

14 October 2020

Manager, Company Announcements  
ASX Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

**Via E-Lodgement**

Dear Sir/Madam

**2020 Annual General Meeting**

Attached is the Mayne Pharma Group Limited 2020 Notice of Annual General Meeting and a related proxy form. A letter to shareholders from the Chairman is also attached.

The 2020 Annual General Meeting will be held at 10am (Melbourne time) on Tuesday 24<sup>th</sup> November 2020. This year the meeting will be held virtually.

The Notice of Meeting contains instructions for shareholders explaining how to participate in the virtual AGM, including how to watch or listen to the proceedings, vote and ask questions.

This announcement is authorised by the Chairman.

Yours faithfully,  
Mayne Pharma Group Limited



Laura Loftus  
Company Secretary



**Mayne Pharma Group Limited**  
ABN 76 115 832 963  
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MYX

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FLAT 123  
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SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

14 October 2020

## 2020 Mayne Pharma Group Limited Annual General Meeting

Dear Fellow Shareholder

On behalf of the Board, I am pleased to invite you to the 2020 Mayne Pharma Group Limited Annual General Meeting (AGM) which will be held at 10am (Melbourne time) on Tuesday 24<sup>th</sup> November 2020.

Due to COVID-19, the AGM this year will be held virtually, using technology to facilitate shareholder engagement and participation. The AGM is an important annual event for Mayne Pharma giving shareholders the opportunity to hear from your Chairman and Chief Executive Officer, ask questions about the management and operations of your Company and vote on the items of business.

The Notice of Meeting for the 2020 AGM is available at <https://www.maynepharma.com/investor-relations/annual-general-meeting/>. Shareholders will also find on the site instructions for how to join and view the meeting online, how to submit questions and cast your vote during the meeting.

To participate online live on the day of the meeting, you will need to go to: <https://web.lumiagm.com/314771877> or through the Lumi AGM app.

Any shareholders wishing to lodge a proxy vote or lodge questions ahead of the meeting can do this by logging onto <https://www.investorvote.com.au/Login> and entering the Control Number and your holder number (SRN/HIN) located at the top of this letter. Lodging questions or casting your proxy vote ahead of the meeting will not prevent you from attending online. You can also submit questions to [ir@maynepharma.com](mailto:ir@maynepharma.com).

The business of the meeting set out in the Notice of 2020 Annual General Meeting is to:

1. Consider the statutory reports for the financial year ended 30 June 2020;
2. Re-elect Nancy Dolan and me as Non-Executive Directors;
3. Adopt the 2020 Remuneration Report; and
4. Approve an issue of Shares under the Executive Share Loan Scheme and Performance Rights under the Employee Performance Rights and Option Plan to the CEO and Managing Director.



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You deserve tomorrow.

Each Director (where permitted to do so) recommends that shareholders vote in favour of each of the above items of business.

Thank you for your continued support of Mayne Pharma. I hope you can join us online for the AGM this year and take advantage of the new technology we are using.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Roger Corbett".

Roger Corbett, AO  
Chairman



*Keeping our  
promises to  
patients, for  
**better  
medicines  
and a better  
tomorrow***

## Notice of Annual General Meeting

Notice is given that the 2020 Annual General Meeting (AGM) of Mayne Pharma Group Limited will be held virtually on Tuesday 24<sup>th</sup> November 2020 at 10:00am (Melbourne time)



## NOTICE OF ANNUAL GENERAL MEETING

Mayne Pharma Group Limited ACN 115 832 963

The annual general meeting of Shareholders of Mayne Pharma Group Limited (Company or Mayne Pharma) will be held virtually at 10.00am (Melbourne time) on Tuesday, 24<sup>th</sup> November 2020. In addition, Mayne Pharma's Notice of Annual General Meeting (AGM) is being distributed electronically and is available to view and download at [maynepharma.com/investor-relations/annual-general-meeting/](http://maynepharma.com/investor-relations/annual-general-meeting/).

Your participation in the AGM is important to us. The AGM will be webcast live via the Lumi online platform. You will be able to listen to the proceedings, view the presentation, ask questions and vote. Further information on how to participate in the AGM is provided in this Notice of AGM and in the [Virtual Lumi AGM Online Guide](http://maynepharma.com/investor-relations/annual-general-meeting/), which you can access at [maynepharma.com/investor-relations/annual-general-meeting/](http://maynepharma.com/investor-relations/annual-general-meeting/). If you cannot attend the AGM online at the scheduled time, you can participate in the AGM by appointing a proxy to attend and vote on your behalf. Details on how to appoint a proxy are contained in this Notice of AGM.

Copies of both the Chairman's and CEO addresses will be available on both the ASX website at [asx.com.au](http://asx.com.au) and Mayne Pharma's website [maynepharma.com](http://maynepharma.com).

## PARTICIPATION AT THE AGM

### Watch and participate live online

Shareholders are invited to watch and participate in Mayne Pharma's 2020 AGM virtually by entering the following URL in your browser: <https://web.lumiagm.com/314771877> or through the Lumi AGM app. To do this you will need a computer or mobile/tablet device with internet access.

To participate in the AGM, you will be required to enter the unique 9-digit meeting ID: 314771877. Your username is your Security Reference Number (SRN)/Holder Identification Number (HIN) which is located on the front of the letter sent to Shareholders advising you of the arrangements for the 2020 AGM. Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Virtual AGM Online Guide.

Participation in the meeting online enables shareholders to view the AGM live, ask questions and cast votes during the meeting. All Shareholders will have an equal opportunity to participate in the online meeting regardless of their physical location. Shareholders, once verified, will be taken to be present at the AGM for all purposes, until either the meeting ends or the Shareholder exits the online platform. It is important that you are connected to the internet at all times during the AGM in order to vote.

### Voting options

Voting on all resolutions at the AGM will be conducted by a poll. Shareholders have two options to cast votes at the AGM:

- Appoint a proxy to vote on your behalf; or
- Voting online during the AGM.

### Questions

At the AGM, Shareholders may ask questions online. It may not be possible to respond to all questions. However, Shareholders as a whole will have a reasonable opportunity to ask questions about or make comments on the management of the Company.

Shareholders are encouraged to lodge questions prior to the AGM by submitting your questions online at [investorvote.com.au](http://investorvote.com.au). To use this facility, you will need your six-digit Control Number and SRN or HIN which are located on the front of the letter sent to Shareholders advising you of the arrangements for the 2020 AGM. You can also submit questions to [ir@maynepharma.com](mailto:ir@maynepharma.com).

## BUSINESS

### 1. Financial statements and reports

To receive and consider the Directors' Report, Financial Statements and the Independent Auditor's Report for the year ended 30 June 2020.

Note: There is no vote on this item.

### 2. Re-election of Directors

This year there are two Directors standing for re-election – Mr Roger Corbett and Ms Nancy Dolan.

#### Resolution 1 – Re-election of Mr Roger Corbett, AO

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

*'That Mr Roger Corbett, who retires by rotation in accordance with the Company's constitution and, being eligible and having signified his candidature for office, be re-elected as a Director.'*

#### Resolution 2 – Re-election of Ms Nancy Dolan

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

*'That Ms Nancy Dolan, who retires by rotation in accordance with the Company's constitution and, being eligible and having signified her candidature for office, be re-elected as a Director.'*

### 3. Remuneration report

#### Resolution 3 – Adoption of Remuneration Report

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

*'That the Remuneration Report that forms part of the Directors' Report of the Company for the financial year ended 30 June 2020 be adopted.'*

Note: The vote on this resolution is advisory only.

### 4. Long term remuneration for Chief Executive Officer and Managing Director

#### Resolution 4 – Issue of Shares under the Executive Share Loan Scheme (ESLS) and Performance Rights under the Employee Performance Rights and Option Plan (PROP) to the Chief Executive Officer and Managing Director

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

*'That for the purposes of ASX Listing Rule 10.14.1 and all other purposes, approval be given to the issue to the Chief Executive Officer and Managing Director, Mr Scott Richards, of Shares under the ESLS and Performance Rights under the PROP on the terms summarised in the Explanatory Information.'*

## VOTING RESTRICTIONS

### Voting exclusion for resolution 3

The Company will disregard any votes cast on resolution 3:

- by or on behalf of a member of the Company's KMP named in the Remuneration Report for the year ended 30 June 2020 or their closely related parties (regardless of the capacity in which the vote is cast); or
- as a proxy by a person who, at the date of the meeting, is a member of the Company's KMP or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 3:

- in accordance with a direction on the proxy form, or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman sees fit, even though resolution 3 is connected with the remuneration of members of the KMP.

### Voting exclusion for resolution 4

The Company will disregard any votes cast on resolution 4:

- that are cast in favour of the item by or on behalf of Mr Scott Richards or any of his associates (regardless of the capacity in which the vote is cast); or
- that are cast as a proxy by a person who, at the date of the meeting, is a member of the Company's KMP or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 4:

- in accordance with a direction on the proxy form,
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman sees fit, even though resolution 4 is connected with the remuneration of a member of the KMP, or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board

Dated 14 October 2020

Signed



Laura Loftus  
Company Secretary

## PROXIES AND SHAREHOLDER INFORMATION

**IMPORTANT:** Shareholders are urged to direct their proxy on how to vote by clearly marking the relevant box for each resolution on the proxy form.

### Proxies

1. A Shareholder entitled to attend and vote at the meeting has the right to appoint a person (who does not need to be a Shareholder of the Company) as the Shareholder's proxy to attend and vote at the meeting.
2. If a Shareholder is entitled to cast two or more votes they may appoint two proxies (but no more) provided that an appointment of two proxies will have no effect unless each proxy is appointed to represent a specified proportion of the Shareholder's voting rights aggregating to no more than 100% of that Shareholder's voting rights. If the Shareholder appoints two proxies, neither proxy may vote on a show of hands.
3. The proxy form must be signed by the Shareholder or their attorney. Proxies given by corporations must be signed by a Director and company secretary or two Directors or a sole Director/secretary or its duly authorised attorney.
4. If the proxy form is signed but is blank in all other material respects, it will be taken to mean that it is in favour of the Chairman of the meeting for full voting rights and the Chairman will vote in favour of the resolution on a poll (subject to the voting exclusions set out in this Notice).
5. A proxy may decide whether to vote on any motion, except where the proxy is required by law, the ASX Listing Rules or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as they think fit.
6. If proxy holders vote, they must cast all directed proxies as directed. Any directed proxies which are not voted will automatically default to the Chairman of the meeting, who must vote the proxies as directed.
7. A proxy form accompanies this Notice of Meeting.
8. The proxy form accompanying this Notice contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy. You should read those instructions carefully.
9. Except where paragraph 10 immediately below applies, in relation to Resolution 3 and 4 a proxy must not vote if:
  - (a) they are a KMP or a Closely Related Party of a KMP; and
  - (b) their appointment as proxy does not specify the way they are to vote on the Resolution.
10. By appointing the Chairman of the meeting as your proxy in relation to Resolution 3 and 4, you expressly authorise the Chairman to vote in favour of that Resolution unless:
  - (a) you direct the Chairman to vote against or to abstain from voting on that Resolution; or
  - (b) you are a member of the KMP, or a Closely Related Party of a KMP.
11. Subject to any voting exclusions, the Chairman of the meeting intends to exercise all open proxies by voting in favour of Resolutions 1, 2, 3 and 4.

12. Proxies may be lodged in the following way:

<b>Mail</b>	Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001
<b>Facsimile:</b>	(within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555
<b>Online</b>	<a href="http://www.investorvote.com.au">www.investorvote.com.au</a> (by following the instructions set out on the website)  Custodian voting - For Intermediary Online subscribers only please visit <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a> to submit your voting intentions

13. Enquiries can be made at 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday.

#### **Entitlement to vote**

14. The Company has determined that the persons entitled to attend and vote at the Annual General Meeting will be those persons set out in the register of Shareholders as at 7:00 pm (Melbourne time) on Sunday, 22 November 2020.

#### **Voting by attorney**

15. A shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the AGM, the instrument effecting the appointment (or a certified copy of it) must be received at the address listed above for the receipt of proxy appointments at least 48 hours before the commencement of the AGM.

#### **Voting by corporate representative**

16. A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the AGM. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should ensure that a copy of their appointment, including any authority under which it is signed, has been provided to the Computershare before the AGM.

## EXPLANATORY INFORMATION

### 1. Financial statements and reports

At the AGM, Shareholders will be given an opportunity to ask questions and comment on the Directors' Report, Financial Statements and Independent Auditor's Report for the financial year ended 30 June 2020.

Shareholders who have elected not to receive a hard copy of the Company's 2020 Annual Report can view or download a copy from the Company's website at [maynepharma.com](http://maynepharma.com).

The Company's auditor will be available to answer questions as to the conduct of the audit and the Independent Auditor's Report.

Shareholders should note that the sole purpose of tabling the Directors' Report, Financial Statements and Independent Auditor's Report of the Company at the Annual General Meeting is to provide Shareholders with the opportunity to ask questions or discuss matters arising from them. It is not the purpose of the meeting that the Directors' Report, Financial Statements and Independent Auditor's Report be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt, receive or consider the Company's Directors' Report, Financial Statements and Independent Auditor's Report will be put to Shareholders at the meeting.

### 2. Re-election of Directors

Under rule 3.6 of the Constitution, at each annual general meeting one third (or if that is not a whole number, the whole number nearest to one third) of the Company's Directors (excluding the CEO and any Directors appointed since the last Annual General Meeting) must retire from office and are eligible for re-election.

#### Resolution 1 – Re-election of Mr Roger Corbett, AO

Resolution 1 seeks approval for the re-election of Mr Roger Corbett as a Director with effect from the end of the Annual General Meeting.

Mr Roger Corbett was appointed to the Board on 17 November 2010 and was appointed Chairman in January 2011.

Mr Corbett has been involved in the retail industry for over 50 years. He started unloading trucks at the Grace Bros Chatswood store in the early 60s and rose through the ranks to hold the positions of Merchandise Director and Stores Director of Grace Bros and subsequently Operations Director of David Jones. In 1990 Mr Corbett was appointed to the Board of Woolworths Limited and to the position of Managing Director of BigW, later becoming Chief Operating Officer and then CEO of Woolworths Limited. Mr Corbett served on the Board of Woolworths from 1990 until his retirement in 2006.

Mr Corbett has previously held the following positions: CEO of Woolworths Limited, Chairman of Fairfax Media Limited, Chairman of PrimeAg Australia Limited, member of the Board of the Reserve Bank of Australia, member of the Board of Wal-Mart Stores, Inc., Chairman of Australian Leisure and Hospitality Group Pty Limited (ALH Group), Chairman of the World Food Forum (CIES), Paris, Chairman of the Children's Hospitals of Westmead and Randwick and Chairman of Salvation Army Advisory Board - Australian Eastern Territory. Mr Corbett's current Executive and Board responsibilities are Chairman of Molopo Energy Limited and Chairman of Beovista Pty Ltd.

In addition to being Chairman of the Mayne Pharma Board, Mr Corbett is Chair of the Remuneration and People Committee and the Nomination Committee.

#### Resolution 2 – Re-election of Ms Nancy Dolan

Resolution 2 seeks approval for the re-election of Ms Nancy Dolan as a Director with effect from the end of the Annual General Meeting.

Ms Nancy Dolan was appointed to the Board on 21 September 2016.

Ms Dolan has over 30 years' experience in the legal and commercial services sector. Ms Dolan is currently Chair of

the Professional Conduct Oversight Committee at Chartered Accountants Australia and New Zealand. Ms Dolan has an honours degree in law from Victoria University of Wellington and an arts degree from the University of Canterbury in New Zealand. She was previously General Counsel and a Principal Officer at the University of Sydney, a Partner at PricewaterhouseCoopers responsible for legal affairs in the Asia Pacific region and a Partner at Mallesons Stephen Jacques (now King & Wood Mallesons). Ms Dolan was previously on the Advisory Board of the Sydney Medical School, on the Professional Standards Council for the Salvation Army, a member of the Advisory Committee for Salvos Legal and on the Salvation Army Advisory Board (Eastern Territory).

Ms Dolan is a member of the Audit & Risk Committee and the Nomination Committee.

**The Board (with the relevant Director in relation to their own re-election abstaining) recommends that Shareholders vote in favour of Resolutions 1 and 2.**

### 3. Resolution 3 – Adoption of Remuneration Report

The Annual Report for the financial year ended 30 June 2020 contains a Remuneration Report, which forms part of the Director's Report and sets out the remuneration policy for the consolidated entity comprising the Company and its controlled entities and reports on the remuneration arrangements in place for its KMP.

Mayne Pharma's executive remuneration framework is focused on aligning Shareholder and management interest by adopting a remuneration policy with a significant weighting to at-risk and long-term incentives (LTI). Executive pay design comprises market competitive fixed annual remuneration combined with the opportunity to build wealth together with Shareholders through the long-term incentive (LTI) program which comprises loan shares under the Executive Share Loan Scheme (ESLS) and Performance Rights and Options under the Employee Performance Rights and Option Plan (PROP).

Mayne Pharma has removed short-term incentives for senior executives, leading to a greater proportion of total remuneration in the form of LTI with performance hurdles aligned to Shareholder interests. An equity based LTI is important to ensure close alignment with Shareholders and motivates executives to focus on corporate strategies that will deliver long-term growth of Shareholder value. Executives only receive a benefit from the LTI program if the share price increases, with vesting occurring at continuously increasing performance hurdles.

The challenges faced by Mayne Pharma over the last five years are reflected in the financial results of the Company and remuneration outcomes for senior executives. Since the introduction of the loan scheme program in FY15, only 84,999 loan shares have been exercised and the total cash benefit realised to all employees from the share loan scheme for FY15 to FY20 has been \$80,749, and no performance rights have met vesting conditions. At the last test date on 1 September 2020, no loan shares or performance rights were 'in the money' under the LTI and could be exercised, which demonstrates the strong alignment of the LTI program with shareholders. Furthermore, at this test date, whilst there were 89 million loan shares and 15 million rights outstanding representing a theoretical dilution of 6.2%, the actual dilution to Shareholders from these Shares and rights is 0% and would remain 0% up to a Share price of 56c.

The Remuneration Report also includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess satisfaction of those performance conditions.

The vote on Resolution 3 to adopt the Remuneration Report relates to the Company's remuneration policy and outcomes for the 2020 financial year.

During this item, there will be an opportunity for Shareholders at the meeting to comment on and ask questions about the Remuneration Report, and Shareholders are asked to adopt the Remuneration Report.

The vote on the resolution in this item is advisory and will not bind the Directors of Mayne Pharma. The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies of the Company.

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

#### 4. Long term remuneration for Chief Executive Officer and Managing Director

##### Changes to long-term remuneration in FY21

Following a review of the long-term incentive program by the Board and an independent remuneration consultant, PwC, the following key changes have been made to the long-term incentive program in FY21:

##### Increase in the Total Shareholder Return (TSR) hurdles

The compound annual absolute TSR growth rate required for LTI instruments to vest has increased to 8% for minimum vesting (previously 5%) and 15% for maximum vesting (previously 10%). These hurdle rates continuously compound over the 5-year period as outlined in the table below at 8% and 15% TSR:

Required growth rate	Year 1	Year 2	Year 3	Year 4	Year 5
Minimum vesting (8% TSR)	+8% from base year	+17% from base year	+26% from base year	+36% from base year	+47% from base year
Maximum vesting (15% TSR)	+15% from base year	+32% from base year	+52% from base year	+75% from base year	+101% from base year

##### Reduction in the proportion of LTI instruments that vest at the minimum performance hurdle

If performance conditions are met, vesting can occur over a period of up to five years, with 20% of the grant eligible for vesting 1 year after the base test date, 30% eligible for vesting 2 years after the base test date and the balance eligible for vesting 3 years after the base test date, subject to achievement of the vesting conditions. Achievement of the minimum performance hurdle (8% TSR CAGR) results in 20% of a tranche vesting (previously 50%). Achievement of the maximum performance hurdle (15% TSR CAGR) results in 100% of a tranche vesting. Vesting will occur on a straight-line basis for performance between these two points.

##### Reduction in the loan multiplier that applies to loan shares under the Executive Share Loan Scheme (ESLS)

The multiplication factor that applies to the loan shares participation value has been reduced from 3.02 times to 1.92 times and is set with reference to the desired value creation opportunity at target hurdles under the loan scheme. This effectively reduces the number of loan shares granted by 36%.

##### CEO remuneration and LTI participation value

It is proposed that the Company's Chief Executive Officer and Managing Director, Mr Scott Richards, receive LTI equity interests in the Company with a total participation value of \$2 million which is 200% of his fixed annual remuneration of \$1 million (inclusive of superannuation), consistent with the LTI participation rate and amount in the prior two years. Mr Richards' remuneration does not include any form of short term incentive. Shareholders are referred to the FY20 Remuneration Report for full details of Mr Richards' remuneration arrangements.

The Board has recommended that Mr Richards' LTI interests for this financial year be allocated between the ESLS and PROP on an 80:20 basis. This would allow the Board to provide to Mr Scott Richards:

- ESLS participation value of \$1,600,000. His loan to buy shares under the ESLS will be \$3,072,000 (1.92 times the ESLS participation value of \$1,600,000). The number of Shares to be acquired will be calculated based on the loan amount divided by the 5-day VWAP of Shares at the grant date; and
- PROP participation value of \$400,000. The number of Performance Rights allocated is determined by dividing the PROP participation value by the 5-day VWAP of Shares at the grant date.

##### CEO LTI grant award value

As a result of these changes to the LTI performance conditions, it is expected the CEO's FY21 total LTI award value (or value of options at grant date) as reported in the 2021 Remuneration Report would be approximately \$1.3million<sup>1</sup>. This estimated grant award value is approximately 20% lower than the FY20 total award value of \$1.7m and approximately 30% lower than the FY19 award value of \$1.9m.

<sup>1</sup> Based on a 0.3309 share price as per the issue of performance rights and options to management in September 2020.

## Resolution 4 - Issue of Shares under the ESLS and Performance Rights under the PROP to the Chief Executive Officer and Managing Director

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme. Accordingly, Shareholders are asked to approve the issue of Shares under the ESLS and Performance Rights under the PROP to the Chief Executive Officer and Managing Director, Mr Scott Richards.

### Shares under the ESLS

The ESLS provides a non-recourse loan for the sole purpose of acquiring Shares. The ESLS allows the issue of Shares to participants based on a percentage of fixed remuneration funded by a non-recourse loan. The Shares vest over a period of up to five years, subject to the achievement of hurdles based on increases in shareholder wealth created over that period. Once vested, the Shares remain restricted until the participant repays the loan. Issues are made annually to participants.

The ESLS participants currently include the CEO, CFO and select senior executives. It is not intended that Non-Executive Directors will participate in the ESLS. The Board believes that an equity-based long-term incentive is important to ensure an appropriate part of the executive's reward is linked to generating long-term returns for Shareholders.

Since the 2019 Annual General Meeting, Mr Richards has received 5,145,686 Shares under the ESLS at an issue price of \$0.4695 and 6,377,025 Shares have lapsed under the ESLS for not meeting the vesting conditions or expired.

Mr Richards has received 26,602,940 Shares under the ESLS and 6,377,025 have expired as outlined in the table below.

Grant	Number	Grant price	Expiry
FY15	3,823,529	\$0.6815	Lapsed in January 2020
FY16	2,553,496	\$1.2300	Lapsed in August 2020
FY17	2,242,005	\$1.5760	31 Jul 2021
FY18	6,608,851	\$0.6169	31 Jul 2022
FY19	6,229,373	\$0.9696	1 Oct 2023
FY20	5,145,686	\$0.4695	30 Sep 2024

An overview of the key terms of the ESLS grant to the Chief Executive Officer and Managing Director is set out below. Further details of Mr Richards' remuneration package and the operation of the ESLS are set out in the Remuneration Report in the 2020 Annual Report.

Date of allocation	If Shareholder approval is obtained it is expected that the loan will be made and Shares will be allocated no later than 30 days after the 2020 AGM.
Key terms of ESLS	<p>The ESLS provides for a limited-recourse, interest free, five-year loan from the Company for the sole purpose of acquiring Shares.</p> <p>Any dividends paid on the ESLS Shares while the ESLS Shares are restricted are applied (on a notional after-tax basis) towards repaying the loan. The balance of the dividend is paid directly to the participant to fund his or her tax liability on the dividends received.</p> <p>ESLS Shares carry the same voting rights as other fully paid ordinary shares in the Company.</p> <p>Following the end of the applicable performance period, if the vesting conditions are met the ESLS Shares will vest and the participant will then have until the end of the five-year term to repay the loan.</p> <p>As this is a limited-recourse loan, if the value of the ESLS Shares is less than the outstanding loan balance at the end of the loan period, the ESLS Shares will be surrendered and forfeited in full settlement of the loan balance.</p>

	<p>The amount of Mr Richards' loan will be set by the application of a multiplication factor to the dollar amount of his ESLS participation (see the Number and price of Shares section below). The multiplication factor has been set at 1.92 times (previously 3.02 times) and is set with reference to the size of the loan required for the desired value creation opportunity under the ESLS.</p>
<p>Number and price of Shares</p>	<p>The value of Mr Richards' annual ESLS participation is determined by reference to a percentage of his fixed remuneration which is 160% (being 80% of total LTI participation rate of 200%). The dollar amount of his ESLS participation is \$1,600,000 and his loan to buy shares will be \$3,072,000 (1.92 times the ESLS participation of \$1,600,000).</p> <p>The number of ESLS Shares allocated is determined by dividing the loan amount by the 5-day VWAP at grant date.</p>
<p>Performance Conditions</p>	<p>Shares will vest where an absolute total shareholder return (TSR) growth condition is met over the applicable period (up to five years)</p> <p>20% of the Shares will vest for compound annual absolute TSR growth of 8% per annum. All of the Shares will vest for compound annual absolute TSR growth of 15% per annum. Vesting will occur on a straight-line basis for performance between these two points.</p> <p>The Board chose the absolute TSR growth targets to align executive reward with what the Board considers to be acceptable levels of return to Shareholders (ie between 8% and 15% compound annual growth).</p> <p>The TSR growth may be adjusted in the event of certain corporate actions (in a manner to be determined by the Board). Such corporate actions include stock dividend, stock consolidation, stock split, spin-off/demerger and convertible note conversion.</p> <p>The Board considered the use of a relative performance condition but does not consider that there are a sufficient number of appropriate comparator pharmaceutical companies (ie of similar size) listed in Australia.</p>
<p>Performance Period</p>	<p>If the performance conditions are met, the Shares will vest progressively at continuously increasing hurdles. Vesting can occur over a period of up to five years from grant with 20% eligible for vesting after the first test date, 30% eligible after the second test date and the balance eligible for vesting after the third test date, subject to the achievement of the TSR target.</p> <p>This progressive vesting schedule provides a rolling benefit over the three-year period in the absence of a short-term incentive.</p> <p>Vesting can occur six monthly in years 4 and 5 from the date of the grant, but the TSR vesting condition continues to compound in years 4 and 5.</p> <p>The test dates for Mr Richards' Shares issued under the ESLS since 1 December 2018 have been set as 1 September each year.</p>
<p>Trading restrictions</p>	<p>The ESLS Shares are restricted until the vesting conditions are met and while the loan remains outstanding.</p> <p>Once vesting conditions are met and the loan has been repaid, disposal of Shares is subject to the Company's Security Trading Policy whilst Mr Richards is an employee.</p>
<p>Cessation of employment</p>	<p>If Mr Richards ceases employment the treatment of unvested ESLS Shares will depend on a range of factors, such as the reason for Mr Richards' departure, and his tenure. For example, if Mr Richards ceases employment by reason of retirement, redundancy or another 'Good Leaver' category determined by the Board, Mr Richards will retain the ESLS Shares, subject to the original terms and conditions of the award, including testing and expiration dates.</p>
<p>Change of control</p>	<p>If a change of control occurs and the Company's share price has increased according to the growth targets outlined in the 'Performance Conditions' section above, any unvested Shares will become vested Shares in the proportions set out above (eg if the Company's share price had achieved 8% per annum, 20% of any unvested Shares would vest on the change of control). If any unvested shares do not automatically become vested shares, the Board may otherwise determine that some of all of those shares become vested shares.</p>

*Performance Rights under the PROP*

The PROP allows the Board to grant Options and/or Performance Rights to be issued to participants. Broadly, Options and Performance Rights will give participants an interest in the value of underlying Shares, subject to the satisfaction of key vesting conditions. Performance Rights are eligible for vesting over a period of up to five years, subject to the achievement of the specified vesting condition hurdles. As with the ESLS, the incentives received by participants under the PROP are linked to the long-term success of the Company.

As noted above in respect of the ESLS, the Board believes that equity-based long-term incentives are important to ensure an appropriate part of the executive’s reward is linked to generating long-term returns for Shareholders.

Mr Richards received 2,555,805 Rights at no cost under the PROP in FY20.

The PROP participants currently include the CEO, CFO and select senior management. It is not intended that Non-Executive Directors will participate in the PROP.

An overview of the key terms of the PROP grant to the Chief Executive Officer and Managing Director is set out below.

Date of allocation	If Shareholder approval is obtained it is expected that Performance Rights will be allocated no later than 30 days after the 2020 AGM.
Key terms of PROP	<p>The PROP provides for the issue of Options and Performance Rights to participants.</p> <p>It is proposed that Mr Richards will be issued with Performance Rights under the PROP. It is not proposed that Mr Richards will be issued with any Options under the PROP at this time.</p> <p>If the vesting criteria are met while Mr Richards is still employed by Mayne Pharma:</p> <ol style="list-style-type: none"> <li>1. While Mr Richards resides in the US, the Performance Rights will be automatically exercised at the date they vest; and</li> <li>2. The Company’s intention is to settle the Performance Rights by providing Mr Richards with one fully paid ordinary share for each vested Performance Right, with Mr Richards expected to sell a portion of these shares to meet his tax obligations. Alternatively, the Company may “net settle” with Mr Richards, so that the Company pays the relevant tax directly to the tax authorities and provides Mr Richards with the after-tax number of Shares.</li> </ol> <p>Participants will not have any voting rights or rights to dividends paid on Shares while the participant holds a Performance Right.</p> <p>The amount of Mr Richards' participation in the PROP is set by reference to the dollar amount of his PROP participation (see the 'Number and price of Performance Rights' section below).</p>
Number and price of Performance Rights	<p>The value of Mr Richards’ annual PROP participation is determined by reference to a percentage of his fixed remuneration which is 40% (being 20% of total LTI participation rate of 200%).</p> <p>The dollar amount of his PROP participation is \$400,000.</p> <p>The number of Performance Rights allocated is determined by dividing the PROP participation amount by the 5-day VWAP at the grant date of the Performance Rights.</p>
Performance Conditions	<p>Performance Rights issued to Mr Richards will vest in a similar way to the Shares issued to Mr Richards under the ESLS. That is, the Performance Rights will vest where an absolute TSR growth condition is met over the applicable period (up to five years).</p> <p>20% of the Performance Rights will vest for compound annual absolute TSR growth of 8% per annum. All of the Performance Rights will vest for compound annual absolute TSR growth of 15% per annum. Vesting will occur on a straight-line basis for performance between these two points.</p> <p>The Board chose the absolute TSR growth targets to align executive reward with what the Board considers to be acceptable levels of return to Shareholders (ie between 8% and 15% compound annual growth).</p>

	<p>The TSR growth may be adjusted in the event of certain corporate actions (in a manner to be determined by the Board). Such corporate actions include stock dividend, stock consolidation, stock split, spin-off/demerger, rights issue and convertible note conversion.</p> <p>The Board considered the use of a relative performance condition but does not consider that there are a sufficient number of appropriate comparator pharmaceutical companies (ie of similar size) listed in Australia.</p>
Performance Period	<p>If the performance conditions are met, the Performance Rights will vest progressively at continuously increasing hurdles. Vesting can occur over a period of up to five years from grant with 20% eligible for vesting after the first test date, 30% eligible after the second test date and the balance eligible for vesting after the third test date, subject to the achievement of the TSR target.</p> <p>This progressive vesting schedule provides a rolling benefit over the three-year period in the absence of a short-term incentive.</p> <p>Vesting can occur six monthly in years 4 and 5 from the date of the grant, but the TSR vesting condition continues to compound in years 4 and 5.</p> <p>The test dates for the Performance Rights issued under the PROP have been set at 1 September each year.</p>
Trading restrictions	<p>The Performance Rights are not able to be sold or transferred by Mr Richards.</p> <p>The Performance Rights do not give Mr Richards any rights to a Share unless and until the vesting conditions for the Performance Rights are met.</p> <p>Disposal of shares allocated on exercise of Performance Rights are subject to the Company's Security Trading Policy whilst Mr Richards is an employee.</p>
Cessation of employment	<p>If Mr Richards ceases employment the treatment of unvested Performance Rights depend on a range of factors, such as the reason for Mr Richards' departure, and his tenure. For example, if Mr Richards ceases employment by reason of retirement, redundancy or another 'Good Leaver' category determined by the Board, Mr Richards will retain unvested Performance Rights subject to the original terms and conditions of the award, including testing and expiration dates.</p> <p>To the extent permitted by law, the Board may elect to settle any Performance Rights vesting by way of a cash payment (rather than Shares).</p>
Change of control	<p>If a change of control occurs and the Company's share price has increased according to the growth targets outlined in the 'Performance Conditions' section above, any Performance Rights will vest in the proportions set out above (eg if the Company's share price had achieved 8% per annum, 20% of any unvested Rights would vest on the change of control). If any Rights do not automatically vest, the Board may otherwise determine that some of all of those Rights vest.</p>

Details of any securities issued under the ESLS and the PROP will be published in the annual report of the Company relating to the period in which the securities were issued.

Any persons covered by ASX Listing Rule 10.14 and not named in this Notice may not participate in the ESLS or PROP until approval is obtained for them under ASX Listing Rule 10.14.

**The Board (with Mr Richards abstaining) considers the issue of Shares under the ESLS and Performance Rights under the PROP to the Chief Executive Officer and Managing Director appropriate in all the circumstances and recommends that Shareholders vote in favour of Resolution 4.**

## GLOSSARY

In this booklet:

**Annual General Meeting** or Meeting means the annual general meeting of the Company to be held on 24 November 2020 at 10.00am (Melbourne time) online.

**Annual Report** means the annual report of the Company in respect of the financial year ending 30 June 2020.

**Board** means the board of Directors of the Company or, where the relevant powers or authorities delegated by the board to a sub-committee of the board, that sub-committee.

**Chairman** means the chairman of the Board.

**Closely Related Party** means any of the following:

- (a) a spouse, child or dependant of the member;
- (b) a child or dependant of the member's spouse;
- (c) anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- (d) a company the member controls; or
- (e) a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation)

**Company** means Mayne Pharma Group Limited ACN 115 832 963.

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth) and includes any regulations made under that Act and any exemption or modification to that Act which applies to the Company.

**Director** means a director of the Company.

**ESLS** means the Company's Executive Share Loan Scheme.

**Explanatory Information** means the explanatory notes attaching to and forming part of the Notice of Meeting.

**KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly and includes its Directors and certain senior executives.

**Notice of Meeting** means this notice of meeting and Explanatory Information.

**Resolution** means a resolution referred to in this Notice of Meeting.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** or **Member** means a holder of at least one Share.



ABN 76 115 832 963

MYXRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030



## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Melbourne time) Sunday, 22 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I N D

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Mayne Pharma Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Mayne Pharma Group Limited to be held as a virtual meeting on Tuesday, 24th November 2020 at 10:00am (Melbourne time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3 and 4 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Mr Roger Corbett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Ms Nancy Dolan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares under the Executive Share Loan Scheme (ESLS) and Performance Rights under the Employee Performance Rights and Option Plan (PROP) to the Chief Executive Officer and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

