to grant a total of up to 13,000,000 Incentive Performance Rights (each with a nil exercise price and an expiry date of 30 November 2026) to the Directors (or their nominee(s)) as follows:

- (a) up to 6,000,000 Incentive Performance Rights to Mr Vincent Ippolito (or his nominee(s)) (the subject of Resolution 20);
- (b) up to 3,500,000 Incentive Performance Rights to Mr Matthew Callahan (or his nominee(s)) (the subject of Resolution 21);
- (c) up to 1,500,000 Incentive Performance Rights to Dr William Bosch (or his nominee(s)) (the subject of Resolution 22);
- (d) up to 1,000,000 Incentive Performance Rights to Dr Stewart Washer (or his nominee(s)) (the subject of Resolution 23); and
- (e) up to 1,000,000 Incentive Performance Rights to Mr Danny Sharp (or his nominee(s)) (the subject of Resolution 24).

13.2 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of Mr Vincent Ippolito, Mr Matthew Callahan, Dr William Bosch, Dr Stewart Washer and Mr Danny Sharp is a related party of the Company.

In relation to Resolutions 20 to 24 (inclusive), the Board (excluding the relevant Director in relation to their relevant Resolution) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Incentive Performance Rights as the issue, which forms part of the remuneration package for the relevant Directors, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

The grant of Incentive Performance Rights encourages the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of the relevant Director in relation to their relevant Resolution) that the incentives intended for the Directors represented by the grant of these Incentive Performance Rights are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Incentive Performance Rights to be granted to each of the Directors has been determined based upon a consideration of:

- (a) the remuneration of the relevant Director;
- (b) the extensive experience and reputation of each of the Directors within the pharmaceuticals industry;
- (c) the current price of Shares;
- (d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Incentive Performance Rights to be granted to each other Director (and for the avoidance of doubt, excluding that Director for their respective Resolution) and will ensure that the Directors' overall remuneration is in line with market practice;
- (e) attracting and retaining suitably qualified directors; and
- (f) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed.

13.3 Directors' total remuneration package

The Directors' remuneration (including superannuation, value of equity based awards and other benefits) received in the 2022 financial year and the total financial benefit to be received by them in this current period, as a result of the grant of the Incentive Performance Rights the subject of Resolutions 20 to 24 (inclusive) (assuming 100% expensed in the current period), are as follows:

Director	Total 2022 remuneration p.a. (A\$)	Value of Incentive Performance Rights (A\$)	Total Financial Benefit (A\$)
Mr Vincent Ippolito	709,030	222,703	931,733
Mr Matthew Callahan	347,959	111,351	458,845

Director	Total 2022 remuneration p.a. (A\$)	Value of Incentive Performance Rights (A\$)	Total Financial Benefit (A\$)
Dr William Bosch	203,537	55,676	259,213
Dr Stewart Washer	129,525	31,117	160,642
Mr Danny Sharp	92,061 ⁽¹⁾	31,117	123,178

¹ Adjusted to account for appointment for full years fees as appointed during 2022 financial year

The indicative Incentive Performance Right valuation of A\$0.03712 is a theoretical valuation of each Performance Right using the Black – Scholes Model as set out below.

13.4 Valuation of Incentive Performance Rights

The Company's advisers have valued the Incentive Performance Rights proposed to be granted to the Directors using the Black – Scholes Model. The value of a Performance Right calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Incentive Performance Rights has been prepared using the following assumptions:

Variable	Input
Share price	\$0.062
Exercise price	\$0.062
Risk Free Interest Rate	2.68%
Volatility	80%
Time (years to expiry)	4 years

The Company's advisers have calculated the value of each Incentive Performance Right based on the following assumptions:

- (a) they have based the underlying value of each Share in the Company on the ASX closing price of A\$0.062 on 6 October 2022;
- (b) risk free rate of return –2.68% (estimated, based on published RBA data); and
- (c) they used a volatility of the Share price of 80.00%.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Incentive Performance Rights are granted would have an impact on their value.

Based on the assumptions, it is considered that the estimated average value of the Incentive Performance Rights to be granted to the Directors is \$0.03712 per Incentive Performance Right.

13.5 Directors' recommendation

Each Director declines to make a recommendation with respect to Resolutions 20 to 24 (inclusive).

ASIC guidance provides that it is good practice for Directors to avoid making a recommendation for resolutions about each other's remuneration as they may be a conflict of interest.

Resolutions 20 to 24 (inclusive) each relate to the proposed grant of Incentive Performance Rights to a Director (or their nominee(s)) as part of their respective remuneration package. Given each Director is himself proposed to be issued Incentive Performance Rights (subject to the passing of his relevant Resolution), in accordance with ASIC's guidance, each Director declines to make a recommendation in relation to each of Resolutions 20 to 24 (inclusive).

13.6 Information Requirements – Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Incentive Performance Rights to each Director (or their nominees) pursuant to the Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If each of Resolutions 20 to 24 (inclusive) are passed, the Company will grant Incentive Performance Rights to the relevant Directors (or their nominee(s)) as noted above.

If Resolutions 20 to 24 (inclusive) are not passed, the Company will not grant Incentive Performance Rights to the relevant Director(s) (or his nominee(s)) and the Company may need to consider alternative ways to remunerate the relevant Director(s), including by the payment of cash.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Incentive Performance Rights will be granted as follows:
 - (i) up to 6,000,000 Incentive Performance Rights to Mr Vincent Ippolito (or his nominee(s)) (the subject of Resolution 20);
 - (ii) up to 3,500,000 Incentive Performance Rights to Mr Matthew Callahan (or his nominee(s)) (the subject of Resolution 21);
 - (iii) up to 1,500,000 Incentive Performance Rights to Dr William Bosch (or his nominee(s)) (the subject of Resolution 22);
 - (iv) up to 1,000,000 Incentive Performance Rights to Dr Stewart Washer (or his nominee(s)) (the subject of Resolution 23); and
 - (v) up to 1,000,000 Incentive Performance Rights to Mr Danny Sharp (or his nominee(s)) (the subject of Resolution 24).
- (b) each of Mr Vincent Ippolito, Mr Matthew Callahan, Dr William Bosch, Dr Stewart Washer and Mr Danny Sharp is a Director of the Company and are therefore each a Listing Rule 10.14.1 party;

- (c) a total of up to 13,000,000 Incentive Performance Rights will be granted to the Directors (or their nominees) pursuant to Resolutions 20 to 24 (inclusive);
- (d) each of Mr Vincent Ippolito, Mr Matthew Callahan, Dr William Bosch, Dr Stewart Washer and Mr Danny Sharp is a Director of the Company and the proposed issue of Incentive Performance Rights the subject of Resolutions 20 to 24 (inclusive) is intended to remunerate or incentivise the relevant Director, whose current total remuneration package is set out above in paragraph 13.3;
- (e) the number of Equity Securities previously issued to each of the Directors under the 2021 Plan, being a previous version of the Plan, and the average acquisition price (if any) paid by the relevant Director for each security is as follows:

Director	Equity Securities issued under the 2021 Plan	Average acquisition price (A\$)
Mr Vincent Ippolito	Nil	Nil
Mr Matthew Callahan	Nil	Nil
Dr William Bosch	Nil	Nil
Dr Stewart Washer	5,000,000 Incentive Options to be issued subject to the passing of Resolution 5	Nil
Mr Danny Sharp	Nil	Nil

- (f) the terms and conditions of the Incentive Performance Rights are set out in Annexure G to this Explanatory Memorandum;
- (g) as noted above, the Company has valued the Incentive Performance Rights using the Black - Scholes method. Based on the assumptions set out in Section 13.4, it is considered that the estimated average value of the Incentive Performance Rights to be granted to the Directors (or their nominee(s)) is A\$0.03712 per Incentive Performance Right;
- (h) the Incentive Performance Rights will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (i) the Incentive Performance Rights will be granted for no consideration;
- (j) a summary of the material terms of the Plan, pursuant to which the Incentive Performance Rights are proposed to be granted under, is set out in Annexure C below;
- (k) details of any securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (l) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 20 to 24 are approved and who were not named in this Notice will not participate until approval is obtained under that rule; and
- (m) a voting exclusion statement applies to Resolutions 20 to 24 (inclusive) as set out in the Notice.

13.7 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

GLOSSARY

\$ means Australian dollars.

2021 Plan means the Employee Securities Incentive Plan approved at the Company's 2021 annual general meeting.

Accounting Standards has the meaning given to that term in the Corporations Act.

Annual Report means the annual report of the Company for the year ended 30 June 2022.

Article means an article of the Constitution.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2022.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Botanix Pharmaceuticals Limited ABN 70 009 109 755.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Eligible Employees has the meaning set out in Section 7.1.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Incentives has the meaning set out in Section 7.1.

Incentive Option means an option to acquire a Share the terms of which are set out in Annexure B.

Incentive Performance Rights means a Performance Right with a nil exercise price and expiry date of 30 November 2026 the subject of Resolutions 20 to 24 (inclusive).

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Lead Manager means Euroz Hartleys Limited.

Lead Manager Options means the Options issued to the Lead Manager (or its nominee(s)) on the terms set out in Annexure F to this Explanatory Memorandum.

Listing Rule 7.1A Mandate has the meaning set out in Section 4.1.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Participant has the meaning set out in Annexure C.

Performance Rights means a right to acquire a Share subject to performance conditions being met.

Placement has the meaning set out in Section 9.

Placement Options means Options with an exercise price of \$0.09 per Option and an expiry date of 18 months from the date of issue on the terms set out in Annexure E to this Explanatory Memorandum.

Placement Securities means Placement Options and Placement Shares.

Placement Shares has the meaning set out in Section 9.

Plan has the meaning set out in Section 7.1.

Proxy Form means the proxy form accompanying the Notice by way of email where the Shareholder has elected to receive notices by email, or the personalised proxy form accompanying the postcard circulated by way of post where the Shareholder has not elected to receive notices by email.

Relevant Period has the meaning set out in Section 4.2.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2022.

Resolution means a resolution contained in the Notice.

Restricted Securities has the meaning given to that term in the Listing Rules.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Section means a section of this Notice.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out in Section 11.

Spill Resolution has the meaning set out in Section 1.1.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Tranche 1 Lead Manager Options has the meaning set out in Section 9.

Tranche 2 Lead Manager Options has the meaning set out in Section 9.

Tranche 3 Lead Manager Options has the meaning set out in Section 9.

ANNEXURE A – INFORMATION REQUIRED BY LISTING RULE 7.3A6

Date of issue / agreement to issue	Type of Equity Securities	Number issued / agreed to be issued	Summary of Terms of Equity Securities	Recipient of Equity Securities (or basis on which they were identified or selected)	Issue Price and discount to closing market price on date of issue / agreement to issue (if any)	Total cash consideration received, the amount of that cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any)
12 September 2022	Shares	97,923,388	Fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue.	Institutional and sophisticated investors identified by the Lead Manager.	The issue price of \$0.066 per Share represented a 17.5% discount to the last traded price prior to the announcement of the Placement on 30 August 2022 (\$0.08) and a 18.7% discount to the 15-day VWAP (\$0.0812) prior to the trading halt.	\$6,462,943 of which \$Nil has been spent. The funds are, intended to be used towards the costs associated with the filing for FDA approval for Sofpironium Bromide, preparation for commercial launch in the US, enhancing quality and manufacturing capabilities for Sofpironium Bromide and for general working capital purposes.

ANNEXURE B – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

The terms of the Incentive Options proposed to be granted to Dr Stewart Washer (or his nominee(s)) are set out below (and are otherwise governed by the terms of the Plan):

- (a) **Number of Incentive Options:** Up to 5,000,000 Incentive Options.
- (b) **Entitlement:** Each Incentive Option entitles the holder to one Share.
- (c) **Issue price:** Nil.
- (d) **Conditions of grant:** The grant of the Incentive Options is subject to:
 - (i) Dr Washer remaining employed or engaged by the Company (or one of its subsidiaries) as at the grant date;
 - (ii) neither Dr Washer nor the Company having issued a notice of termination or resignation as at the grant date; and
 - (iii) Shareholder approval.
- (e) **Exercise price:** \$0.102, being 1.43 times, the 5-day volume weighted average price of Shares traded up to the date on which the offer of Incentive Options was accepted, being 22 March 2022.
- (f) **Expiry date:** 22 March 2025.
- (g) **Transferability:** The Incentive Options are not transferable, except with the prior written approval of the Board.
- (h) **Quotation:** Incentive Options will not be quoted.
- (i) **Vesting Dates:** The Incentive Options will vest as follows:
 - (i) 1,000,000 Incentive Options will vest immediately on their issue;
 - (ii) 2,000,000 Incentive Options will vest on 22 March 2023, being the date that is 1 year from the date on which the offer for Incentive Options was accepted; and
 - (iii) 2,000,000 Incentive Options will vest on 22 March 2024, being the date that is 2 years from the date on which the offer for Incentive Options was accepted.
- (j) **Exercise:** Following the relevant vesting date, the Company will provide a vesting notice to the holder. Unless otherwise determined by the Board, vested Incentive Options may be exercised by:
 - (i) delivery to the Company of a signed notice of exercise, which must specify the number of Incentive Options being exercised (in multiples of no less than 1,000 Incentive Options); and
 - (ii) either:
 - (A) payment of the exercise price multiplied by the number of Incentive Options being exercised; or
 - (B) receipt of a valid election to pay the exercise price using the cashless exercise facility under the Plan.

- (k) **Cessation of employment:** If Dr Washer's employment or engagement ceases after the relevant vesting date and before the expiry date for the Incentive Options, the holder will be given a period of 30 days to exercise the vested Incentive Options, otherwise they may lapse at the discretion of the Board. The terms of the Plan otherwise apply on Dr Washer ceasing employment or engagement with the Company.
- (l) **Rights:** The Incentive Options do not:
 - (i) carry any voting rights in the Company, except as required by law; or
 - (ii) entitle the holder to any dividends, whether fixed or at the discretion of the Directors.
- (m) **Plan:** The terms of the Plan otherwise apply to the Incentive Options.

ANNEXURE C – SUMMARY OF EMPLOYEE INCENTIVE PLAN

A summary of the terms of the Employee Incentive Plan (**Plan**) is set out below.

- (a) **Eligibility:** The Board may (in its absolute discretion) provide an offer to an Eligible Employee of a Group Company to participate in the Plan (**Offer**). Where such person (or a permitted nominee of such person) accepts the Offer, he or she will become a participant under the Plan (**Participant**).
- (b) **Issue cap:** Offers made under the Plan which require the payment of monetary consideration by the Participant in respect of the issue, transfer or exercise of an Incentive are subject to an issue cap of 5% of the number of Shares on issue (as adjusted or increased as permitted by law and under the Constitution from time to time).
- (c) **Offer:** The Board may make an Offer at any time. Where an Offer is made under the Plan which requires the payment of monetary consideration by the Participant in respect of the issue, transfer or exercise of an Incentive then, subject to limited exceptions, the Offer must include the following information:
 - (i) the name and address of the person to whom the Offer is being made to;
 - (ii) the date of the Offer;
 - (iii) the first acceptance date (which must be at least 14 days after receiving the Offer) and the final acceptance date that the person can accept the Offer;
 - (iv) the number of Options, Performance Rights or Shares being offered and the maximum which can be applied for;
 - (v) the amount payable per Incentive by the person on application for the Incentives offered (if any), or the manner of determining such amount payable;
 - (vi) the conditions (if any) determined by the Board which are required to be satisfied, reached and met before an Incentive will be issued, and whether not it is issued subject to further vesting conditions;
 - (vii) the vesting conditions attaching to the Incentive (if applicable);
 - (viii) the first exercise date and last exercise date of the Incentives;
 - (ix) the exercise price (if any) or the manner of determining the exercise price of the Incentives;
 - (x) the vesting period (if any) of the Incentives;
 - (xi) general information about the risks of acquiring and holding the Incentives (and underlying Shares) the subject of the Offer;
 - (xii) a copy of the Plan;
 - (xiii) any other specific terms and conditions applicable to the Offer;
 - (xiv) to the extent required by applicable law:
 - (A) an explanation of how an Eligible Employee could, from time to time, ascertain the market price of the Shares underlying the Options or Performance Rights;

- (B) the terms of any loan or contribution plan under which an Eligible Employee may obtain Incentives, or a summary of the terms of the loan together with a statement that the Participant can request a copy of the terms;
 - (C) the trust deed of any trust that will hold Incentives on trust for an Eligible Employee, or a summary of the terms of the trust deed together with a statement that the Participant can request a copy of the trust deed;
 - (D) a copy of any disclosure document prepared by the Company under Part 6D.2 of the Corporations Act in the 12 months before the date of the Offer; and
 - (E) any other information required by applicable laws; and
- (xv) a prominent statement to the effect that:
- (A) any advice given by the Company in relation to Incentives issued under the Plan, and Shares issued upon exercise of the Options or Performance Rights, does not take into account an Eligible Employee's objectives, financial situation and needs; and
 - (B) the Eligible Employee should obtain their own financial product advice in relation to the Offer from a person who is licensed by ASIC to give such advice.
- (d) **Terms of Offer:** The terms and conditions applicable to an Offer, and any accompanying document, must not include any misleading or deceptive statements, or omit any information that would result in those materials becoming misleading or deceptive. The Company must provide the Participant with an updated Offer as soon as practicable after becoming aware that the document that was provided has become out of date, or is otherwise not correct, in a material respect.
- (e) **Issue Price:** The issue price (if any) in respect of the Incentives granted under the Plan is as determined by the Board at its discretion.
- (f) **Nominees:** An Eligible Employee may, by notice in writing to the Board and subject to applicable laws, nominate a nominee in whose favour the Eligible Employee wishes the Incentives to be issued. The nominee may be an immediate family member of the Eligible Employee, a corporate trustee of a self-managed superannuation fund where the Eligible Employee is a director of the trustee or a company whose members comprise no persons other than the Eligible Employee or immediate family members of the Eligible Employee. The Board may, in its sole and absolute discretion, decide not to permit the Incentives to be issued to a nominee.
- (g) **Dealing:** Incentives may not be sold, assigned, transferred or otherwise dealt with except on the death of the Participant in limited circumstances or with the prior consent of the Board.
- (h) **Vesting:** An Incentive will vest when the Participant receives a vesting notice from the Company confirming that the vesting conditions attaching to the Incentives are met or waived. The Board may, in its sole and absolute discretion, and subject to the Listing Rules, reduce or waive any vesting conditions, and/or determine that an unvested Incentive will immediately vest and become immediately exercisable upon:
- (i) a takeover bid (as defined in the Corporations Act) becoming or being declared unconditional;
 - (ii) the Court sanctioning a compromise or arrangement relating to the Company under Part 5.1 of the Corporations Act;

- (iii) any other merger, consolidation or amalgamation involving the Company occurring which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation;
 - (iv) any Group Company entering into agreements to sell in aggregate a majority in value of the businesses or assets of the Group to a person, or a number of persons, none of which are Group Companies; or
 - (v) the Board determining in its reasonable opinion that control of the Company has or is likely to change or pass to one or more persons.
- (i) **Exercise of Incentive:** Upon receiving a vesting notice with respect to their Incentives, a Participant may exercise those Incentives by delivery to the Company Secretary of the certificate for the Incentives (if any), a signed notice of exercise and payment equal to the exercise price (if any) for the number of Incentives sought to be exercised.
- (j) **Lapse of Incentive:** Unless otherwise determined by the Board, an Incentive will not vest and will lapse on the earlier of:
- (i) the Board determining that the vesting conditions attaching to the Incentive have not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
 - (ii) the day immediately following the last exercise date; or
 - (iii) with respect of unvested Incentives, the date the Participant ceases employment, engagement or office with the Company, subject to certain exceptions.
- (k) **Issue of Shares on vesting of Options or Performance Rights:** Following exercise of the Options or Performance Rights, the Company will, subject to the terms of the Company's relevant policies, issue or transfer Shares to that Participant and apply for official quotation or listing of those Shares on the ASX if applicable. Unless and until the Options or Performance Rights have been exercised and the relevant Shares issued to that Participant as a result of that exercise, a Participant has no right or interest in those Shares.
- (l) **Ranking of Shares:** Shares issued upon exercise of the Options or Performance Right will rank equally in all respects with existing Shares, except for entitlements which had a record date before the date of the issue of that Share.
- (m) **Adjustment of Options or Performance Rights:** If, prior to the vesting of an Option or Performance Right, there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital to Shareholders), the number of Options or Performance Rights to which a Participant is entitled will be adjusted in a manner required by the Listing Rules.
- (n) **Clawback:** If the Board determines that:
- (i) a Participant (or Eligible Employee who has nominated a nominee to receive the Incentives) at any time:
 - (A) has been dismissed or removed from office for a reason which entitles a Group Company to dismiss the Participant (or Eligible Employee) without notice;
 - (B) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of a Group Company;

- (C) has had a judgement entered against him or her in civil proceedings in respect of the contravention by the Participant (or Eligible Employee) of his or her duties at law, in equity or under statute in his or her capacity as an executive or Director of a Group Company;
- (D) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence);
- (E) is in material breach of any of his or her duties or obligations to a Group Company;
or
- (F) has done an act which brings a Group Company into disrepute,

then the Board may determine that all unvested Shares held by the Participant will be forfeited and any Options or Performance Rights held by the Participant will lapse; and

- (ii) there has been a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the relevant vesting conditions (if any) to an Incentive which has vested were not, or should not have been determined to have been satisfied, then the Participant shall cease to be entitled to those vested Incentives and the Board may:
 - (A) by written notice to the Participant cancel the relevant Options or Performance Rights for no consideration or determine that the relevant Shares are forfeited;
 - (B) by written notice to the Participant require that the Participant pay to the Company the after tax value of the relevant Incentives, with such payment to be made within 30 Business Days of receipt of such notice; or
 - (C) adjust fixed remuneration, incentives or participation in the Plan of a relevant Participant in the current year or any future year to take account of the after tax value of the relevant Incentives.
- (o) **Amendments to the Plan:** Subject to and in accordance with the Listing Rules, the Board may amend, revoke, add to or vary the Plan (without the necessity of obtaining the prior or subsequent consent or approval of Shareholders of the Company), provided that rights or entitlements in respect of any Option, Performance Right or Share granted before the date of the amendment shall not be reduced or adversely affected without the prior written consent of the Participant affected by the amendment.

ANNEXURE D – SUMMARY OF 2021 PLAN

The Company established the Botanix Pharmaceuticals Limited Employee Securities Incentive Plan in 2021 (**2021 Plan**).

The full terms of the 2021 Plan may be inspected at the registered office of the Company during normal business hours and (unless otherwise defined) capitalised terms below have the definition ascribed in the 2021 Plan. A summary of the terms of the 2021 Plan is set out below.

1 Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the 2021 Plan from time to time.

2 Purpose

The purpose of the 2021 Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3 2021 Plan administration

The 2021 Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the 2021 Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4 Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the 2021 Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5 Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the 2021 Plan rules and any ancillary documentation required.

6 Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the 2021 Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7 Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8 Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the 2021 Plan rules, or such earlier date as set out in the 2021 Plan rules.

9 Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the 2021 Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10 Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the 2021 Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11 Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12 Rights attaching to 2021 Plan Shares

All Shares issued under the 2021 Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**2021 Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the 2021 Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of 2021 Plan Shares. A Participant may exercise any voting rights attaching to 2021 Plan Shares.

13 Disposal restrictions on 2021 Plan Shares

If the invitation provides that any 2021 Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a 2021 Plan Share is subject to any disposal restrictions under the 2021 Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that 2021 Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14 Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15 Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16 Amendment of 2021 Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the 2021 Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the 2021 Plan and determine that any amendments to the 2021 Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the 2021 Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17 2021 Plan duration

The 2021 Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the 2021 Plan for a fixed period or indefinitely, and may end any suspension. If the 2021 Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

ANNEXURE E – SUMMARY OF TERMS AND CONDITIONS OF PLACEMENT OPTIONS

The terms and conditions of the Placement Options are:

- (a) Each Placement Option entitles the holder to subscribe for one Share upon the payment of the exercise price of \$0.09 per Option (**Exercise Price**).
- (b) The Placement Options will expire at 5.00 pm, AWST on the date 18 months from their date of issue (**Expiry Date**).
- (c) The Placement Options are not transferable without the prior written consent of the Company.
- (d) The Placement Options will not be quoted.
- (e) There are no participating rights or entitlements inherent in these Placement Options and holders of the Placement Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Placement Option.
- (f) Subject to all applicable laws, Optionholders have the right to exercise their Placement Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Placement Options.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Placement Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (h) The Placement Options shall be exercisable at any time during the following periods (**Exercise Periods**) by paying the Exercise Price and following the process set out in clause (i):
 - (i) within the first two weeks of every calendar quarter; and
 - (ii) within the month prior to the Expiry Date.
- (i) The Placement Options may be exercised during the Exercise Periods by the delivery to the registered office of the Company of a notice in writing (**Exercise Notice**) stating the intention of the Optionholder to exercise all or a specified number of Placement Options held by them accompanied by an Option Certificate and a cheque made payable to the Company or an electronic payment, of the aggregate Exercise Price of the Placement Options being exercised. The Exercise Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Placement Options shall not affect the rights of the Optionholder to the balance of the Placement Options held by the Optionholder.
- (j) The Company shall allot the resultant Shares and deliver or arrange delivery of a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Placement Options.
- (k) The Shares allotted shall rank, from the date of allotment, equally with the then existing ordinary Shares of the Company in all respects.
- (l) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which a Placement Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Placement Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

- (m) If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Placement Options, the Exercise Price of a Placement Option will be reduced according to the formula provided for in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- (n) The Placement Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Placement Options.

ANNEXURE F – SUMMARY OF TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

The terms and conditions of the Lead Manager Options are:

- (a) Each Lead Manager Option entitles the holder to subscribe for one Share.
- (b) The exercise prices for the Lead Manager Options are as follows (**Exercise Price**):
 - (i) for 6 million Lead Manager Options, \$0.0792 per Lead Manager Option;
 - (ii) for 2 million Lead Manager Options, \$0.099 per Lead Manager Option; and
 - (iii) for 2 million Lead Manager Options, \$0.132 per Lead Manager Option.
- (c) The Lead Manager Options will lapse at 5.00 pm, AWST on the date 24 months from their date of issue (**Expiry Date**).
- (d) The Lead Manager Options are not transferable without the prior written consent of the Company.
- (e) The Lead Manager Options will not be quoted.
- (f) There are no participating rights or entitlements inherent in these Lead Manager Options and holders of the Lead Manager Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Lead Manager Option.
- (g) Subject to all applicable laws and clause (i), Optionholders have the right to exercise their Lead Manager Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Lead Manager Options.
- (h) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Lead Manager Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (i) The Lead Manager Options may only be exercised in blocks of 1 million Lead Manager Options, unless the Optionholder has obtained prior written consent of the Company.
- (j) Subject to clause (i), the Lead Manager Options shall be exercisable at any time before the Expiry (Exercise Period) by the delivery to the registered office of the Company of a notice in writing (**Exercise Notice**) stating the intention of the Optionholder to exercise all or a specified number of Lead Manager Options (being in blocks of 1 million Lead Manager Options as required under clause (i)) held by them accompanied by an Option Certificate and a cheque made payable to the Company or an electronic payment, of the aggregate Exercise Price of the Lead Manager Options being exercised. The Exercise Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Lead Manager Options shall not affect the rights of the Optionholder to the balance of the Lead Manager Options held by the Optionholder.
- (k) The Company shall allot the resultant Shares and deliver or arrange delivery of a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Lead Manager Options.
- (l) The Shares allotted shall rank, from the date of allotment, equally with the then existing ordinary Shares of the Company in all respects.

- (m) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which a Lead Manager Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Lead Manager Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- (n) If there is a pro rata issue (other than a bonus issue) to the holders of Shares during the currency of, and prior to the exercise of any Lead Manager Options, the Exercise Price of a Lead Manager Option will be reduced according to the formula provided for in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- (o) The Lead Manager Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Lead Manager Options.

ANNEXURE G – SUMMARY OF TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

The terms of the Incentive Performance Rights proposed to be granted to each of the Directors (or their nominees) are set out below (and are otherwise governed by the terms of the Plan):

- (a) Each Incentive Performance Right entitles the holder to one Share.
- (b) The Incentive Performance Rights will be issued for nil cash consideration.
- (c) The grant of the Incentive Options is subject to:
 - (i) the relevant Director remaining employed or engaged by the Company (or one of its subsidiaries) as at the grant date;
 - (ii) neither the relevant Director nor the Company having issued a notice of termination or resignation as at the grant date; and
 - (iii) Shareholder approval.
- (d) The Incentive Performance Rights have a nil exercise price.
- (p) The Incentive Performance Rights will lapse at 5.00 pm, AWST on 30 November 2026 (**Expiry Date**).
- (e) The Performance Rights will be subject to the Board determining the relevant vesting condition has been satisfied, as follows (**Vesting Conditions**).

Vesting Condition	Proportion of Incentive Performance Rights held by a Participant that will vest
The Company receiving a “Day 74 letter” from the United States Food and Drug Administration (FDA) indicating that the Company’s submission of a new drug application (NDA) on 26 September 2022 for Sofpironium Bromide is accepted by the FDA for filing (or indicating equivalent outcome).	1/3 of Incentive Performance Rights
The Company receiving mid-cycle review feedback from the FDA in relation to the Company’s NDA for Sofpironium Bromide submitted on 26 September 2022.	1/3 of Incentive Performance Rights
The Company’s NDA submitted on 26 September 2022 for Sofpironium Bromide is approved by the FDA on or before 31 December 2023.	1/3 of Incentive Performance Rights

- (f) Following the Board determining that a Vesting Condition has been met, the Company will provide a vesting notice to the Participant, and the relevant proportion of Incentive Performance Rights will be capable of exercise.
- (g) The Incentive Performance Rights are not transferable (and consequently, will not be quoted on ASX or any other exchange).

(h) The Incentive Performance Rights do not:

- (i) carry any voting rights in the Company, except as required by law;
- (ii) entitle the holder to any dividends;
- (iii) confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
- (iv) confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company; and
- (v) confer the right to participate in new issues of securities such as bonus issues or entitlement issues,

unless and until the applicable performance milestone is achieved and the Performance Rights are converted into Shares.

(i) The terms of the Plan otherwise apply to the Incentive Performance Rights.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **9.00am (WST) on Monday, 21 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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IN PERSON:

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