05 July 2019

Mr Cheng Tang,
Senior Adviser, Listing Compliance (Melbourne)

By email: Cheng.Tang@asx.com.au

Dear Mr Tang

Paradigm Biopharmaceuticals Ltd (PAR) - Appendix 3Y change in Director's interest

I acknowledge receipt of your letter of 3 July 2019.

Paradigm views compliance with its obligations under the ASX Listing Rules as one of its high priorities - it is a key to market integrity; and I have been asked to respond to your letter on behalf of the Paradigm Board of Directors.

First let me assure you that Paradigm has in place signed disclosure agreements with each of its Directors in accordance with ASX Listing Rule 3.19B (in the format suggested under ASX Guidance Note 22 - attachment 1).

The requirement for a Director to immediately update the Company on any change in the Director's "relevant interest" is also reflected in the PAR trading policy.

The omission by Mr Fullerton to notify Paradigm of his purchase on 13 May 2019 of PAR shares under his pro-rata entitlement pursuant to the 2019 PAR Rights Issue, was inadvertent. While not an exception to the disclosure requirements under ASX Listing Rule 3.19A.1, the purchase was a subscription for new PAR shares under his pro-rata entitlement under the 2019 PAR Rights Issue and was not an "on market" purchase.

Again, while not an exception to the disclosure requirements under ASX Listing Rule 3.19A.1, I note that at the time of Mr Fullerton's purchase, Paradigm was not in a trading black out and the ASX market was fully informed (as confirmed by the ASX lodgement by Paradigm of the requisite cleansing notice for the 2019 PAR Rights Issue).

This matter only came to the attention of Paradigm at the time of notification by Mr Fullerton of his "on market" purchases of 27 June 2019. In reviewing Mr Fullerton's relevant interest in PAR shares at that time, Paradigm became aware of the failure to lodge an Appendix 3Y in respect of Mr Fullerton taking up his pro-rata entitlement under the 2019 PAR Rights Issue.

Paradigm BioPharmaceuticals Ltd
C/- Hollingsworth & Co Pty Ltd, Level 2, 517 Flinders Lane, Melbourne, VIC, 3000, AUSTRALIA
ABN: 94 169 346 963
Web: http://paradigmbiopharma.com/

Paradigm believes its current arrangements are satisfactory and sufficient to oblige Directors to notify Paradigm of "relevant interest" changes and in turn for Paradigm to comply with the disclosure requirements under ASX Listing Rule 3.19A.1.

A copy of your letter and a draft response by Paradigm has been circulated to all Paradigm Directors. Further, as Company Secretary, I have been instructed by the Paradigm Chair to circulate to all Paradigm Directors the Paradigm Trading Policy and a reminder of their obligations under each Director's disclosure agreements (in accordance with ASX Listing Rule 3.19B).

Please do not hesitate to contact me should you require any further information or material in relation to your query.

Yours sincerely



Kevin Hollingsworth
Company Secretary
For and on behalf of the Board of Paradigm Biopharmaceuticals Limited

3 July 2019

Reference: ODIN03874

Mr Kevin Hollingsworth
Company Secretary
Paradigm Biopharmaceuticals Limited

By email only

Dear Mr Hollingsworth

Paradigm Biopharmaceuticals Limited ('PAR'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. PAR's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 3 July 2019 for Mr Christopher Maxwell Fullerton (the 'Notice');

2. Listing Rule 3.19A which requires an entity to tell ASX the following:

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

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

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

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

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

3. Listing rule 3.19B which states that:

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

The Notice indicates that a change in Mr Fullerton's notifiable interest occurred on 13 May 2019. It appears that the Notice relating to the change occurring on 13 May 2019 should have been lodged with ASX by 20 May 2019. Consequently, PAR may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Fullerton may have breached section 205G of the *Corporations Act 2001* (Cth).

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds PAR of its contract with ASX to comply with the Listing Rules. In the circumstances, PAR should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

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

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

When and where to send your response

Your response should be sent to me by e-mail at **ListingsComplianceMelbourne@asx.com.au**. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than half an hour before the start of trading (i.e. before 9:30 am AEST) on Monday, 8 July 2019.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)