

BOTANIX PHARMACEUTICALS LIMITED
ACN 009 109 755

**NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY
MEMORANDUM**

**The Annual General Meeting of the Company will be held at
Level 16, Brookfield Place Tower 2, 123 St Georges Terrace,
Perth, Western Australia on Tuesday, 14 November 2017 at
9:00am (WST).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9482 0580.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

BOTANIX PHARMACEUTICALS LIMITED

ACN 009 109 755

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Botanix Pharmaceuticals Limited ABN 70 009 109 755 (**Company**) will be held at Level 16, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia, on Tuesday, 14 November 2017 at 9:00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this 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 Sunday, 12 November 2017 at 9:00am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

Ordinary business

1. Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 (**Annual Report**) together with the declaration of the Directors, the Directors' report, and the Auditor's Report.

2. Resolution 1 - Adoption of Remuneration Report (non-binding)

To consider and, if thought fit, to pass with or without amendment, as a non-binding resolution the following:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Director's Report in the Annual Report for the year ended 30 June 2017."

Note

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

Voting Exclusion

The Company will disregard any votes cast on Resolution 1 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 Resolution 1 unless:

- (a) *the appointment specifies the way the proxy is to vote on Resolution 1; 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 Resolution 1.*

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

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

3. Resolution 2 - Re-election of Director - Mr Graham Griffiths

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

"That for the purposes of clause 6.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Graham Griffiths, a Director, retires by rotation and being eligible, is re-elected as a Director of the Company."

4. Resolution 3 - Approval of 10% Placement Capacity

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any Associates of those persons.

The Company will not disregard a vote if:

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

BY ORDER OF THE BOARD

A handwritten signature in cursive script, appearing to read 'S. Robertson'.

Simon Robertson
Company Secretary

Dated: 12 October 2017

BOTANIX PHARMACEUTICALS LIMITED

A C N 0 0 9 1 0 9 7 5 5

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 16, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia, on Tuesday, 14 November 2017 at 9:00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Financial Statements and Reports
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Graham Griffiths
Section 6:	Resolution 3 – Approval of 10% Placement Capacity

Defined terms are set out in Schedule 1 to the Explanatory Memorandum.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and

- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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

Ordinary business

3. Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Report together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's 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 making 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 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 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.

In accordance with amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Annual Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in a reduction in the Company's printing costs.

Whilst the Company will not provide a hard copy of the Annual Report unless specifically requested to do so, Shareholders may view the Company's Annual Report on its website at www.botanixpharma.com.

4. Resolution 1 - Adoption of Remuneration Report

4.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the Annual Report.

A reasonable opportunity will be provided for the Shareholders to ask questions or make comments on the Remuneration Report at the Annual General Meeting.

4.2 Voting Consequences

Under the Corporations Act, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the company is approved will be the Directors of the company.

4.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

4.4 Proxy restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

*You **must** direct the proxy how they are to vote.* Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on Resolution 1.

If the Chairman is given your proxy (where he/she is also a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You ***do not*** need to direct the Chairman how you wish them to exercise your vote on Resolution 1, however if you do not direct the Chairman how to vote, ***by signing the proxy form you expressly acknowledge that the Chairman may exercise their discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy:

You do not need to direct your proxy how to vote, however you are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

5. Resolution 2 - Re-election of Director - Mr Graham Griffiths

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 three years, whichever is the longer.

Clause 6.3 of the Constitution requires that one third (or the number nearest one-third) of the Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has four Directors.

Accordingly at least one Director must retire. A Director who retires by rotation under clause 6.3 of the Constitution is eligible for re-election.

In accordance with the Constitution, Mr Graham Griffiths retires by rotation and, being eligible, seeks re-election.

Mr Griffiths' executive career has spanned 39 years in technology based companies, including various senior executive sales, marketing and product development positions with multi-nationals in the USA and Asia Pacific region respectively. He was Managing Director of ASX listed company ipernica Ltd, a diversified technology and intellectual property commercialisation group and was responsible for the acquisition and commercialisation of Nearmap (ASX:NEA), a global geospatial mapping technology company.

His current non-executive directorships include Pointerra (manage, visualise and share massive 3D point clouds), NGIS (full service geospatial consulting agency), Fleetsu (enterprise telematics provider), indji Systems (platform to manage the impact of natural phenomena on utility assets) and iperative (specialist in monetising

intellectual property). Mr Griffiths has a Bachelor of Business (Accounting) degree and is a Fellow of the Australian Institute of Company Directors.

Mr Griffiths has been a Director since 14 June 2016. The Board considers Mr Griffiths to be an independent Director. The Board (excluding Mr Griffiths) recommends 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.

6. Resolution 3 - Approval of 10% Placement Capacity

6.1 General

Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (10% Placement Capacity).

An eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company currently has on issue 543,111,296 Shares and the last recorded closing price of the Shares on 10 October 2017 was \$0.045. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$24.4 million (based on the closing Share price on 10 October 2017).

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity without obtaining prior Shareholder approval or using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

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

6.2 Listing Rule 7.1A

(a) Equity Securities

Any Equity Securities issued pursuant to Listing Rule 7.1A must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, Shares.

(b) Formula for calculating 10% Placement Capacity

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement to issue:

- (A) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (C) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4; and
- (D) less the number of Shares cancelled in the previous 12 months.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the Shareholder approval under Listing Rule 7.1 or 7.4.

(c) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 543,111,296 Shares and therefore has a capacity to issue:

- (i) 81,466,694 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 3 54,311,129 Equity Securities under Listing Rule 7.1A.

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

6.3 Technical information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 6.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

The company will only issue Equity Securities under the 10% Placement Capacity during the 10% Placement Capacity Period.

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below (in the case of convertible securities, only if they are exercised or converted). The table below shows the economic and dilution effect that an issue of the 10% Placement Capacity will have on existing Shareholders, calculated in accordance with the formula outlined in Listing Rule 7.1A.2. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; 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 are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- (iii) two examples where the number of Shares on issue has increased by 50% and 100%. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rules 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Number of Shares currently on issue	Dilution			
	Issue Price (\$ per Share)	50% decrease in Issue Price (\$0.0225)	Issue Price (\$0.045)	100% increase in Issue Price (\$0.09)
543,111,296	10% voting dilution	54,311,130 Shares	54,311,130 Shares	54,311,130 Shares
	Funds raised	\$1,222,000	\$2,444,001	\$4,888,002
814,666,944 (50% increase)	10% voting dilution	81,466,694 Shares	81,466,694 Shares	81,466,694 Shares
	Funds raised	\$1,833,001	\$3,666,001	\$7,332,002
1,086,222,592 (100% increase)	10% voting dilution	108,622,259 Shares	108,622,259 Shares	108,622,259 Shares
	Funds raised	\$2,444,001	\$4,888,002	\$9,776,003

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 10 October 2017.
2. The issue price set out above is the closing price of the Shares on the ASX on 10 October 2017 (to one decimal place).
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options or other

convertible securities are exercised into Shares before the date of issue of the Equity Securities.

5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1, or pursuant to the 15% placement capacity under Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use any funds raised towards its existing & new product development studies and intellectual property maintenance costs, and general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders including substantial Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous Approval under Listing Rule 7.1A

The Company obtained Shareholder approval pursuant to Listing Rule 7.1A at its annual general meeting held on 30 November 2016 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting and as at the date of this Notice, the Company has issued 169,142,841 Equity Securities, and this represents 39.51% of the total number of Equity Securities on issue at the commencement of that 12 month period.

During the year the Company issued 40,539,813 Shares pursuant to Listing Rule 7.1A. These issues were ratified by Shareholders on 15 May 2017.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of this Notice are in Schedule 2.

(g) Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the 10% Placement Capacity (other than noting the persons to whom shares will be issued will be determined on a case by case basis, having regard to the factors outlined in paragraph (e) above), nor has it invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

10% Placement Capacity has the meaning given in Section 6.1.

10% Placement Capacity Period has the meaning given in Section 6.3(b)

Annual General Meeting, AGM or Meeting has the meaning given in the introductory paragraph of the Notice.

Annual Report means the annual financial report of the Company for the year ended 30 June 2017.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means the 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 2017.

Board means the board of Directors of the Company.

Chairman or Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Child Entity has the meaning given to that term in the Listing Rules.

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).

Company means Botanix Pharmaceuticals Limited ABN 70 009 109 755.

Constitution means the Company’s constitution.

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

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting Date means Tuesday 14 November 2017.

Notice means this notice of Annual General Meeting.

Option means an option which entitles the holder to subscribe for one Share.

Optionholder means an optionholder of the Company.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Annual Report.

Resolutions means the resolutions referred to in the Notice or any one of them, as the context requires.

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

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means all Equity Securities of the Company, including a Share and an Option.

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

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 - Issues of Equity Securities since 14 November 2016

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
12/4/2017	97,932,890	Shares ¹	Sophisticated and professional investors pursuant to placement	\$0.055 per Share, representing a discount of 5.5% to the closing market price (\$0.58) at the date of issue.	<p>Consideration: \$5,386,309 cash.</p> <p>Funds spent to date: \$3,274,413 has been spent as at the date of this Notice.</p> <p>Use of funds spent to date: Capital raising costs - \$400,810 Research and Development - \$2,141,154 Staff costs - \$244,897 Working capital - \$487,522.</p> <p>Proposed use of remaining funds: Research and Development - \$1,573,597 Staff costs - \$179,982 Working capital - \$358,316.</p>
19/5/2017	36,363,636	Shares ¹	Sophisticated and professional investors pursuant to placement	\$0.055 per Share, representing a discount of 0% to the closing market price (\$0.05) at the date of issue.	<p>Consideration: \$2,000,000 cash.</p> <p>Funds spent to date: \$136,902 has been spent as at the date of this Notice.</p> <p>Use of funds spent to date: Capital raising costs - \$136,902.</p> <p>Proposed use of remaining funds: Research and Development - \$1,388,2158 Staff costs - \$158,779 Working capital - \$316,104.</p>
1/12/2016	16,215,959	Options exercisable at \$0.068 on before 1 December 2019	Directors following shareholder approval	Nil	<p>Consideration: \$0.</p> <p>Value at Issue date \$0.02690</p> <p>Current value: \$0.02389³</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
19/01/2017	3,369,327	Options exercisable at \$0.045 on before 19 January 2018	Employees and consultants under Employee Share Incentive Pan	Nil	Consideration: \$0. Value at Issue date \$0.01823 Current value: \$0.01128 ³
19/01/2017	6,738,652	Options exercisable at \$0.057 on before 19 January 2020	Employees and consultants under Employee Share Incentive Pan	Nil	Consideration: \$0. Value at Issue date \$0.02714 Current value: \$0.02594 ³
8/05/2017	2,837,793	Options exercisable at \$0.053 on before 8 May 2018	Employees and consultants under Employee Share Incentive Pan	Nil	Consideration: \$0. Value at Issue date \$0.02007 Current value: \$0.01456 ³
8/05/2017	5,684,584	Options exercisable at \$0.07 on before 8 May 2020	Employees and consultants under Employee Share Incentive Pan	Nil	Consideration: \$0. Value at Issue date \$0.02998 Current value: \$0.02607 ³

Notes

1. Shares are fully paid ordinary shares in the Company ranking equally in all respect with the existing issued Shares in the Company.
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
3. The current value is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

[Name/Address 1]
[Name/Address 2]
[Name/Address 3]
[Name/Address 4]
[Name/Address 5]
[Name/Address 6]

AGM Registration Card

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

[BARCODE]

Holder Number:
[HolderNumber]

Vote by Proxy: BOT

Your proxy voting instruction must be received by **9.00am (WST) on Sunday, 12 November 2017**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, 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.

STEP 1: Please appoint a Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **9.00am (WST) on Tuesday, 14 November 2017 at Level 16, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions**For Against Abstain**

1 Adoption of Remuneration Report (non-binding)

☐ ☐ ☐

2 Re-election of Director – Mr Graham Griffiths

☐ ☐ ☐

3 Approval of 10% Placement Capacity

☐ ☐ ☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date ____ / ____ / ____

Email Address

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

STEP 4: Return

Return your completed form:**BY MAIL**

Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012

**IN PERSON**

Automic Registry Services
Level 3, 50 Holt Street,
Surry Hills NSW 2010

Contact us – All enquiries to Automic:**WEBCHAT**

<https://automic.com.au/>

**EMAIL**

hello@automic.com.au

**PHONE**

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)