

Thursday, 11 May 2023

Melissa Kostopoulos
Compliance Adviser, Listings Compliance
ASX Limited
525 Collins Street
Rialto, North Tower
ListingsComplianceMelbourne@asx.com.au.

Dear Melissa,

Mayne Pharma Group Limited ('MYX' or 'Mayne Pharma'): Appendix 3Y – Change of Director's Interest Notice Query

We refer to your letter dated 8 May 2023 in relation to Mayne Pharma's Appendix 3Y lodged on 5 May 2023 for Mr Shawn Patrick O'Brien, the CEO and Managing Director of Mayne Pharma (**CEO/MD**).

Mayne Pharma wishes to advise that the delay in lodging the Appendix 3Y was due to the factors outlined below.

1. Ordinarily, the Company issues LTI grants in September each year for all employees, other than the CEO/MD (who is issued their LTI grant following shareholder approval at the Company's AGM in November each year). Mayne Pharma's grant of LTI instruments for the FY23 period for all relevant employees was delayed from its usual schedule due to the Board electing to delay the grants until after the AGM, the completion of its capital management initiatives announced in October 2022 and the release of the Company's first half results. Due to the change in timing for the broader FY23 grants, and the delay of the CEO/MD grant as set out in the notice of meeting for the 2022 AGM, the CEO/MD's grant was included in the broader employee grant.
2. The Company made several changes to the LTI program ahead of the FY23 grant, including changes to the plan rules, the introduction of different performance conditions and adjustments required to comply with the *Corporations Act 2001* (Cth) changes to the employee share scheme (**ESS**) rules. These changes necessitated the broader LTI grants being provided for in April instead of September. The changes to the plan rules and performance conditions, to the extent they applied to the CEO/MD's grant, were disclosed in the AGM notice of meeting at the time the Company sought shareholder approval for the issue of LTI instruments to the CEO/MD in November 2022. The AGM notice of meeting also foreshadowed the delayed timeframe for issuing the LTI instruments to the CEO/MD as a result of the matters referred to in point 1 above.
3. Two of the individuals who historically administer the LTI program and ensure relevant ASX forms are filed in a timely manner regarding the grant of LTI instruments to the CEO/MD have recently left Mayne Pharma.



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4. As a result of the changes to the LTI program and changes to ESS rules, the Company experienced a sequence of delays in issuing and finalising the FY23 LTI grants:
 - a. the instructions to issue the grants were provided to Shareworks, the organisation that manages Mayne Pharma's LTI plans on 16 March 2023 and loaded into the Shareworks system on this date;
 - b. the offer letters were not distributed to participants until the end of March 2023;
 - c. to comply with the new ESS rules, the Company had to provide participants at least 14 days to accept the offers. The acceptance timeframe was further delayed due to some technical difficulties experienced by certain participants, meaning it took longer than anticipated for all acceptances to be received. The CEO/MD did not accept his offer until 12 April 2023 (US time), which would technically be the date the CEO/MD was granted his LTIs (not 16 March 2023 as mistakenly noted in the Appendix 3Y lodged on 5 May 2023) and consequently his Appendix 3Y should have been lodged with ASX on or before 21 April 2023. Some other participants did not accept until the beginning of May 2023.
5. Due to the delay in acceptances, all the grants could not be 'finalised' until early May 2023, around the time that Mayne Pharma filed the Appendix 3Gs and Appendix 3Y with ASX on 5 May 2023.

The Company understands its obligations under the ASX Listing Rules and will ensure that future LTI issues to the CEO/MD are treated as follows, to avoid any delay in finalising the grant and making the relevant notifications to ASX, including the Appendix 3Y:

- the CEO/MD's LTI grant is separated from grants to other employees, to ensure that any delays associated with the broader employee group do not impact the CEO/MD's grant; and
- the 'grant date' for the CEO/MD's grant (as disclosed in the Appendix 3G and 3Y) is aligned with the date that the CEO/MD accepts the grant, rather than the date on which the grant is loaded into the Shareworks system or the offer is made – this will ensure that we do not have a conflict between ESS rules which require the Company to provide at least 14 days to accept the offer and ASX requirements for the grant to be notified to ASX within 5 days.

Mayne Pharma provides induction training for all new directors to ensure they are aware of their disclosure obligations under Listing Rule 3.19A and reminds directors of their obligation to notify the ASX of any changes in their 'notifiable interests' at the commencement of each trading window (as this is generally the period during which directors will trade in the Company's securities).

Finally, we note that the market was aware of the proposed LTI grant and general timing of the grant to the CEO/MD from the notice of meeting for the 2022 AGM and the grant was approved by shareholders and, as noted above, the delay with the lodgement of the Appendix 3Y was a result of unusual / one off circumstances, and Mayne Pharma will put in place the processes outlined above to ensure that no further missteps occur.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Laura Loftus".

Laura Loftus
Company Secretary
laura.loftus@maynepharma.com



8 May 2023

Reference: 73997

Ms Laura Loftus
Company Secretary
Mayne Pharma Group Limited
1538 Main North Road
Salisbury South
South Australia 5106

By email: laura.loftus@maynepharma.com

Dear Ms Loftus

Mayne Pharma Group Limited ('MYX'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. MYX's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 5 May 2023 for Mr Shawn Patrick O'Brien (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notice indicates that the change in Mr O'Brien's notifiable interest occurred on 16 March 2023. It appears that the Notice should have been lodged with ASX by 23 March 2023. Consequently, MYX may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr O'Brien may have breached section 205G of the *Corporations Act 2001* (Cth).

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does MYX have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does MYX intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Friday, 12 May 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MYX's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require MYX to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MYX's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in MYX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MYX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that MYX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Melissa Kostopoulos
Adviser, Listings Compliance