
ZELIRA THERAPEUTICS LIMITED

ACN 103 782 378

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.00 am (WST)

DATE: 17 September 2020

PLACE: Blackwall Legal Boardroom
Level 26, 140 St Georges Terrace
Perth WA 6000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 9.00 am (WST) on 15 September 2020

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY - OSAGIE IMASOGIE

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 12,500,000 Performance Rights to Osagie Imasogie (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Osagie Imasogie (or his nominee) or 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) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

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

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (i) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

2. RESOLUTION 2 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY - LISA GRAY

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 12,500,000 Performance Rights to Lisa Gray (or her nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Lisa Gray (or her nominee) or 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) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

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

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (ii) a member of the Key Management Personnel; or
 - (iii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

Dated: 13 August 2020

By order of the Board

Tim Slate
Company Secretary

Notice

Notice is hereby given that the General Meeting of Shareholders of Zelira Therapeutics Limited (**Company**) will be held at Blackwall Legal Boardroom, Level 26, 140 St Georges Terrace, Perth, Western Australia on Thursday, 17 September 2020 at 9.00 am (WST) (**Meeting**).

Due to the public health measures mandated by various regulatory authorities as means of combating the ongoing Covid-19 pandemic, for the health and safety of all Shareholders and Company officers, Zelira Therapeutics Limited encourages shareholders to vote by proxy, rather than attending the Meeting in person.

As at the date of this Notice, the Company intends to hold a physical in-person Meeting, so long as the number of attendees remains within the limits permitted under the latest public gathering restriction guidelines. In the event that the number of attendees exceeds that permitted, the Meeting Chairperson will adjourn the Meeting in the interests of the safety of all involved, for it to be resumed at a later date.

If it becomes necessary to make changes to the current arrangements for the Meeting, Zelira Therapeutics will advise Shareholders through its website and by making an ASX announcement.

Shareholders are encouraged to lodge proxy forms by no later than 9.00am (WST) 15 September 2020. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Notice of Meeting.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on, 15 September 2020 at 9.00am (WST).

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that :

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6558 0886.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 AND 2 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

1.1 General

The Company has agreed, subject to the receipt of Shareholder approval, to issue 12,500,000 Performance Rights (**Related Party Performance Rights**) to each Osagie Imasogie and Lisa Gray (**Related Parties**)(or their nominee).

Resolutions 1 and 2 seek Shareholder approval for the issue of the Related Party Performance Rights to the Related Parties. The Company believes this issue will further motivate and reward their performance as Directors in achieving specific performance milestones within a specified performance period.

The Board considers the issue of the Related Party Performance Rights to be a cost-effective reward for the Related Parties to appropriately incentivise the continued performance of Osagie Imasogie and Lisa Gray and is consistent with the strategic goals and targets of the Company.

The issue provides the Related Parties with a performance-based remuneration package consistent with other Non-Executive Directors and further aligns their interest with the other directors and shareholders of Zelira.

1.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) 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.

The issue of Performance Rights to the Related Parties (or their nominees) constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

The Directors (other than the Related Parties who have a material personal interest in Resolutions 1 and 2) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Performance Rights as they are considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

1.3 ASX Listing Rule 10.11

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

- 10.11.1 a related party;
- 10.11.2 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;
- 10.11.3 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 of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 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 its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Performance Rights falls within Listing Rule 10.11.1 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.

Each of Resolutions 1 and 2 seek the required Shareholder approval for the issue of the Related Party Performance Rights under and for the purposes of Listing Rule 10.11 for the issue of Related Party Performance Rights to Mr Imasogie and Ms Gray, respectively.

1.4 Technical information required by Listing Rule 14.1A

If either or both of Resolutions 1 or 2 is passed, the Company will be able to proceed with the issue of the Related Party Performance Rights to the respective Related Party within one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Performance Rights will not use up any of the Company's 15% annual placement capacity.

If either or both of Resolutions 1 or 2 is not passed, the Company will not be able to proceed with the issue of the Related Party Performance Rights to the respective Related Party and may be required to re-negotiate the remuneration arrangements with the Related Parties, which may require additional cash payments and affect the Company's available cash position.

1.5 Technical Information required for Resolutions 1 and 2

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 1 and 2:

- (i) the Related Party Performance Rights will be issued to:
 - (A) Osagie Imasogie (Resolution 1); and
 - (B) Lisa Gray (Resolution 2),

or their respective nominees, who fall within the category set out in Listing Rule 10.11.1 as Osagie Imasogie and Lisa Gray are related parties of the Company by virtue of being Directors;

- (ii) the maximum number of Related Party Performance Rights to be issued is 25,000,000, comprising
 - (A) Osagie Imasogie – 12,500,000 (Resolution 1); and
 - (B) Lisa Gray – 12,500,000 (Resolution 2);
- (iii) the Related Party Performance Rights will be issued to each of the Related Parties as follows:
 - (A) 6,250,000 Class A Performance Rights; and
 - (B) 6,250,000 Class B Performance Rights;
- (iv) the terms and conditions of the:
 - (A) Class A Performance Rights are set out in Schedule 1; and
 - (B) Class B Performance Rights are set out in Schedule 2;
- (v) the Related Party Performance Rights will be issued no later than one (1) month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party Options will occur on the same date;
- (vi) the issue price of the Related Party Options will be \$0.0001 cash consideration per Related Party Performance Right, accordingly the Company will receive \$2,500 in consideration in respect of the issue of the Related Party Performance Rights;
- (vii) the purpose of the issue of the Related Party Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward their performance as Directors and to provide cost effective remuneration to Osagie Imasogie and Lisa Gray, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (viii) the current total remuneration package for:
 - (A) Mr Imasogie is \$144,000, comprised entirely of directors' fees of \$144,000; and
 - (B) Ms Gray is \$36,000, comprised entirely of directors' fees of \$36,000.
- (ix) if the Related Party Performance Rights are issued, the total remuneration package of the Related Parties will increase by \$1,347,530 (\$673,765 each) being the value of the Related Party Performance Rights (based on the Black Scholes methodology);
- (x) the Related Party Performance Rights are not being issued under an agreement; and

(xi) a voting exclusion statement is included in Resolutions 1 and 2 of the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Performance Rights as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Performance Rights under Resolutions 1 and 2 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

1.6 Board recommendation

The Board (other than Mr Imasogie and Ms Gray) recommend that Shareholders vote in favour of Resolutions 1 and 2.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Zelira Therapeutics Limited (ACN 103 782 378).

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Meeting means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF CLASS A PERFORMANCE RIGHTS

- (a) **(Entitlement)** Each Performance Right entitles the holder (**Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon satisfaction of the Milestone (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Notice of satisfaction of Milestone)** The Company shall give written notice to the Holder promptly following satisfaction of a Milestone (defined below) or lapse of a Performance Right where the Milestone is not satisfied.
- (c) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Right is not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and Corporations Act at the time of reorganisation.
- (i) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (j) **(Participation in new issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Conversion on change of control)** Subject to paragraph (m) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:
 - (i) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's shares on issue and being declared unconditional by the bidder; or
 - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,that number of Performance Rights that is equal to not more than 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each Holder. Performance Rights

that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

- (l) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of a Performance Right under paragraph (k) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
 - (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (l)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (m) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Rights

- (n) **(Milestone)** A Performance Right will be able to be converted into a Share by a Holder subject to the cumulative revenues from 1 July 2020 received by the Company or its subsidiaries from US based product sales of products derived or generated from Ilera Therapeutics LLC exceeding US\$1,000,000 prior to 23 December 2024.
- (o) **(Conversion Notice)** A Performance Right may be converted by the Holder giving written notice to the Company (**Conversion Notice**) prior to the date that is three (3) months after the date that the Milestone is achieved. No payment is required to be made for conversion of a Performance Right to a Share.
- (p) **(Lapse)** If the Milestone is not achieved by the required date or the Conversion Notice not given to the Company by the required date, then the relevant Performance Right will automatically lapse.
- (q) **(Issue of Shares)** The Company will issue the Share on conversion of a Performance Right within 10 business days following the conversion or such other period required by the ASX Listing Rules.
- (r) **(Holding statement)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 business days following the issue of the Share.
- (s) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank *pari passu* in all respects with existing Shares.

SCHEDULE 2 – TERMS AND CONDITIONS OF CLASS B PERFORMANCE RIGHTS

- (a) **(Entitlement)** Each Performance Right entitles the holder (**Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon satisfaction of the Milestone (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Notice of satisfaction of Milestone)** The Company shall give written notice to the Holder promptly following satisfaction of a Milestone (defined below) or lapse of a Performance Right where the Milestone is not satisfied.
- (c) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Right is not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and Corporations Act at the time of reorganisation.
- (i) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (j) **(Participation in new issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Conversion on change of control)** Subject to paragraph (m) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:
 - (i) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's shares on issue and being declared unconditional by the bidder; or
 - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

that number of Performance Rights that is equal to not more than 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for

each Holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

- (l) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of a Performance Right under paragraph (k) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) **(General Prohibition)** then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
 - (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (l)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (m) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Rights

- (n) **(Milestone)** A Performance Right will be able to be converted into a Share by a Holder subject to the cumulative revenues from 1 July 2020 received by the Company or its subsidiaries from US based product sales of products derived or generated from Ilera Therapeutics LLC exceeding US\$2,500,000 prior to 23 December 2024.
- (o) **(Conversion Notice)** A Performance Right may be converted by the Holder giving written notice to the Company **(Conversion Notice)** prior to the date that is three (3) months after the date that the Milestone is achieved. No payment is required to be made for conversion of a Performance Right to a Share.
- (p) **(Lapse)** If the Milestone is not achieved by the required date or the Conversion Notice not given to the Company by the required date, then the relevant Performance Right will automatically lapse.
- (q) **(Issue of Shares)** The Company will issue the Share on conversion of a Performance Right within 10 business days following the conversion or such other period required by the ASX Listing Rules.
- (r) **(Holding statement)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 business days following the issue of the Share.
- (s) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank *pari passu* in all respects with existing Shares.