

— 000001 000 PAR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form

XX

For your vote to be effective it must be received by 11:00am (AEDT) Wednesday 28 October 2015

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

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report or update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



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

MR SAM SAMPLE
FLAT 123
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THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



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 9999999999

I ND

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 Paradigm Biopharmaceuticals 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 Paradigm Biopharmaceuticals Limited to be held at the offices of K&L Gates, Level 25, South Tower, 525 Collins Street, Melbourne, Victoria on Friday, 30 October 2015 at 11:00am (AEDT) 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 Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is 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 Item 1 by marking the appropriate box in step 2 below.

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
1 Adoption of Remuneration Report	☐	☐	☐
2 Re-election of Director - Graeme Kaufman	☐	☐	☐

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.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / /

Date

PAR

205135A

Computershare +

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Meeting to be held at the offices of K&L Gates, Level 25, South Tower, 525 Collins Street,
Melbourne, Victoria on 30 October 2015 commencing at 11:00 am.

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how to vote on any of the resolutions, you should seek advice from your accountant, solicitor or other professional adviser without delay.

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

Notice of Annual General Meeting

Notice is given for the 2015 Annual General Meeting of the Company to be held at Level 25, South Tower, 525 Collins Street, Melbourne Victoria, 3000 at 11:00am on Friday, 30 October 2015.

AGENDA

Business

1. Accounts and Reports

To receive and consider the financial statements and the reports of the Directors and of the Auditors for the year ended 30 June 2015.

2. Resolution 1: Adoption of Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2015 as set out in the Company's Annual Report for the year ended 30 June 2015 be adopted."

**Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company*

3. Resolution 2: Re-election of Graeme Kaufman

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

"To elect Graeme Kaufman who retires by rotation in accordance with ASX Listing Rule 14.4 and clause 13.3(b) of the Company's Constitution and being eligible, offers himself for re-election as a Director."

By order of the Board



Kevin Hollingsworth
Company Secretary
17 September 2015



VOTING ENTITLEMENT NOTICE

For the purposes of the Meeting, the Company has determined that in accordance with regulation 7.11.37 of the Corporations Regulations, shares will be taken to be held by the persons registered as holders at 7:00 pm on **28 October 2015**. Accordingly, transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

PROXIES

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy form may specify the proportion or number of votes which the proxy may exercise. If it does not specify the proportion or number of votes the proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder. Proxy Forms must be lodged in accordance with the directions set out on the Proxy Form not later than 48 hours prior to the Meeting.

Appointment of Proxies

If you are entitled to vote at the Meeting you have the right to appoint a proxy to attend and vote in your place. To appoint a proxy you should complete Step 1 on the attached Proxy Form. If you wish to appoint a person other than the Chairman, you should complete the second panel in Step 1, and not “tick” the first panel.

The proxy need not be a Shareholder of the Company. If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion or number of your votes that each proxy may exercise, each proxy may exercise half your votes. If there is more than one proxy appointed, on a show of hands only one of the proxies may vote, but on a poll, each proxy may exercise votes in respect of those shares the proxy represents.

The Chairman intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting. In particular, if the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

If a member has not directed their proxy how to vote, the proxy may vote as the proxy determines. If a member (who is not an Excluded Voter) has appointed as their proxy an Excluded Voter (other than the Chairman), the member may only vote with respect to Resolution 1 by directing their proxy how to vote with respect to Resolution 1. To direct the Excluded Voter as proxy, the member must complete the “for” or “against” or “abstain” at Step 2 of the Proxy Form for Resolution 1.

An “Excluded Voter” for these purposes means collectively one of the Key Management Personnel (as set out on page 9 of the Company's 2015 Annual Report, and is defined in the Corporations Act to include the Chairman) or one of the Key Management Personnel's closely related parties (which includes a spouse, dependent and certain other close family members and companies controlled by the Key Management Personnel).

Proxy forms must be received at Computershare Investor Services Pty Limited (GPO Box 242, Melbourne Vic 3001) , or by fax, within Australia on 1800 783 447, or outside Australia on +61 3 9473 2555, by no later than 11am on 28 October 2015.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held at 11am on Friday 30 October 2015.

1. Accounts and Reports

The Corporations Act requires the Company to lay before the Annual General Meeting, the Financial Report, Directors' report (including the Remuneration Report) and the Auditor's Report for the financial year ended 30 June 2015.

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the meeting. Copies of these reports can be found on the Company's website www.paradigmbiopharma.com.

There is no requirement for Shareholders to approve the Financial Report, Directors' Report and Auditor's Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2015;
- (b) ask questions or make comments on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) 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,

may be submitted no later than 5 business days before the Annual General Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1: Adoption of Remuneration Report

Under the Corporations Act, listed entities are required to put to the vote a resolution that the Remuneration Report section of the Directors' Report be adopted. This Remuneration Report can be found in the Company's 2015 Annual Report. It sets out a range of matters relating to the remuneration of Directors, the Company Secretary and Senior Executives of the Company.

A vote on this resolution is advisory only and does not bind the Directors or the Company. A copy of the Company's 2015 Annual Report can be found on its website at www.paradiqmbiopharma.com.

The Corporations Act provides that:

- (a) members of the Key Management Personnel whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report, and
- (b) if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike".

The current "strike" count is zero, as the Annual General Meeting is the Company's first as a listed company. If a "first strike" was to occur at the 2015 Annual General Meeting:

- (c) the Company's subsequent Remuneration Report (in other words, the Company's Remuneration Report to be included in the 2016 Annual Report) must include an explanation of the Board's proposed action in response to the "no vote" or an explanation of why no action has been taken; and
- (d) if the Company's subsequent (i.e. 2016) Remuneration Report also receives a "no vote" at the 2015 Annual General Meeting of at least 25% of the votes cast, then Shareholders at the 2016 Annual General Meeting will be asked (at that 2016 Annual General Meeting) to vote on whether or not the Company is to hold another general Shareholder's meeting (within the following 90 days) to vote on a "spill resolution" under section 250V of the Corporations Act.

Board Recommendation

As set out in the Notice of Annual General Meeting, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

Accordingly, the Board abstains from making a recommendation in relation to Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

Voting Exclusion statement

Voting exclusion:

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

- (a) a member of the KMP; and
- (b) a closely related party (which includes a spouse, dependent and certain other close family members and companies controlled by the KMP),



of those persons.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or
- (d) it is cast by the person chairing the meeting 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.

3. Resolution 2: Re-election of Graeme Kaufman

Rule 13.3(b) of the Company's Constitution provides that, amongst other things, at each Annual General Meeting, the Director longest in office must retire, and being eligible may offer them self for re-election. The length of time a Director has been in office is computed from that Director's last election. The Managing Director and Directors appointed to fill casual vacancies are not to be taken into account in determining which Director is to retire by rotation.

As at the date of this Notice of Meeting, the Board of the Company comprised of four Directors who are subject to rotation. The Director longest in office is Mr Graeme Kaufman and is therefore required to retire.

Mr Kaufman, being eligible, offers himself for re-election.

Information regarding Mr Kaufman is as follows:

Mr Graeme Kaufman BSc, MBA, has wide ranging experience across the biotechnology sector, spanning scientific, commercial and financial areas. His experience with CSL Limited, Australia's largest biopharmaceutical company included responsibility for all of their manufacturing facilities, and the operation of an independent business division operating in the high technology medical device market. As CSL's General Manager Finance, Mr Kaufman had global responsibility for finance, strategy development, human resources and information technology. Mr Kaufman has also served as an executive director of ASX-listed Circadian Technologies and a non-executive director of Amrad Corporation, and held the role of Executive Vice President Corporate Finance with Mesoblast Limited until 2013. He is currently Chairman of Bionomics Limited and IDT Australia Limited, and non-executive director of Cellmid Limited.

Board Recommendation

The Directors (other than Mr Graeme Kaufman) recommend that Shareholders vote in favour of Resolution 2.

4. Further information

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of general meeting.

The Directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the

effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

Annexure A – Glossary

Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

Annual General Meeting / AGM means the annual general meeting of the Company to be held at 11:00am on Friday 30 October pursuant to the Notice of Meeting.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of the ASX as amended from time to time.

Board means the board of Directors of the Company.

Company means Paradigm Biopharmaceuticals Limited ACN 169 346 963.

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

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Key Management Personnel or KMP means the key personnel as disclosed in the Remuneration Report.

Meeting means the annual general meeting subject to this Notice.

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

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2015 as set out in the Company's Annual Report for the year ended 30 June 2015.

Resolution means the resolutions referred to in the Notice of Meeting.

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

Shareholder means a holder of a Share.

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Proxy Form

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 **For your vote to be effective it must be received by 11:00am (AEDT) Wednesday 28 October 2015**

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.

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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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report or update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:



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

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SAMPLETOWN VIC 3030



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.



IND

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 Paradigm Biopharmaceuticals 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 Paradigm Biopharmaceuticals Limited to be held at the offices of K&L Gates, Level 25, South Tower, 525 Collins Street, Melbourne, Victoria on Friday, 30 October 2015 at 11:00am (AEDT) 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 Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is 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 Item 1 by marking the appropriate box in step 2 below.

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
1 Adoption of Remuneration Report	☐	☐	☐
2 Re-election of Director - Graeme Kaufman	☐	☐	☐

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.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

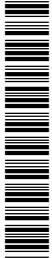
Contact
Daytime
Telephone

Date / /

PAR

205135A

Computershare +



└ 000002 000 PARRM
MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Paradigm Biopharmaceuticals Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Paradigm Biopharmaceuticals Limited

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

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PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

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**Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company*

3. Resolution 2: Re-election of Graeme Kaufman

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

"To elect Graeme Kaufman who retires by rotation in accordance with ASX Listing Rule 14.4 and clause 13.3(b) of the Company's Constitution and being eligible, offers himself for re-election as a Director."

By order of the Board



Kevin Hollingsworth
Company Secretary
17 September 2015



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The Chairman intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting. In particular, if the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

If a member has not directed their proxy how to vote, the proxy may vote as the proxy determines. If a member (who is not an Excluded Voter) has appointed as their proxy an Excluded Voter (other than the Chairman), the member may only vote with respect to Resolution 1 by directing their proxy how to vote with respect to Resolution 1. To direct the Excluded Voter as proxy, the member must complete the “for” or “against” or “abstain” at Step 2 of the Proxy Form for Resolution 1.

An “Excluded Voter” for these purposes means collectively one of the Key Management Personnel (as set out on page 9 of the Company's 2015 Annual Report, and is defined in the Corporations Act to include the Chairman) or one of the Key Management Personnel's closely related parties (which includes a spouse, dependent and certain other close family members and companies controlled by the Key Management Personnel).

Proxy forms must be received at Computershare Investor Services Pty Limited (GPO Box 242, Melbourne Vic 3001) , or by fax, within Australia on 1800 783 447, or outside Australia on +61 3 9473 2555, by no later than 11am on 28 October 2015.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

PARADIGM BIOPHARMACEUTICALS LIMITED

ACN 169 346 963

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held at 11am on Friday 30 October 2015.

1. Accounts and Reports

The Corporations Act requires the Company to lay before the Annual General Meeting, the Financial Report, Directors' report (including the Remuneration Report) and the Auditor's Report for the financial year ended 30 June 2015.

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the meeting. Copies of these reports can be found on the Company's website www.paradigmbiopharma.com.

There is no requirement for Shareholders to approve the Financial Report, Directors' Report and Auditor's Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2015;
- (b) ask questions or make comments on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) 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,

may be submitted no later than 5 business days before the Annual General Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1: Adoption of Remuneration Report

Under the Corporations Act, listed entities are required to put to the vote a resolution that the Remuneration Report section of the Directors' Report be adopted. This Remuneration Report can be found in the Company's 2015 Annual Report. It sets out a range of matters relating to the remuneration of Directors, the Company Secretary and Senior Executives of the Company.

A vote on this resolution is advisory only and does not bind the Directors or the Company. A copy of the Company's 2015 Annual Report can be found on its website at www.paradiqmbiopharma.com.

The Corporations Act provides that:

- (a) members of the Key Management Personnel whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report, and
- (b) if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike".

The current "strike" count is zero, as the Annual General Meeting is the Company's first as a listed company. If a "first strike" was to occur at the 2015 Annual General Meeting:

- (c) the Company's subsequent Remuneration Report (in other words, the Company's Remuneration Report to be included in the 2016 Annual Report) must include an explanation of the Board's proposed action in response to the "no vote" or an explanation of why no action has been taken; and
- (d) if the Company's subsequent (i.e. 2016) Remuneration Report also receives a "no vote" at the 2015 Annual General Meeting of at least 25% of the votes cast, then Shareholders at the 2016 Annual General Meeting will be asked (at that 2016 Annual General Meeting) to vote on whether or not the Company is to hold another general Shareholder's meeting (within the following 90 days) to vote on a "spill resolution" under section 250V of the Corporations Act.

Board Recommendation

As set out in the Notice of Annual General Meeting, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

Accordingly, the Board abstains from making a recommendation in relation to Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

Voting Exclusion statement

Voting exclusion:

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

- (a) a member of the KMP; and
- (b) a closely related party (which includes a spouse, dependent and certain other close family members and companies controlled by the KMP),



of those persons.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote in accordance with the direction on the proxy form; or
- (d) it is cast by the person chairing the meeting 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.

3. Resolution 2: Re-election of Graeme Kaufman

Rule 13.3(b) of the Company's Constitution provides that, amongst other things, at each Annual General Meeting, the Director longest in office must retire, and being eligible may offer them self for re-election. The length of time a Director has been in office is computed from that Director's last election. The Managing Director and Directors appointed to fill casual vacancies are not to be taken into account in determining which Director is to retire by rotation.

As at the date of this Notice of Meeting, the Board of the Company comprised of four Directors who are subject to rotation. The Director longest in office is Mr Graeme Kaufman and is therefore required to retire.

Mr Kaufman, being eligible, offers himself for re-election.

Information regarding Mr Kaufman is as follows:

Mr Graeme Kaufman BSc, MBA, has wide ranging experience across the biotechnology sector, spanning scientific, commercial and financial areas. His experience with CSL Limited, Australia's largest biopharmaceutical company included responsibility for all of their manufacturing facilities, and the operation of an independent business division operating in the high technology medical device market. As CSL's General Manager Finance, Mr Kaufman had global responsibility for finance, strategy development, human resources and information technology. Mr Kaufman has also served as an executive director of ASX-listed Circadian Technologies and a non-executive director of Amrad Corporation, and held the role of Executive Vice President Corporate Finance with Mesoblast Limited until 2013. He is currently Chairman of Bionomics Limited and IDT Australia Limited, and non-executive director of Cellmid Limited.

Board Recommendation

The Directors (other than Mr Graeme Kaufman) recommend that Shareholders vote in favour of Resolution 2.

4. Further information

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of general meeting.

The Directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the

effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

Annexure A – Glossary

Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

Annual General Meeting / AGM means the annual general meeting of the Company to be held at 11:00am on Friday 30 October pursuant to the Notice of Meeting.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of the ASX as amended from time to time.

Board means the board of Directors of the Company.

Company means Paradigm Biopharmaceuticals Limited ACN 169 346 963.

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

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Key Management Personnel or KMP means the key personnel as disclosed in the Remuneration Report.

Meeting means the annual general meeting subject to this Notice.

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

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2015 as set out in the Company's Annual Report for the year ended 30 June 2015.

Resolution means the resolutions referred to in the Notice of Meeting.

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

Shareholder means a holder of a Share.

