Paradigm Biopharmaceuticals Limited

2021 Annual General Meeting

on **Tuesday 25 January 2022 at 11.00 am**
to be held as a virtual meeting

PARADIGM BIOPHARMACEUTICALS LIMITED

Agenda - 2021 Annual General Meeting

Receipt and Consideration of Financial Statements and Reports

**Please Note: there is no requirement for Shareholders to approve these reports and financial statements.*

General Business - Resolutions:

1. Approval of Remuneration Report.

**Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company The Company's Key Management Personnel will be restricted from voting.*

2. Election of Director: Helen Fisher

3. Election of Director: Amos Meltzer

4. Re-election of Director: John Gaffney

5. Approval of proposed issue of Employee Share Plan Shares to Paul Rennie

Paul Rennie (and his Associates), and any other person who will obtain a material benefit as a result of the issue of the Employee Share Plan Shares, will be restricted from voting.

6. Approval of proposed issue of Employee Share Plan Shares to Donna Skerrett

Donna Skerrett (and her Associates), and any other person who will obtain a material benefit as a result of the issue of the Employee Share Plan Shares, will be restricted from voting.

7. Approval of increase in Non-Executive Directors' Fee Pool

Each Director of the Company and their associates and the Company's Key Management Personnel will be restricted from voting on this Resolution.

Conditional Business:

8. Conditional Resolution - Spill Meeting

This Resolution will only be voted upon if at least 25% of the votes cast on Resolution 1 being cast against the adoption of the Company's 2021 remuneration report - otherwise this Resolution 8 will be withdrawn prior to any voting taking place.

The following Notice of Annual General Meeting (which includes the Explanatory Notes) 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.

Should you wish to discuss the matters set out in the Notice of Meeting please do not hesitate to contact the Company Secretary on +613 9629 5566

Paradigm Biopharmaceuticals Limited

ACN 169 346 963

Notice of 2021 Annual General Meeting

Notice is given that a general meeting of the shareholders of Paradigm Biopharmaceuticals Limited ACN 086 778 476 (**Company** or **Paradigm**) will be held as a virtual meeting on **Tuesday 25 January 2022 at 11.00 am** (Melbourne time) for the purpose of considering and if thought fit passing the resolutions as stated below.

Due to COVID-19 restrictions on public gatherings and the temporary modifications to the *Corporations Act 2001* (Cth) (**Corporations Act**) under the recently enacted *Treasury Laws Amendment (2021 Measures No.1) Act 2021*, the Annual General Meeting will be held virtually (i.e. there will not be a physical meeting where shareholders can attend) and the Company intends to conduct a poll on the resolutions set out in this Notice incorporating the proxies filed prior to the Meeting.

The Company is not sending hard copies of the Meeting materials to shareholders. Instead, a copy of the Meeting materials can be viewed and downloaded online at the Company's website.

Please note that additional information concerning the proposed resolutions is contained in the accompanying Explanatory Memorandum that forms part of this Notice of Annual General Meeting. Voting Exclusions apply with respect to some of the following resolutions as detailed below.

Financial Report - Receipt and Consideration of Financial Statements and Reports

To receive and consider the Financial Statements of the Company for the year ended 30 June 2021, together with the Directors' Report and the Independent Auditor's Report as set out in the Annual Report.

Resolution 1 – Approval of Remuneration Report

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

> *"That the Remuneration Report for the year ended 30 June 2021 as set out in the Company's Annual Report for the year ended 30 June 2021 be adopted."*

Resolution 2 – Election of Director: Helen Fisher

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

> *"That Shareholders elect Helen Fisher, who was appointed as a director by the Board on 23 February 2021 to fill a casual vacancy, whose appointment as a director expires at this Annual General Meeting in accordance with Listing Rule 14.4, and being eligible, offers herself for election by Shareholders."*

Resolution 3 – Election of Director: Amos Meltzer

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

> *"That Shareholders elect Amos Meltzer, who was appointed as a director by the Board on 9 December 2020 to fill a casual vacancy, whose appointment as a director expires at this Annual General Meeting in accordance with Listing Rule 14.4, and being eligible, offers himself for election by Shareholders."*

Resolution 4 – Re-election of Director: John Gaffney

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

> *"That, for the purpose of Listing Rule 14.4 and clause 13.3 of the Constitution and for all other purposes, John Gaffney, a Director, retires and being eligible, is re-elected as a Director."*

Resolution 5 – Approval of proposed issue of Employee Share Plan Shares to Paul Rennie

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

"That for the purposes of ASX Listing Rule 10.14, section 259B(2) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the issue to Paul Rennie of 450,000 Employee Plan Shares (pursuant to the Employee Share Plan) as outlined in the Explanatory Notes which accompanies this Notice of Meeting."

Resolution 6 - Approval of proposed issue of Employee Share Plan Shares to Donna Skerrett

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

"That for the purposes of ASX Listing Rule 10.14, section 259B(2) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the issue to Donna Skerrett of 375,000 Employee Plan Shares (pursuant to the Employee Share Plan) as outlined in the Explanatory Notes which accompanies this Notice of Meeting."

Resolution 7 - Approval of increase in Non-Executive Directors' Fee Pool

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

"That, for the purposes of clause 13.4(a) of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve that the maximum aggregate amount of remuneration that may be paid to the Company's non-executive Directors per annum is increased by $400,000 from $500,000 per annum to a maximum of $900,000 per annum, in accordance with the terms and conditions set out in the Explanatory Memorandum."

Conditional Resolution 8 - Spill Meeting

This Resolution will only be voted upon if at least 25% of the votes cast on Resolution 1 being cast against the adoption of the Company's remuneration report. If less than 25% of the votes cast on Resolution 1 are cast against the adoption of the Company's 2021 remuneration report, then this Resolution 8 will be withdrawn by the Board after voting on Resolution 1 concludes and Resolution 8 will not be put to the vote of Shareholders.

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

"That subject to and conditional upon at least 25% of the votes cast on Resolution 1 being cast against the adoption of the 2021 Remuneration Report:

*a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this Resolution 8;*

b) all of the directors (other than the managing director) in office when the Board resolution to approve the directors' report for the financial year ended 30 June 2021 was passed, and who remain in office at the commencement of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting, and

c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting."

By Order of the Board:



Kevin Hollingsworth
Company Secretary
20 December 2021

Voting Exclusions

Resolution	Voting Exclusion Statements
Resolution 1: Approval of Remuneration Report	*Under the Corporations Act a vote on **Resolution 1** must not be cast, and the Company will disregard any votes cast on this Resolution 1:* *(a) by or on behalf of a member of the Company's key management personnel whose remuneration is disclosed in the Remuneration Report (**Key Management Personnel**), and* *(b) by or on behalf of a Closely Related Party of a member of the Key Management Personnel.* *each a **KMP**. However, the Company will not disregard a vote if it is cast by a KMP, not cast on behalf of any member of the Key Management Personnel and either:* *(c) the proxy appointing the KMP specifies the way the proxy is to vote on the resolution; or* (d) *the Chairman is appointed proxy, the appointment does not specify the way the proxy is to vote on the resolution and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.*
Resolution 5: Approval of proposed issue of Employee Share Plan Shares to Paul Rennie	*Under the ASX Listing Rules the Company will disregard any votes cast in favour of **Resolution 5** by or on behalf of any person described in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the particular employee incentive scheme, or by any associate of any of those persons.* *However, the Company will not disregard a vote if it is cast by:* *(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;* *(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or* *(c) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:* *(i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and* *(ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.*
Resolution 6: Approval of proposed issue of Employee Share Plan Shares to Donna Skerrett	*Under the ASX Listing Rules the Company will disregard any votes cast in favour of **Resolution 6** by or on behalf of any person described in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the particular employee incentive scheme or by any associate of any of those persons.* *However, the Company will not disregard a vote if it is cast by:* *(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;* *(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or* *(c) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:* *(i) the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and* *(ii) the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.*
Resolution 7: Approval Increase Non-Executive Fee Pool	**Voting exclusion statement**: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a Director of the Company or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by: (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and in not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:
  (i) a member of the Key Management Personnel; or
  (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chairman; and

(b) the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Conditional Resolution 8: Spill Meeting

*Under the Corporations Act a vote on **Resolution 8** must not be cast, and the Company will disregard any votes cast on this Resolution 8:*

(a) by or on behalf of a member of the Company's key management personnel whose remuneration is disclosed in the Remuneration Report (Key Management Personnel), and

(b) by or on behalf of a Closely Related Party of a member of the Key Management Personnel.

*each a **KMP**. However, the Company will not disregard a vote if it is cast by a KMP, not cast on behalf of any member of the Key Management Personnel and either:*

(c) the proxy appointing the KMP specifies the way the proxy is to vote on the resolution; or

(d) the Chairman is appointed proxy, the appointment does not specify the way the proxy is to vote on the resolution and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

NOTES TO AGM NOTICE

The accompanying Explanatory Memorandum forms part of this Notice of Annual General Meeting and should be read in conjunction with it. Unless the context otherwise requires, terms which are defined in the Explanatory Memorandum have the same meanings when used in this Notice of Annual General Meeting.

Annual Report	The annual report (which includes the financial report, the directors' report, the auditor's report and the remuneration report) is available for shareholders to access and download from the investor information page on the Company's website (https://paradigmbiopharma.com/investors/annual-reports/). Shareholders who have elected to receive a copy of the annual report will receive it separately in the mail.
Virtual Meeting	In light of current public health restrictions relating to the spread of COVID-19 the Company has made the decision to hold the Annual General Meeting as a fully virtual meeting. As a Shareholder you may participate in the online Meeting, vote on the resolutions to be put to Shareholders and ask online questions, by using your own computer or mobile device. Shareholders will still be able to appoint a proxy to vote for them as they have in the past, by following the instructions on the Proxy Form and this Notice of Meeting. Securityholders must use the Computershare Meeting Platform to attend and participate in the meeting. To participate in the meeting, you can log in by entering the following **meetnow.global/MRAKPGV** on your computer, tablet or smartphone. Online registration will open 30 minutes before the meeting. To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare

	prior to the meeting to obtain their login details. To participate in the meeting online follow the instructions below. 1. Click on 'Join Meeting Now'. 2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the meetings to obtain their login details. 3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list. 4. Accept the Terms and Conditions and 'Click Continue'. You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress
Asking Questions at the Meeting	All Shareholders will have the opportunity to participate in the Meeting online via an internet connection described above. However, in the interests of all present at the meeting, we request that Members confine their questions to matters before the meeting that are relevant to the Members as a whole. A Member who is entitled to vote at the meeting may submit a written question to the auditor if the question is relevant to: • the content of the Audit Report to be considered at the meeting; or • the conduct of the audit of the annual financial report to be considered at the meeting. While Shareholders will be able to submit questions online at the virtual Meeting, it would be desirable if the Company was able to receive them in advance, preferably by submitting it to the Company no later than the fifth business day before the meeting is to be held. For ease of use, the Company recommends that if Shareholders wish to submit any questions during the Meeting they do so on their tablets or computers. Please note that not all questions may be able to be answered during the Meeting. In this case, answers will be made available on the Company's website after the meeting.
Shareholders Entitled to Vote	Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* the Board has determined that, for the purpose of voting at the meeting, shareholders are those persons who are the registered holders of Company shares at 7.00 pm Melbourne time on 23 January 2022.
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 use the attached proxy form. The proxy need not be a shareholder of the Company. If you are entitled to cast 2 or more votes you may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. A corporate shareholder must sign the proxy form in accordance with its constitution or otherwise in accordance with the Corporations Act 2011 (Cth). Where the proxy form is signed by a duly authorised person or persons of a corporate securityholder, such authorisation must have been sighted by the Company's Share Registry, Computershare Ltd.
Lodgement of Proxies	A Voting Form for appointment of a proxy is enclosed with this notice. If you wish to appoint a proxy, please complete the Voting Form in accordance with the instructions on the back of the Voting form. Alternatively, you may register your vote online at www.investorvote.com.au by following the instructions and entering control number 136015. You will need your Security holder Reference Number (SRN) of Holder Identification Number (HIN), which is set out on the Voting Form. To be valid, Voting Forms or electronic voting instructions must be received by 11.00

	am (AEDT) on Sunday, 23 January 2022. You will be taken to have signed the proxy form if you lodge in accordance with the instructions on the website. A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for Members wishing to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy.
Bodies Corporate	A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any of the powers the body may exercise at meetings of the Company's 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.
Corporate Representative	If your holding is registered in a company name, a corporate securityholder may appoint a person to act as its representative to attend the meeting by providing that person with: • a letter or certificate authorising him or her as the Company's representative, executed in accordance with the Company's constitution; or • a copy of the resolution appointing the representative, certified by a secretary or director of the corporate securityholder.

Paradigm Biopharmaceuticals Limited

Explanatory Notes to 2021 Notice of Annual General Meeting

These Explanatory Notes have been prepared to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of the 2021 Annual General Meeting (**AGM**) of the Company (**Notice**).

Receipt and Consideration of Financial Statements and Reports

This agenda item is self-explanatory. It is intended to provide shareholders with the opportunity to raise questions on the Financial Statements and Reports, and of the performance of the Company generally.

Shareholders should note that the Financial Statements and Reports will be received in the form presented. It is not the purpose and there is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the directors' report or the auditor's report or that the Financial Statements and Reports be accepted, rejected or modified in any way.

Resolution 1 - Approval of Remuneration Report

Listed entities are required to put to the Shareholders a resolution that the Remuneration Report section of the Directors' Report be adopted. This Remuneration Report can be found in the Company's 2021 Annual Report, a copy of which can be found on its website at https://paradigmbiopharma.com/investors/annual-reports/ It sets out a range of matters relating to the remuneration of Directors and Senior Executives of the Company. A shareholder vote on this resolution is advisory only and does not bind the Directors or the Company.

If a company's Remuneration Report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a further resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days of that second annual general meeting) at which all directors (other than the managing director) who were in office at the date of approval of the director's report (i.e. at that second meeting) must stand for re-election. Shareholders will therefore be entitled (at that second meeting) to vote in favour of holding a further general meeting to re-elect the board if the Remuneration Report receives "2 strikes" in 2 consecutive years.

The Company received a 'no' vote of more than 25 per cent at the 2020 Annual General Meeting and so it therefore received a "first strike" at the 2020 Annual General Meeting. If a "second strike" was to occur at the 2021 Annual General Meeting then Shareholders will be requested (at this 2021 Annual General Meeting) to vote (pursuant to Resolution 8) on whether or not the Company is to hold another general Shareholder's meeting (within the following 90 days) to vote on a "spill meeting" resolution under section 250V of the Corporations Act.

Since the Company's "first strike" at the 2020 Annual General Meeting, Paradigm has met with key shareholders and proxy solicitation agents / shareholder groups. Further, the Paradigm independent non-executive directors undertook a review generally of Remuneration for the Paradigm executive team and in particular STI and LTI allocations. Then in June 2021 the Paradigm Nomination and Remuneration Committee assessed performance of the individual Paradigm executive team members and also generally Paradigm. As a result the Paradigm Nomination and Remuneration Committee resolved that -

- all Paradigm LTI allocations for FY2021 would be issued at least a 25% premium to the then prevailing market price for Paradigm shares (providing a material hurdle for performance before LTI allocations become of value - and further aligning with shareholder interests);

- other than Mr Rennie, all the STI and LTI allocations for FY2021 for Paradigm's senior executive team were reduced by at least 20%;

- for Mr Rennie, the independent directors formed the opinion that his remuneration package as Managing Director was (and had been for some time) below market and therefore for FY2021 increased his STI allocation from 25% for FY2020 to 30% for FY2021 (but being a 25% reduction on his maximum STI in FY2021 of 40%), and also decreased his FY2021 LTI allocation by 25% (from a maximum LTI of 600,000 shares to 450,000 shares). As noted above, all LTI allocations for FY2021 are to be at an issue price equal to a premium of 25% to prevailing market price for Paradigm shares (as at the time of issue). As announced on 22 November 2021 Mr Rennie is transitioning to non-executive Chair and with Donna Skerrett taking the interim position as Managing Director.

As specified above in the Voting Exclusion Statement, 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.

Resolution 2 - Election of Director: Helen Fisher

Helen Fisher was appointed as Director of the Company on 23 February 2021 in accordance with Rule 13.1(c) of the Constitution. This rule allows at any time the appointment by the Directors of a person to be a director. Pursuant to Rule 13.3(b)(ii) of the Constitution and ASX Listing Rule 14.4, any director so appointed holds office until the next annual general meeting of members of the Company and is then eligible for election at that meeting.

Accordingly, Ms Fisher, being eligible, submits herself for election as a Director of the Company.

Information regarding Ms Fisher is as follows:

Ms Fisher is Chief Executive Officer and managing director of Bio Capital Impact Fund (BCIF) and Non-Executive Director (NED) and Chair of the Audit and Risk Management Committee of Calix Limited (ASX: CXL), a company with a platform technology with applications in climate change, water management, biotech, and pharmaceutical areas. Prior to establishing BCIF, Ms Fisher was a partner of Deloitte and led Deloitte's life science practice in Australia for 5 years, having had many years' experience in the life sciences and health care sector.

Recommendation

The Directors (in the absence of Ms Fisher) recommend that shareholders vote in favour of Resolution 2 for the election of Ms Fisher. Due to the interest she has in the outcome of Resolution 2, Ms Fisher makes no recommendation to Shareholders in relation to Resolution 2.

Resolution 3 – Election of Director: Amos Meltzer

Amos Meltzer was appointed as Director of the Company on 9 December 2020 in accordance with Rule 13.1(c) of the Constitution. This rule allows at any time the appointment by the Directors of a person to be a director. Pursuant to Rule 13.3(b)(ii) of the Constitution and ASX Listing Rule 14.4, any director so appointed holds office until the next annual general meeting of members of the Company and is then eligible for election at that meeting.

Accordingly, Mr Meltzer, being eligible, submits himself for election as a Director of the Company.

Information regarding Mr Meltzer is as follows:

Amos Meltzer is a scientist and an intellectual property lawyer with over 25 years of experience in international trade and in commercialising technologies principally in the life sciences sector. He has presided over life science research and product development projects clinical trials as well as the commercialisation of life sciences assets through both licensing and the sale and marketing of a pharmaceutical product. Previously Mr Melzer has served as in house counsel and IP director at two Nasdaq listed companies Compugen and Gilat, as a non-executive director of a biotechnology company Evogene and as VP of Business Development and then CEO of an ASX-listed biopharmaceutical company Immuron. Amos currently serves as Chief Operating Officer of neuro-medical device company Synchron, chairman of the board of surgeons' education services company Vasculab and as a legal advisor to a number of ASX listed and private life science companies.

Director Recommendation

The Directors (in the absence of Mr Meltzer) recommend that shareholders vote in favour of Resolution 3 for the election of Mr Meltzer. Due to the interest he has in the outcome of Resolution 3, Mr Meltzer makes no recommendation to Shareholders in relation to Resolution 3.

Resolution 4 – Re-election of Director: John Gaffney

Listing Rule 14.4 and clause 13.3 of the Company's Constitution require that a Director (excluding the managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer.

Under the Constitution, at each annual general meeting there must be an election of any casual appointments made since the last meeting (as set out in Resolutions 2 and 3 above) and any existing previously elected director standing for re-election (Resolution 4). The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

A Director who retires under clause 13.3 of the Constitution is eligible for re-election.

Mr Gaffney was a non-executive director on the admission of the Company to the ASX Official List and last re-elected on 2019, retires and seeks re-election. Mr Gaffney's qualifications and experience are set out below and in the Annual Report.

Mr Gaffney holds a Master of Laws, AICD Company Directors qualification and has worked as a lawyer has over 30 years. He brings to the Paradigm board a depth of compliance and corporate governance background and is experienced in financial services compliance. John also has corporate and commercial experience having worked with a major national law firm and also practised as a Barrister at the Victorian Bar. Mr Gaffney is currently a non-executive director of a private Australian biotechnology company, has previously been a non-executive director of a US based biotechnology company and also held positions with other Australian ASX listed companies.

Director Recommendation

The Directors (in the absence of Mr Gaffney) recommend that shareholders vote in favour of Resolution 4 for the re-election of Mr Gaffney. Due to the interest he has in the outcome of Resolution 4, Mr Gaffney makes no recommendation to Shareholders in relation to Resolution 4.

Resolution 5 – Approval of Proposed Issue of Loan Plan Shares to Paul Rennie

For the purposes of ASX Listing Rule 10.14 the Company seeks shareholder approval for the proposed issue to Paul Rennie of a total of 450,000 Plan Shares. The **Issue Price** shall be equivalent to the market price as at the close of ASX trading on the Business Day preceding the

allotment date of these Plan Shares (being after the approval of this Resolution 5) (**PR Loan Shares**) pursuant to the terms of the Company's employee share plan, the terms of which are summarised in Schedule 1 (**Employee Share Plan** or **Plan**). The PR Loan Shares shall vest in 3 equal sizes tranches, namely 150,000 PR Loan Shares will vest on each of 18 November 2022, 18 November 2023 and 18 November 2024.

If approved this issue will result in Paul Rennie having a relevant interest in the capital of the Company of a total of 8.82% as at the date of issue of those Shares (the PR Loan Shares representing 0.19% of that relevant interest). As announced on 22 November 2021 Mr Rennie is transitioning to non-executive Chair and with Donna Skerrett taking the interim position as Managing Director. The issue of the PR Loan Shares the subject of Resolution 5 relate to the period that Mr Rennie was Managing Director of the Company.

Reflecting the comments above regarding the Paradigm Nomination and Remuneration Committee review, the issue price of the proposed LTIs to Mr Rennie will be a premium of 25% to the market price as at the close of ASX trading on the business day preceding their issue date and the number of LTI Paradigm shares the subject of Resolution # was reduced by 25% from 600,000 (in FY2020) to 450,000 (for FY2021).

The Company has not sought shareholder approval under Chapter 2E of the Corporations Act as the Board believes that the total remuneration package for Mr Rennie (including the proposed issues of the PR Loan Shares) represents reasonable remuneration for Mr Rennie and is on reasonable commercial terms for a person in the position of Managing Director of a listed biotechnology company of the nature and size of Paradigm.

The issue price of the PR Loan Shares cannot be determined prior to obtaining shareholder approval pursuant to this Resolution 5. Under these circumstances and using a binomial method of calculation, the Company estimates that the value of the PR Loan Shares is $513,556 over the 3 year period, equivalent to approximately $171,185 per annum.

The PR Loan Shares will be issued on the terms of the Loan Terms (described in Schedule 2). The Company is entitled to, and may, take security over the PR Loan Shares (and will impose a holding lock) pending repayment of the Loan.

The PR Loan Shares shall be subject to an escrow contained in a voluntary restriction agreement to be entered with the Company by Mr Rennie prior to the Company issuing any PR Loan Shares, where the escrow period for a particular tranche is equivalent to the period between the date the PR Loan Shares are issued and ending on the date of the repayment of the Loan Amount.

Mr Rennie will also give a Power of Attorney in favour of the Company for limited circumstances where the Company may need to act as attorney for Mr Rennie, as described in the Loan Plan documents.

Section 259B(2) of the Corporations Act

Section 259B(2) permits a Company to take security over its own shares issued pursuant to an employee share scheme under certain conditions, including where prior shareholder approval of the employee share scheme has been obtained.

Accordingly, the Company is seeking shareholder approval under Resolution 5 in respect of the operation of section 259B(2) of the Corporations Act, for circumstances if and where the Company elects to provide an employee assistance in the acquisition of shares in itself, such as providing a loan for the payment of the purchase price of a Share to be issued under the Plan. Section 260A of the Corporations Act allows only limited circumstances under which a company may provide financial assistance for the acquisition of shares in itself, namely if:

(a) the giving of the assistance does not materially prejudice (i) the interests of the company or its shareholders, or (ii) the company's ability to pay its creditors, or

(b) the assistance is approved by Shareholders under section 260B; or

(c) the assistance is exempt under section 260C (relating to employee share schemes).

The Board is of the view that (a) above is applicable, and at the relevant times will be applicable, to any loans that may be granted for the acquisition of PR Loan Shares under the Plan, and therefore will not be seeking shareholder approval with respect to under Section 260A of the Corporations Act.

Application of ASX Listing Rules

ASX Listing Rule 10.14.1 effectively provides that an entity must not permit a director of the Company (or their associate) to acquire securities under an employee incentive scheme (such as the Employee Share Plan) without the prior approval of holders of ordinary securities.

In the event that shareholder approval to this Resolution 5 is obtained under ASX Listing Rule 10.14, further shareholder approval to Resolution 5 is not required under ASX Listing Rule 7.1 (see Listing Rule 7.2, Exception 14). If this Resolution 5 is not passed, the Company will not be able to proceed with the issue of any PR Loan Shares to Mr Rennie at this time.

ASX Listing Rules

ASX Listing Rule 10.15 requires that the notice of meeting in relation to a proposed resolution to approve an issue of securities under Listing Rule 10.14, include the following information:

(a) The name of the person to whom the securities will be issued and Listing Rule 10.14 category:

Paul Rennie, being a director, and therefore related party, of the Company (Listing Rule 10.14.1 applies).

(b) The number and class of securities to be issued to the person:

Mr Rennie will be issued a total of 450,000 Loan Plan Shares, 150,000 of which shall vest on each of 18 November 2022, 18 November 2023 and 18 November 2024.

(c) The details of Mr Rennie's current total remuneration package are:

The annual Base Salary for financial year 2021/22 is $525,300 per annum plus statutory Superannuation, to be reviewed annually by the Nomination and Remuneration Committee.

The Short-term incentives will be paid as a cash bonus up to 40% of the Base Salary by reference to KPIs set by the Paradigm Nomination and Remuneration Committee. For FY2021 Mr Rennie's STI has been set by the Paradigm Nomination and Remuneration Committee at 30% (being a reduction of 25% of his maximum STI of 40%).

(d) The number of securities that have previously been issued to Mr Rennie under the scheme and the average acquisition price (if any) paid by Mr Rennie for those securities are as follows:

Issue Date	No. of Shares	Issue Price
29-May-2015	600,000	$0.3500
8-Dec-2016	140,000	$0.3312
13-Nov-2017	210,000	$0.629

26-Nov-2018	300,000	$1.150
7-Nov-2019	197,355	$2.930
19-Nov-2020	600,000	$3.05

The only loans due for repayment by Mr Rennie are for the 600,000 loan shares issued on 29 May 2015 (where the loan has now been repaid in full by Mr Rennie) and a further 600,000 loan shares issued in November 2020 after the 2020 AGM (with a 5 year repayment date). None of the current outstanding loans are due, or will be due, for repayment as at the date of this Meeting.

(e) The date by which the entity will issue the securities:

No later than 1 month after the date of this Annual General Meeting.

(f) The issue price of the securities:

A price per Loan Share will be equivalent to a 25% premium to the market price as at the close of ASX trading on the business day preceding the allotment date of these Plan Shares. No funds will be received by the Company upon the issue of the PR Loan Shares as Mr Rennie will receive a Loan from the Company for the amount of the issue price of the PR Loan Shares. Such Loan will be repayable in accordance with the Loan Agreement.

(g) A summary of the material terms of the Scheme

A summary of the material terms of the Scheme is set out in Schedule 1.

(h) A summary of the material terms of the loan that will be made to Mr Rennie

A summary of the material terms of the loan that will be made to Mr Rennie is attached as Schedule 2

(i) (i) Additional Information

Details of any securities issued under this scheme will be published in the annual report of the Company relating to the period in which the above securities are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under this scheme after this resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

If approved, this issue will result in Paul Rennie's relevant interest in the capital of the Company increasing from 8.66% to 8.82%.

Recommendation

The Directors (other than Mr Rennie) recommend that Shareholders vote in favour of Resolution 5. Due to the interest he has in the outcome of Resolution 5 Mr Rennie makes no recommendation to Shareholders in relation to Resolution 5.

Resolution 6 – Approval of Issue of Proposed Issue of Loan Plan Shares to Donna Skerrett

For the purposes of ASX Listing Rule 10.14 the Company seeks shareholder approval for the proposed issue to Dr Skerrett of a total of 375,000 Plan Shares. The **Issue Price** shall be equivalent to the market price as at the close of ASX trading on the Business Day preceding the allotment date of these Plan Shares (being after the approval of this Resolution 6) (**DS Loan Shares**) pursuant to the terms of the Company's employee share plan, the terms of which are summarised in Schedule 1 (**Employee Share Plan** or **Plan**). The DS Loan Shares shall vest in 3 equal sizes tranches, namely 125,000 DS Loan Shares will vest on each of 18 November 2022, 18 November 2023 and 18 November 2024.

If approved this issue will result in Dr Skerrett having a relevant interest in the capital of the Company of a total of 0.47% as at the date of issue of those Shares (the DS Loan Shares representing 0.16% of that relevant interest).

Reflecting the comments above regarding the Paradigm Nomination and Remuneration Committee review, the issue price of the proposed LTIs to Dr Skerrett will be a premium of 25% to the market price as at the close of ASX trading on the business day preceding their issue date as at the time of issue. In addition Dr Skerrett's maximum allocation of LTIs was reduced from 500,000 shares to 375,000 shares (being a 25% decrease for FY2021 from her maximum potential allocation) and Dr Skerrett's STI allocation for FY2021 was reduced by 25%.

The Company has not sought shareholder approval under Chapter 2E of the Corporations Act as the Board believes that the total remuneration package for Dr. Skerrett (including the proposed issues of the DS Loan Shares) represents reasonable remuneration for Dr. Skerrett and is on reasonable commercial terms for a person in the position of an Executive Director and Chief Medical Officer of a listed biotechnology company of the nature and size of Paradigm.

The issue price of the DS Loan Shares cannot be determined prior to obtaining shareholder approval pursuant to this Resolution 6. Under these circumstances and using a binomial method of calculation, the Company estimates that the value of the DS Loan Shares is $427,964 over the 3 year period, equivalent to approximately $142,654 per annum.

The DS Loan Shares will be issued on the terms of the Loan Terms (described in Schedule 2). The Company is entitled to, and may, take security over the DS Loan Shares (and will impose a holding lock) pending repayment of the Loan.

The DS Loan Shares shall be subject to an escrow contained in a voluntary restriction agreement to be entered with the Company by Dr. Skerrett prior to the Company issuing any DS Loan Shares, where the escrow period for a particular tranche is equivalent to the period between the date the DS Loan Shares are issued and ending on the date of the repayment of the Loan Amount.

Dr. Skerrett will also give a Power of Attorney in favour of the Company for limited circumstances where the Company may need to act as attorney for Dr. Skerrett, as described in the Loan Plan documents.

Section 259B(2) of the Corporations Act

Section 259B(2) permits a Company to take security over its own shares issued pursuant to an employee share scheme under certain conditions, including where prior shareholder approval of the employee share scheme has been obtained.

Accordingly, the Company is seeking shareholder approval under Resolution 6 in respect of the operation of section 259B(2) of the Corporations Act, for circumstances if and where the Company elects to provide an employee assistance in the acquisition of shares in itself, such as providing a

loan for the payment of the purchase price of a Share to be issued under the Plan. Section 260A of the Corporations Act allows only limited circumstances under which a company may provide financial assistance for the acquisition of shares in itself, namely if:

(a) the giving of the assistance does not materially prejudice (i) the interests of the company or its shareholders, or (ii) the company's ability to pay its creditors, or

(b) the assistance is approved by Shareholders under section 260B; or

(c) the assistance is exempt under section 260C (relating to employee share schemes).

The Board is of the view that (a) above is applicable, and at the relevant times will be applicable, to any loans that may be granted for the acquisition of DS Loan Shares under the Plan, and therefore will not be seeking shareholder approval with respect to under Section 260A of the Corporations Act.

Application of ASX Listing Rules

ASX Listing Rule 10.14.1 effectively provides that an entity must not permit a director of the Company (or their associate) to acquire securities under an employee incentive scheme (such as the Employee Share Plan) without the prior approval of holders of ordinary securities.

In the event that shareholder approval to this Resolution 6 is obtained under ASX Listing Rule 10.14, further shareholder approval to Resolution 6 is not required under ASX Listing Rule 7.1 (see Listing Rule 7.2, Exception 14). If this Resolution 6 is not passed, the Company will not be able to proceed with the issue of the DS Loan Shares to Dr Skerrett at this time.

ASX Listing Rules

ASX Listing Rule 10.15 requires that the notice of meeting in relation to a proposed resolution to approve an issue of securities to a related party under Listing Rule 10.14, include the following information:

(a) The name of the person to whom the securities will be issued and Listing Rule 10.14 category:

Donna Skerrett, being a director, and therefore related party, of the Company (Listing Rule 10.14.1 applies)

(b) The number and class of securities to be issued to the person:

Dr. Skerrett will be issued a total of 375,000 Loan Plan Shares, 125,000 of which will vest on 18 November 2022 and 375,000 of which will vest on each of 18 November 2023 and 18 November 2024.

(c) The details of Dr. Skerrett's total remuneration package are:

The annual Base Salary for Dr. Skerrett for financial year 2021/22 is US$651,372 per annum, to be reviewed annually by the Nomination and Remuneration Committee.

The Short-term incentives will be paid as a cash bonus up to 30% of the Base Salary by reference to KPIs set by the Nomination and Remuneration Committee. For FY2021 Dr.Skerrett 's STI has been set by the Paradigm Nomination and Remuneration Committee at 22.5% (being a 25% reduction from her maximum possible STI of 30%).

(d) The number of securities that have previously been issued to Dr. Skerrett under the scheme and the average acquisition price (if any) paid by Dr. Skerrett for those securities are as follows:

Issue Date	No of Shares	Issue Price
7-Nov-2019	219,284	$2.930
19-Nov-2020	500,000	$3.05

The loans for the loan plan shares issued on 7 November 2019 and 19 November 2020 are not due for repayment as at the date of this Meeting.

(e) The date by which the entity will issue the securities:

No later than 1 month after the date of this Annual General Meeting.

(f) The issue price of the securities:

A price per Loan Share will be equivalent to a 25% premium to the market price as at the close of ASX trading on the business day preceding the allotment date of these Plan Shares. No funds will be received by the Company upon the issue of the DS Loan Shares as Dr. Skerrett will receive a Loan from the Company for the amount of the issue price of the DS Loan Shares. Such Loan will be repayable in accordance with the Loan Agreement.

(g) A summary of the material terms of the Scheme

A summary of the material terms of the Scheme is set out in Schedule 1.

(h) A summary of the material terms of the loan that will be made to Dr. Skerrett

A summary of the material terms of the loan that will be made to Dr. Skerrett is attached as Schedule 2.

(i) Additional Information

Details of any securities issued under this scheme will be published in the annual report of the Company relating to the period in which the above securities are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under this scheme after this resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

If approved, this issue will result in Donna Skerrett's relevant interest in the capital of the Company increasing from 0.31% to 0.47%.

Recommendation

The Directors (other than Dr. Skerrett) recommend that Shareholders vote in favour of Resolution 6. Due to the interest she has in the outcome of Resolution 6 Dr. Skerrett makes no recommendation to Shareholders in relation to Resolution 6.

Resolution 7 - Non-Executive Directors' Remuneration

General

The Constitution provides that the non-executive Directors may be collectively paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. The current aggregate maximum sum per annum is $500,000.

In accordance with clause 13.4(a) of the Constitution and Listing Rule 10.17, Resolution 7 seeks Shareholder approval to increase the maximum aggregate amount of director's fees per annum that may be paid by the Company to its non-executive Directors (**Fee Pool**) by $400,000 from $500,000 per annum to a maximum of $900,000 per annum.

Under the Listing Rules, the term “directors’ fees” includes committee fees, superannuation contributions and fees which a director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine “special exertion” fees or securities issued to non-executive Directors with approval of Shareholders in accordance with the Listing Rules.

Details of the remuneration of non-executive Directors for the year ended 30 June 2021 is detailed in the Remuneration Report accompanying the 2021 Annual Report.

The Company does not intend to fully utilise the maximum fee pool in the immediate future. The Board currently consists of 4 non-executive directors (with the recent change in role of Mr Rennie from Managing Director to Non-executive Director / Chair). As the Company's focus continues on US and European markets, the Company would envisage appointing overseas non-executive directors reflecting that focus. The proportion of the non-executive fee pool currently remaining unused (including as proposed to be increased under Resolution 7) will provide the Company with the ability to attract and retain high quality directors, to make any appropriate increases to the size of the Board and to increase fees in the future in line with market conditions.

The Directors are seeking Shareholder approval to increase the Fee Pool for the following reasons:

(a) to ensure that the Company maintains the ability to pay non-executive Directors remuneration at levels commensurate with market rates and as necessary to attract and retain directors of the highest calibre; and

(b) to allow for some growth in non-executive Directors’ remuneration in the future to reflect market competitiveness for non-executive directors with the skills and experience appropriate for the Company’s business.

Technical information required by Listing Rule 14.1A

If Resolution 7 is passed the maximum aggregate sum of directors’ fees that may be paid to all of the Company’s non-executive Directors will be increased to a maximum of $900,000 per annum.

If Resolution 7 is not passed, the maximum aggregate sum of directors’ fees that may be paid to all of the Company’s non-executive Directors will remain at a maximum of $500,000 per annum.

Specific information required by Listing Rule 10.17

The following information is provided to Shareholders in relation to Resolution 7 for the purposes of Listing Rule 10.17:

(a) the amount of the increase is $400,000;

(b) subject to the passing of this Resolution 7, the Fee Pool will be an aggregate of $900,000;

(c) in the past 3 years, the Company has issued Directors an aggregate of 1,816,639 Shares (albeit at the time of issue those Directors detailed below who received Shares were acting as executive Directors) with prior Shareholder approval under Listing Rules 10.11 and 10.14, as set out in the table below:

Director	Issue Date	Number of securities	Details
Paul Rennie	26-Nov-2018	300,000	ESP
	7-Nov-2019	197,355	ESP
	19-Nov-2020	600,000	ESP
Donna Skerrett	7-Nov-2019	219,284	ESP
	19-Nov-2020	500,000	ESP
Amos Meltzer	-	-	
Helen Fisher	-	-	
John Gaffney	-	-	

(d) a voting exclusion statement is included in Resolution 7 of this Notice.

Directors' recommendation

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution 7. As noted in the Proxy Form, the Chairman of the Meeting intends to cast all undirected proxies in favour of this Resolution 7.

Conditional Resolution 8 - Spill Meeting

The Corporations Act provides that if at least 25% of the votes cast on the resolution to adopt the remuneration report at two consecutive Annual General Meetings (**AGM**s) are cast against the adoption of the remuneration report, then at the second AGM the shareholders must be given the opportunity to vote on a 'spill meeting' resolution, pursuant to which Shareholders can require a separate shareholder's meeting be held (within the 90 days following that second AGM) (**Spill Meeting**) for the shareholders to vote upon removing certain directors (other than the managing director, as described below). This Resolution 8 is the 'spill meeting' resolution which may be put to Shareholders at this 2021 AGM. If a Spill Meeting is required, details of the Spill Meeting will be notified to shareholders in due course.

As more than 25% of the votes on the adoption of the 2020 remuneration report at least year's AGM were cast against that resolution, that constituted a 'first strike'. This Resolution 8 will only need to be put to shareholders at this year's AGM if there is a 'second strike', i.e. if at least 25% of the votes on Resolution 1 at this year's AGM are cast against the adoption of the 2021 remuneration report.

If less than 25% of the votes cast on Resolution 1 are cast against the adoption of the Company's 2021 remuneration report, then this Resolution 8 will be **withdrawn** by the Board after voting on Resolution 1 concludes and Resolution 8 will not be put to the vote of Shareholders.

If Resolution 8 is put to shareholders, it will be considered as an ordinary resolution. For it to be passed, it will require the approval of a simple majority of the votes that are cast by shareholders who are entitled to vote on it.

If a Spill Meeting is held, immediately before the Spill Meeting, all directors (other than the managing director) in office when the Board resolution to approve the directors' report for the financial year considered at the second AGM (i.e. financial year ended 30 June 2021) was passed, and who remain in office at the commencement of the Spill Meeting will automatically cease to hold office immediately before the end of the Spill Meeting. Such directors may stand for re-election at the Spill Meeting. This means that if a Spill Meeting is held, the following directors will automatically cease to hold office as directors of the Company immediately before the end of the Spill Meeting:

- Donna Skerrett;
- Amos Meltzer (assuming that Mr Meltzer is elected at this AGM under Resolution 2);
- Helen Fisher (assuming that Ms Fisher is elected at this AGM under Resolution 3);
- John Gaffney (assuming that Mr Gaffney is elected at this AGM under Resolution 4).

Each of these directors would be eligible to stand for re-election at the Spill Meeting. However, there is no guarantee that they would do so.

In considering how to vote on Resolution 8 if it is put to shareholders at this AGM, the Board suggests that shareholders take into account the following matters:

- The additional costs that would be incurred if the Company is required to hold and call a Spill Meeting;
- The steps that have been taken by the Board to address shareholder concerns relating to the remuneration of Key Management Personnel since last year's AGM (as outlined in this Explanatory Memorandum;
- The potential loss of knowledge and expertise of the Directors who would be subject to any spill meeting resolution; and
- The potential disruption to the Company of a Spill Meeting and the impact this may have on the Company's operations.

If Resolution 8 is put to shareholders at the AGM and you do not want a Spill Meeting to be held, you should vote "against" the resolution. If you want a Spill Meeting to be held, you should vote "for" the resolution.

Board Recommendation

The Directors unanimously recommends that shareholders **vote against** this Resolution 8.

Further information

The Directors of the Company 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.

GLOSSARY

The following words and expressions used in the Notice of Meeting and Explanatory Statement have the following meanings unless the context requires otherwise:

Annual General Meeting means the annual general meeting of the Company to be held virtually on 25 January 2022 at 11.00 am AEDT.

ASIC means the Australian Securities & Investments Commission.

Associates has the meaning provided in Section 15 of the Corporations Act.

ASX means ASX Limited ACN 98 008 624 691.

Board means the board of directors of the Company.

Business Day means a day (not being a Saturday, Sunday or public holiday) on which Australian banks (as defined in Section 9 of the Corporations Act) are open for general banking business in Melbourne, Victoria.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means Paradigm Biopharmaceuticals Limited ACN 086 778 476.

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

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel means the Company's key management personnel as whose remuneration is disclosed in the Remuneration Report

Listing Rules means the Listing Rules of the ASX.

Notice of Meeting means the notice of meeting for the Annual General Meeting.

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

Resolution means a resolution proposed in the Notice of Meeting.

Shareholder means a holder of Ordinary Shares.

Trading Day has the meaning given to that term in the Listing Rules.

Schedule 1- Employee Share Plan Terms

The Company has adopted an executive share plan (**Plan**) to foster an ownership culture within the Company and to motivate senior management and Directors to achieve performance targets of the Company. Selected senior management of the Company and the Directors are eligible to participate in the Plan at the absolute discretion of the Board. The Plan is an employee incentive scheme for the purposes of ASX Listing Rule 10.14.

Shares allotted and issued under the Plan must rank equally in all respects with other Shares from the date of allotment and issue, subject to satisfaction of any applicable disposal restrictions.

The aggregate number of Shares which may be issued pursuant to the Plan, (when aggregated with all Shares issued under all other employee incentive plans), shall not at any time exceed 10% of the total number of issued Shares.

The Company may include, with an invitation to participate in the Plan, an offer of a limited recourse loan to assist in funding the issue price in respect of the relevant Shares. The issue price of Shares issued and to be issued under the Plan is to be determined from time to time by the Board, subject to any variation under rules of the Plan, to reflect the then market value of the relevant Shares as at the time of allotment.

Under the Plan the Board is empowered to exercise its discretion to issue fully paid ordinary shares in the Company (**Plan Shares**) to employees who qualify to participate in the Employee Share Plan, upon the basis that the Company advances (provides a **Loan**) the Participant the funds to purchase the Plan Shares pursuant to the terms of a secured limited recourse loan agreement between the Participant and the Company (**Loan Agreement**) and that the Participant enters a Restriction Agreement with the Company.

The Board has absolute and final discretion and power to terminate or suspend the operation of this Plan or to supplement or amend the Plan in any way that the Board determines appropriate.

Rights attaching to the Plan Shares

The Plan Shares will rank equally with all other fully paid ordinary shares on issue in the capital of the Company. Holders of Plan Shares will be entitled to exercise all voting rights attaching to those Shares in accordance with the Company's constitution. In addition, holders of Plan Shares will be entitled to participate in dividends declared and paid by the Company in accordance with the Company's constitution.

Sale of the Plan Shares

The Plan Shares may only be sold by a Participant (who has been granted a limited recourse loan) where the Loan has been repaid in full (otherwise any dealing by the Participant in the Plan Shares is prohibited without the prior written consent of the Company).

Copies of the Employee Share Plan are available for inspection at the Company’s registered office and will be provided without charge to shareholders on request.

Application Form Terms

The Application for the Plan Shares to be executed by a Participant includes the appointment by the Participant of the Company to be its attorney under a power of attorney (**Power of Attorney**) to perform all acts required on the Participant's behalf in order

(a) to transfer the shares (not yet vested) which are the subject of the Application to a nominee or nominees of the Company at the Issue Price per Share, or

(b) for the Company to undertake a buy back (at the Issue Price per Share) or capital reduction of those Shares not yet vested pursuant to the provisions of the Corporations Act 2001,

Upon the basis that the Application Form is a irrevocable direction to the Company to apply all proceeds that would have otherwise been provided or due to the Participant on a transfer, buy back or capital reduction solely in satisfaction of the Outstanding Loan Balance (as defined in the Loan Agreement).

The Application Form also contains a vesting condition that prevails over all other (if any) vesting conditions (**Liquidity Event Vesting Condition**), namely that all Plan Shares vest immediately upon the happening of a Liquidity Event (as defined). A "Liquidity Event" is defined as:

(a) where a bidder under a takeover offer (as defined in the Corporations Act) has acceptances for more than 50% of the ordinary shares in the Company and there are no unsatisfied conditions (or conditions that not been waived) under the bid, or

(b) on shareholder approval being obtained for a scheme of arrangement (as defined in the Corporations Act) with respect to the assets or securities of the Company; or

(c) completion under a contract of sale with a third party purchaser of all, or substantially all, of the assets and undertaking of the Company.

Schedule 2- Summary of Loan Terms for Share Loan Plan Shares

The key terms and conditions of the Loan to be provided with respect to the Employee Share Plan Shares are set out below (**Loan Terms**):

(a) the Loan may only be applied towards the subscription price for the Plan Shares;

(b) the Loan will be interest free, provided that if the Loan is not repaid by the repayment date set by the Board, the Loan will incur interest at the default interest rate set from time to time under Victorian legislation after that date (which will accrue on a daily basis and compound annually on the then outstanding Loan balance);

(c) by signing and returning a limited recourse Loan application, the participant of the Employee Share Plan (each a Participant) acknowledges and agrees that the Plan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the Loan is repaid in full to the Company;

(d) the Company is entitled, at the Company's discretion, to take security over the Plan Shares as security for repayment of the Loan;

(e) the Participant is required to enter a restriction agreement with the Company (**Restriction Agreement**) in accordance with the terms of the Employee Share Plan;

(f) the Loan becomes repayable on the earliest of:

(i) 5 years from the date on which the Loan is advanced to the Participant;

(ii) one month after the date of the Participant's resignation or cessation of office/engagement/employment (as the case may be) other than if the Participant is removed from office, if the Company does not renew the Participant's employment agreement or engagement terms, or where the Company dismisses the Participant other than for cause; and

(iii) (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death,

the earliest date being the **Repayment Date**.

(g) notwithstanding paragraph (f) above, the Participant may repay all or part of the Loan at any time before the Repayment Date;

(h) if the Loan becomes due and payable under the Loan Agreement and the Participant has not repaid the amount of the Loan in full within 21 days of the due date, then the Participant will forfeit their interest in the Plan Shares as full consideration for the repayment of the outstanding Loan balance, and the Company may either (at its election) take such action in the Participant's name or direct that the Participant take such action in relation to the Plan Shares as the Company considers appropriate, which may include but is not limited to the Company undertaking a buy-back of the Plan Shares or selling the Plan Shares.

(i) the Loan will be limited recourse such that on the Repayment Date the repayment obligation under the Loan will be limited to the lesser of

(i) the outstanding balance of the Loan, and

(ii) the market value of the Plan Shares on that date.

In addition, where the Participant has elected for the Plan Shares to be provided to the Company in full satisfaction of the Loan, the Company must accept the Plan Shares as full settlement of the repayment obligation under the Loan.

(j) any dividends declared with respect to the Loan Shares, whilst there is still remaining any portion of the Outstanding Loan Balance unpaid, shall first be applied and paid to the Company in reduction of the Outstanding Loan Balance until that Outstanding Loan Balance is $zero, before it is paid in cash to, or for any other benefit of, the Participant.

PARADIGM BIOPHARMACEUTICALS LIMITED
ABN 94 169 346 963

Need assistance?

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

Online:
www.investorcentre.com/contact

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

Paradigm Biopharmaceuticals Limited Annual General Meeting

The Paradigm Biopharmaceuticals Limited Annual General Meeting will be held on Tuesday, 25 January 2022 at 11:00am (AEDT). You are encouraged to participate in the meeting using the following options:

MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 11:00am (AEDT) on Sunday, 23 January 2022.

ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit: https://meetnow.global/MRAKPGV

For instructions refer to the online user guide available through the virtual meeting link.

PARADIGM BIOPHARMACEUTICALS LIMITED
ABN 94 169 346 963

PAR

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

Need assistance?

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

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00 am (AEDT) on Sunday, 23 January 2022.**

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/au and select "Printable Forms".

Lodge your Proxy Form: XX

Online:

Lodge your vote online at 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
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to 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.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
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 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 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 as a virtual meeting on Tuesday, 25 January 2022 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 Resolutions 1, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7 and 8 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 Resolutions 1, 5, 6, 7 and 8 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	Approval of Remuneration Report	☐	☐	☐
Resolution 2	Election of Director: Helen Fisher	☐	☐	☐
Resolution 3	Election of Director: Amos Meltzer	☐	☐	☐
Resolution 4	Re-election of Director: John Gaffney	☐	☐	☐
Resolution 5	Approval of proposed issue of Employee Share Plan Shares to Paul Rennie	☐	☐	☐
Resolution 6	Approval of proposed issue of Employee Share Plan Shares to Donna Skerrett	☐	☐	☐
Resolution 7	Approval of increase in Non-Executive Directors' Fee Pool	☐	☐	☐
Conditional Business				
Resolution 8	Conditional Resolution - Spill Meeting	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of item 8 which undirected proxies will be voted against. 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

Computershare

PARADIGM BIOPHARMACEUTICALS LIMITED
ABN 94 169 346 963

PARRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
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