

13 October 2023

Dear Shareholder

Upcoming Annual General Meeting of Shareholders

The Company's Annual General Meeting is scheduled to be held on Thursday, 16 November 2023 at 11:30 am (AEDT) (**Meeting**).

Shareholders will be given the opportunity to attend and participate in a general meeting held at a physical location. The Meeting cannot be accessed virtually.

The Company **strongly encourages Shareholders to lodge a directed proxy form by Tuesday, 14 November 2023 at 11.30am (AEDT)**. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the Meeting, for example by preparing answers in advance to Shareholders' questions. However, votes and questions may also be submitted during the Meeting. Further details of how to participate in the Meeting are set out in the Notice of Meeting.

The Notice of Meeting and Annual Report can be viewed and downloaded from: <https://www.islandpharmaceuticals.com/site/investor/investor-welcome>

Shareholders who have nominated an email address and have elected to receive electronic communications from the Company will receive an email to their nominated email address with a link to an electronic copy of the important Meeting documents.

In accordance with sections 110C-110K the Corporations Act, as amended by the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), no hard copy of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated, unless a shareholder has requested a hard copy.

If you are unable to access any of the important Meeting documents online or if you wish to receive a hard copy of the Meeting documents please contact our share registry, Automic, on 1300 288 664 (within Australia) or +612 9698 5414 or via email at hello@automic.com.au.

Your right to elect to receive documents electronically or in hard copy

Island Pharmaceuticals will no longer send a hard copy of the meeting documents unless a shareholder requests a copy to be mailed.

We encourage all shareholders to provide an email address so that we can send investor communications electronically when they become available online, which includes items such as meeting documents and annual reports.

Shareholders can still elect to receive some or all of their communications in hard copy or electronic form or elect not to receive certain documents such as annual reports.

To review your communications preferences or sign up to receive your shareholder communications via email, please update your communication preferences at <https://investor.automic.com.au/>.



If you are a shareholder and would like a hard copy of communication, need further information about the options available to you or have questions about your holding, visit <https://investor.automic.com.au/> or contact our share registry.

Telephone (within Australia): 1300 288 664

Telephone (outside Australia): +61 2 9698 5414

Email: hello@automicgroup.com.au

Website: <https://investor.automic.com.au/>

Dr Paul MacLeman
Executive Chairman
Island Pharmaceuticals Ltd
info@islandpharmaceuticals.com

Investors and media, for further information, please contact:

Jane Lowe
IR Department Mobile: +61 411 117 774
jane.lowe@irdepartment.com.au

About Island Pharmaceuticals

Island Pharmaceuticals is clinical-stage drug repurposing company, focused on areas of unmet need for antiviral therapeutics for infectious diseases. Our lead asset is ISLA-101, a drug with a well-established safety profile, being repurposed for the prevention and treatment of dengue fever and other mosquito (or vector) borne diseases.

If ISLA-101 achieves FDA approval, and certain other criteria are met, Island may be eligible to obtain a "Priority Review Voucher" at the time of FDA approval. This means that as well as getting approval to manufacture and sell ISLA-101, the Priority Review Voucher (PRV) could permit Island to expedite the FDA approval process for a new drug or sell the PRV in a secondary market.

Island encourages all current investors to go paperless by registering their details with the Company's share registry, Automic Registry Services, whose contact info is housed on the Shareholder Services page of the Company's website.

Visit www.islandpharmaceuticals.com for more on Island.

ISLAND PHARMACEUTICALS LIMITED

ACN 641 183 842
(ASX code: ILA)

NOTICE OF 2023 ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting:
Thursday, 16 November 2023

Time of Meeting:
11:30 am (AEDT)

Island Pharmaceuticals Limited ACN 641 183 842 (the **Company**) is pleased to provide Shareholders with the opportunity to attend and participate in a general meeting, held at a physical location (**Meeting**). The Meeting cannot be accessed virtually.

Shareholders are strongly encouraged to lodge their completed Proxy Forms in accordance with the instructions in this Notice of Meeting.

In accordance with sections 110C-110K the Corporations Act, as amended by the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), **no hard copy** of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated unless a shareholder has requested a hard copy by Monday 13 November 2023 or a shareholder has otherwise elected to receive postal communications from the Company and nominated a postal address. The Notice of Meeting can be viewed and downloaded from the link set out below. Please also refer to the Notice of Meeting for details on how to participate in the Meeting.

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.

ISLAND PHARMACEUTICALS LIMITED

ACN 641 183 842

Notice of 2023 Annual General Meeting

Notice is given that an annual general meeting of the members of Island Pharmaceuticals Limited ACN 641 183 842 (**Company**) to be held at 11:30 am (AEDT) on Thursday **16 November 2023** as set out below:

Location	K&L Gates 31/1 O'Connell St Sydney NSW 2000 The Meeting is being held at a physical location only. You may only join the Meeting in person. The Meeting cannot be accessed virtually.
Date	16 November 2023
Time	11:30 am

The Meeting is being held for the purpose of considering and, if thought appropriate, passing the resolutions as outlined in this Notice of Meeting (**Notice**).

Shareholders wishing to vote in person, or their attorneys or in the case of a Shareholder or proxy which is a corporation, corporate representatives, must be present at the location and time noted above to participate.

The Company will hold the Meeting as a physical meeting only and intends to conduct a poll on the resolutions set out in the Notice incorporating the proxies filed prior to the Meeting.

Furthermore, in accordance with the section 110C-110K of the Corporations Act, as amended by the *Corporations Amendment (Meetings and Documents) Act 2022 (Cth)*, the Company is not sending hard copies of the Meeting materials to Shareholders unless a shareholder has requested a hard copy by Monday 13 November 2023 or a shareholder has otherwise elected to receive postal communications from the Company and nominated a postal address. Instead, a copy of the Meeting materials can be viewed and downloaded online at the following link:

<https://www.islandpharmaceuticals.com/site/investor/investor-welcome>.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice.

Agenda

1.1 Financial statements 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 2023.

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

1.2 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 2023 as set out in the Company's Annual Report for the year ended 30 June 2023 be adopted in accordance with section 250R(2) of the Corporations Act 2001 (Cth)."

*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.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's key management personnel (**KMP**) whose remuneration details are disclosed in the remuneration report for the year ended 30 June 2023 or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person who is entitled to vote on Resolution 1:

- in accordance with the directions on the proxy form; or
- by the person chairing the Meeting, and the proxy does not specify the way the proxy is to vote on the Resolution and in accordance with an express authorisation to exercise the proxy even though Resolution 1 is connected with the remuneration of KMP.

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

1.3 Resolution 2: Re-election of David Brookes

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

"That pursuant to the Company's Constitution and for all other purposes, the members of the Company approve the re-election of David Brookes as a Director of the Company, who pursuant to rule 13.3 of the Company's Constitution is retiring by rotation and being eligible offers themselves for re-election."

1.4 Resolution 3: Approval of increased placement capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the increase in the capacity of the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions stated in the Explanatory Memorandum which accompanies this Notice of Meeting."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of Resolution 3 by a person who may participate in a proposed issue of equity securities under the 10% Placement Capacity, and any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), if this resolution is passed and any associate of such a person, unless the vote is cast:

- by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the proxy form;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the person to vote in that way.

The Chairman intends to vote all available undirected proxies in favour of Resolution 3.

Note: In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this notice of Meeting it is not known who may participate in a proposed issue (if any). On that basis, no Shareholders are currently excluded.

1.5 Resolution 4: Adoption of new constitution

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That pursuant to section 136(2) of the Corporations Act and for all other purposes, the members of the Company approve the repeal and replacement of the Company's Constitution as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting."

1.6 Resolution 5: Adoption of new Employee Incentive Plan

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

"That the Shareholders approve the Company's new Employee Incentive Plan for the purposes of ASX Listing Rule 7.2 exception 13(b) and for all other purposes, as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the Company's employee incentive plan, or any of their respective associates, unless the vote is cast:

- by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the proxy form;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution, and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the person to vote in that way.

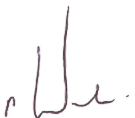
The Chairman intends to vote all available undirected proxies in favour of Resolution 5.

1.7 Resolution 6: Appointment of Auditor

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

“That pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, William Buck Audit (Vic) Pty Ltd, having been nominated by a Shareholder and consented in writing to act in the capacity of auditor of the Company, be appointed as auditor of the Company on the terms and conditions in the Explanatory Memorandum which accompanies this Notice of Meeting.”

By order of the Board



Peter Webse
Company Secretary

9 October 2023

Voting entitlement notice

1. Entitlement to vote

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 7:00pm (AEDT) on Tuesday 14 November 2023. Accordingly, transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

2. Voting at the meeting

You may vote by participating in person at the Meeting or by appointing an attorney or corporate representative to participate in person at the Meeting and vote for you. Alternatively, Shareholders who are entitled to vote at the Meeting may vote by appointing a proxy to participate and vote on their behalf, using the Proxy Form accompanying this notice or by appointing a proxy online.

(a) Jointly held Shares

If more than one Shareholder votes in respect of jointly held Shares, only the vote of the Shareholder whose name appears first in the share register will be counted whether the vote is given personally, by attorney or proxy.

(b) Voting at the Meeting in person

Shareholders wishing to vote in person, or their attorneys or in the case of a Shareholder or proxy which is a corporation, corporate representatives, must be in attendance at K&L Gates, 31/1 O'Connell St, Sydney NSW 2000 at 11:30am (AEDT) on Thursday, 16 November 2023.

Shareholders, their attorneys or in the case of Shareholders or proxies which are corporations, corporate representatives, who plan to participate in person at the Meeting should arrive at the Meeting venue at least 15 minutes prior to the time designated for the commencement of the Meeting, if possible, to register and to obtain a voting card.

(c) Voting by proxy

Shareholders wishing to appoint a proxy to vote on their behalf at the Meeting must either complete and sign or validly authenticate the personalised Proxy Form which accompanies this Notice of Meeting or lodge their proxy online. A person appointed as a proxy may be an individual or a body corporate.

Completed Proxy Forms must be delivered to the Share Registry by 11:30am (AEDT) on Tuesday, 14 November 2023 in any of the following ways:

(i) By mail

Island Pharmaceuticals Limited
C/- Automic Share Registry
GPO Box 5193
Sydney NSW 2001

(ii) By email to the Share Registry at meetings@automicgroup.com.au.

(iii) **Online** if you wish to appoint your proxy online, you should do so by visiting <https://investor.automic.com.au> and by following the instructions on that website. Online appointments of proxies must be done by 11:30 am (AEDT) on Tuesday, 14 November 2023.

(iv) **By Hand:**

Automic Registry Services, Level 126, Philip Street, Sydney NSW 2000;

A proxy need not be a Shareholder.

If you appoint a proxy and subsequently wish to attend the meeting yourself, the proxy will retain your vote and you will be unable to vote yourself unless you notify the registrar of the revocation of your proxy appointment before the commencement of the Meeting. You may notify the registrar by calling 1300 288 664 (from within Australia) and +61 2 9698 5414 (from outside Australia).

If a proxy appointment is signed by a Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman will act as proxy.

You are entitled to appoint up to two proxies to participate in 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 you must specify the names of each proxy and the percentage of votes or number of securities for each proxy on the Proxy Form. Replacement Proxy Forms can also be obtained from the Share Registry.

If you hold Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the Proxy Form.

(d) Undirected proxies

If a Shareholder nominates the Chairman of the Meeting as that Shareholder's proxy, the person acting as Chairman of the Meeting must act as proxy under the appointment in respect of any or all items of business to be considered at the Meeting.

If a proxy appointment is signed or validly authenticated by that Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the Meeting will act as proxy in respect of any or all items of business to be considered at the Meeting.

Proxy appointments in favour of the Chairman of the Meeting, the Company Secretary or any Director which do not contain a direction as to how to vote will be voted in favour of the resolution at the Meeting.

The Chairman intends to vote undirected proxies of which the chair is appointed as proxy in favour of the resolutions.

(e) Voting by attorney

If you wish to appoint an attorney to vote at the Meeting the original or a certified copy of the power of attorney under which the attorney has been appointed must be received by the Share Registry no later than 11:30am (AEDT) on Tuesday, 14 November 2023 (or if the Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Meeting in relation to the resumed part of the Meeting).

Any power of attorney granted by a Shareholder will, as between the Company and that Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Shareholder is lodged with the Company.

Your appointment of an attorney does not preclude you from participating and voting at the Meeting. The appointment of your attorney is not revoked merely by your participation and taking part in the Meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.

(f) Voting by corporate representative

To vote by corporate representative at the Meeting, a Shareholder or proxy who is a corporation should obtain a *Certificate of Appointment of Corporate Representative* from the Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged with the Share Registry before 11:30am (AEDT) on Tuesday, 14 November 2023.

The appointment of a representative may set out restrictions on the representative's powers. The appointment must comply with section 250D of the Corporations Act.

The original *Certificate of Appointment of Corporate Representative*, a certified copy of the *Certificate of Appointment of Corporate Representative*, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

ISLAND PHARMACEUTICALS LIMITED

ACN 641 183 842

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 as a physical meeting at 11:30am (AEDT) on Thursday, 16 November 2023 (**Meeting**).

The Company will hold the Meeting as a physical meeting only and intends to conduct a poll on the resolutions set out in the Notice incorporating the proxies filed prior to the Meeting.

1. Accounts and Reports

The Corporations Act requires the Company to provide 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 2023.

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 <https://www.islandpharmaceuticals.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 2023;
- (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

2.1 Requirements of Corporations Act

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 2023 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 2023 Annual Report can be found on its website at <https://www.islandpharmaceuticals.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 Company's current "strike" count is zero. If a "first strike" was to occur at the 2023 Annual General Meeting:

- (a) the Company's subsequent Remuneration Report (in other words, the Company's Remuneration Report to be included in the 2024 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
- (b) if the Company's subsequent (i.e. 2024) Remuneration Report also receives a "no vote" at the 2024 Annual General Meeting of at least 25% of the votes cast, then Shareholders at the 2024 Annual General Meeting will be asked (at that 2024 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.

2.2 Board Recommendation

As set out in the Notice of 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.

3. Resolution 2: Re-election of David Brookes

3.1 Background

Rule 13.3 of the Company's Constitution provides that there must be an election of Directors at each annual general meeting. No Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the Director's election, whichever is the longer, without submitting themselves for re-election.

If no person is standing for election or re-election, then the Director who has been in office the longest since last being elected will retire by rotation at the relevant annual general meeting. Where 2 or more Directors were elected on the same day, the Director to retire will be decided by lot, unless the relevant Directors agree otherwise.

This rule does not apply to the Managing Director. A retiring Director is eligible for re-election without needing to give any prior notice of an intention to submit for re-election and holds office as a Director until the end of the meeting at which the Director retires.

Dr Brookes, who was elected as a Non-Executive Director on 1 October 2020 and last re-elected on 17 November 2021, being eligible, offers himself for re-election.

David Brookes, Non-Executive Director	
Qualifications, experience and skills	Dr Brookes has extensive experience in the health and biotechnology industries and has held Board positions in a number of ASX listed biotechnology companies, including as Chairman of genomics solutions company, RHS Ltd, which was acquired by PerkinElmer Inc (NYSE:PKI) in June 2018. Dr Brookes has graduated MBBS (Adelaide) and is a FACRRM (Fellow of the College of Rural and Remote Medicine) and a FAICD (Fellow of the Australian Institute of Company Directors).
Other current directorships	Dr Brookes is currently the non-executive Chair of ASX listed Dominion Minerals Ltd and executive Chair of Anantara Lifesciences Ltd. He is also a non-executive director of ASX listed company TALi Digital Ltd.
Independence	Dr Brookes is an independent Director as in the Board's view he is free from any business or other relationship that could materially interfere with or reasonably be perceived to materially interfere with the independent exercise of his judgement.
Special responsibilities	Chair of Audit and Risk Committee

3.2 Board Recommendation

The Directors (with David Brookes abstaining) recommend that Shareholders vote in favour of this Resolution 2.

4. Resolution 3: Approval of increased placement capacity

4.1 Placement capacity

ASX Listing Rule 7.1A enables eligible entities, after obtaining Shareholder approval at an annual general meeting, to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. This Resolution 3 seeks approval to allow the Board the flexibility to issue additional Shares if it so decided. The Board may decide not to issue any Shares pursuant to this Resolution 3.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If this Resolution 3 is not approved by Shareholders then the Company will not have the flexibility of an available additional 10% capacity to issue Shares under the 10% Placement Facility described in this section 4 of the Explanatory Memorandum. The Company not having

the 10% Placement Facility will have no effect on the Company's existing Listing Rule 7.1 15% capacity.

4.2 Description of Listing Rule 7.1A

Any equity securities issued under the 10% Placement Facility (**Placement Securities**) must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has on issue one class of quoted equity securities, being ordinary shares (**Shares**).

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Placement Securities calculated in accordance with the formula in Listing Rule 7.1A.2.

The effect of Resolution 3 will be to allow the Directors to issue the Placement Securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without using any of the Company's 15% placement capacity under Listing Rule 7.1.

4.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) Period for which approval will be valid

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX

(10% Placement Period).

(b) Minimum issue price

If any Placement Securities are issued, the minimum price the Placement Securities will be issued for cash consideration which is not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (ii) if the Placement Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Placement Securities are issued.

The actual number of Placement Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(c) Maximum number of Shares to be issued:

Listing Rule 7.1A.2 provides that an eligible entity which has obtained a 7.1A mandate may, during the period of the mandate, issue or agree to issue a number of equity securities (**N**) equal to the 10% Placement Facility, calculated in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$$\mathbf{N = (A \times D) - E}$$

where:

A = is the number of shares on issue 12 months before the date of the issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17,
- (ii) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- (iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (A) the agreement was entered into before the commencement of the relevant period; or
 - (B) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- (iv) plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4,
- (v) plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- (vi) less the number of fully paid ordinary securities cancelled in the relevant period.

(Note: "A" has the same meaning as in Listing Rule 7.1 when calculating the 15% capacity);

D = 10%;

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period (being the 12 month period immediately preceding the

date of the issue or agreement), where the issue or agreement has not been subsequently approved by holders of ordinary securities under Listing Rule 7.4;

(d) Purposes for which Placement Securities may be issued

The Company may seek to issue the Placement Securities as cash consideration for the acquisition of new assets and or other investments, or as cash for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Placement Securities.

(e) Effect on existing (non-participating) Shareholders

If Resolution 3 is approved by Shareholders and the Company issues Placement Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the Placement Securities than on the date of the Annual General Meeting; and
- (ii) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date.

The below table is included for illustrative purposes and shows the potential dilution of existing Shareholders on the basis of the current market price of the Shares as at 5 October 2023 and the current number of Shares for variable "A" (above) calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue as at the date of this Notice of Meeting. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples where the issue price of the Shares has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Placement Securities available under the 10% Placement Facility.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.

- (iv) The table shows only the effect of issues of Placement Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issue of Placement Securities under the 10% Placement Facility consists only of Shares.
- (vi) The issue price is \$0.085, being the closing price of the Shares on ASX on 5 October 2023.

Variable 'A' in Listing Rule 7.1A.2		\$0.0425 50% decrease in issue price	\$0.085 issue price	\$0.1275 50% increase in issue price
Current Variable A 81,268,468 Shares	10% Voting Dilution	8,126,846 Shares	8,126,846 Shares	8,126,846 Shares
	Funds raised	\$345,390	\$690,781	\$1,036,172
50 % increase in current Variable A 121,902,702 Shares	10% Voting Dilution	12,190,270 Shares	12,190,270 Shares	12,190,270 Shares
	Funds raised	\$518,086	\$1,036,172	\$1,554,259
100% increase in current Variable A 162,536,936 Shares	10% Voting Dilution	16,253,693 Shares	16,253,693 Shares	16,253,693 Shares
	Funds raised	\$690,781	\$1,381,563	\$2,072,345

(f) Company's share allocation policy

The Company's share allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, issues in which existing security holders can participate;
- (ii) the effect of the issue of the Placement Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and

(iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(g) Information under ASX Listing Rule 7.3A.6

The Company has not issued or agreed to issue any securities under Listing Rule 7.1A.2 during the 12 months prior to the date of this Meeting.

(h) Information under ASX Listing Rule 7.3A.7

At the date of this Notice the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2 and so no voting exclusion is required.

4.4 Board recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3.

5. Resolution 4 – Adoption of new constitution

5.1 Background

Resolution 4 is a Special Resolution pursuant to section 136(2) of the Corporations Act which proposes the repeal of the Company's existing constitution dated 15 October 2020 (Existing Constitution) and adopt a new constitution (Proposed Constitution), which is being updated to ensure that it reflects the current requirements of the Corporations Act, the ASX Listing Rules and good governance. The Directors believe that in the circumstances it is preferable to replace the Existing Constitution with the Proposed Constitution, rather than to amend a multitude of specific rules.

The Proposed Constitution is broadly consistent with the provisions of the Existing Constitution adopted on 16 October 2020.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website: <https://www.islandpharmaceuticals.com/site/investor/corporate-governance>.

It is not practicable to list all of the proposed changes to the Constitution in detail in this Explanatory Memorandum. However, a summary of those amendments which in the view of the Directors are material, are set out in the next section.

5.2 Summary of material changes

There are amendments that are not material or that have not material impact on Shareholders. These include:

- » to update immaterial provisions to reflect the current position under the Corporations Act, ASX Listing Rules and other applicable rules;
- » of a drafting, procedural or administrative nature;
- » to remove outdated and redundant provisions;
- » to more clearly provide for virtual general meetings;

- » to provide for an issue cap for equity securities issued under an equity incentive plan of 7.5%; and
- » to re-instate Clause 11 in its identical form as the Existing Constitution.

It is not practicable to list all of the differences between the Existing Constitution and Proposed Constitution in detail in this Explanatory Memorandum. However, a summary of the material differences is set out below (capitalised terms have the meaning given to them in the Proposed Constitution):

(a) Virtual general meetings

Although the Existing Constitution provides expressly for holding general meetings exclusively using technology, as virtual meetings, the provisions of the Proposed Constitution provide that any general meeting may be held virtually more clearly, using technology only, provided the technology gives members as a whole a reasonable opportunity to attend, participate, be heard and vote and otherwise meets applicable legal requirements.

(b) Employee incentive plan issue cap

In accordance with the New Rules noted in paragraph 6.2 below, the provisions of the Proposed Constitution provide that, for the purposes of section 1100V of Division 1A of Part 7.12 the Corporations Act, the issue cap percentage for the Company is 7.5%.

(c) Proportional bid provisions

Clause 11 contains provisions which deal with member approval requirements if there were to be any proportional takeover bids for the Company's securities (**Proportional Bid Provisions**).

Clause 11 of the Constitution provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by the members at a general meeting of the Company (**Approving Resolution**). The person making the offer for the securities (**Offeror**) (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than 50% of members who are entitled to vote at that meeting.

Clause 11 also provides that:

- (i) If an Approving Resolution is not voted upon within 14 days of the end of the bid period, the Approving Resolution is deemed approved; and
- (ii) If the Approving Resolution is rejected, all unaccepted offers under the proportional takeover bid are deemed withdrawn and the Offeror must rescind each contract created as a result of the acceptance of an offer under that proportional takeover bid.

Part 6.5 Subdivision 5C of the *Corporations Act* (and Section 11 of the Constitution) provide that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the members.

The Directors believe that the members should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of **all** of their securities (rather

than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Clause 11 needs to be renewed. If Clause 11 is renewed and any proportional takeover bid (if any) is subsequently approved by members, each member will still have the right to make a separate decision whether that member wishes to accept the (proportional takeover) bid for their own securities. Accordingly, the Board believes it is appropriate that the Proportional Bid Provisions of the Company's Constitution (Clause 11) be reinstated.

As at the date of this Notice, the Directors are not aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

5.3 Board recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 4.

6. Resolution 5 - Adoption of new Employee Incentive Plan

6.1 Background

The Company considers that it is desirable to adopt an updated Employee Incentive Plan (**New Plan**) pursuant to which the Company may issue equity securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

The New Plan incorporates amendments to the Corporations Act since the existing Employee Incentive Plan was adopted on 17 February 2021 (**Existing Plan**). The Directors believe that it is preferable in the circumstances to replace the Existing Plan with the New Plan rather than to amend a multitude of specific provisions to ensure compliance with the new legislative regime.

Resolution 5 seeks Shareholders' approval for the adoption of the New Plan in accordance with Listing Rule 7.2 exception 13(b).

Under the New Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the New Plan.

A summary of the terms of the New Plan is contained in Annexure 2. A copy of the New Plan, marked up against the Existing Plan, is contained in Annexure 3.

A copy of the New Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries.

6.2 Summary of legislative changes

On 1 October 2022, the *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022* (Cth) introduced a new Division 1A into Part 7.12 of the Corporations Act in relation to employee share schemes (**New Rules**). The legislation replaces and expands the current ASIC Class Order [CO 14/1000] (the **Class Order**) as summarised below:

Matter	Description of legislative changes
<p>Expanded eligibility</p>	<p>Class Order regulatory relief was previously only available for issues to directors, full time and part time employees and casual employees or contractors that are 40% or more full time equivalent.</p> <p>Under the New Rules, an offer may only be made to specified “primary participants” (being directors, employees and service providers, with no minimum requirements of hours of service provided) or certain related persons to a primary participant (such as certain immediate family members, controlled bodies corporate or a related self-managed superannuation fund).</p>
<p>Issue cap</p>	<p>No monetary consideration</p> <p>Under the Class Order, issue caps of 5% of a listed entity’s fully paid shares applied over a rolling period of 3 years (irrespective of whether monetary consideration is required) when relying on Class Order relief.</p> <p>Under the New Rules, there is no cap on issues made for <u>no monetary consideration</u>. Caps only apply to issues made for monetary consideration (being 5% for listed entities unless a higher cap is specified in the Constitution).</p> <p>Further, offers of eligible interests to participants under an employee securities incentive plan which would not ordinarily require disclosure, such as offers to senior managers or small- scale offerings are not required to comply with the issue cap.</p> <p>Monetary consideration</p> <p>As noted above, under the Class Order, issue caps of 5% of a listed entity’s fully paid shares previously applied over a rolling period of 3 years (irrespective of whether monetary consideration is required) when relying on Class Order relief.</p> <p>Under the New Rules, the number of ESS interests issued over a three-year period must not exceed 5% of the issued share capital unless the entity's constitution specifies a different issue cap.</p>
<p>Disclosure</p>	<p>The Class Order did not distinguish between offers for monetary consideration and those without, with the same disclosure requirements for both offers.</p> <p>Under the New Rules, offers made for no monetary consideration do not have any specific requirements, other than the need for a statement that the offer is made pursuant to Division 1A of Part 7.12 of the Corporations Act.</p> <p>In the case of offers made for monetary consideration, an offer document is required (with specific disclosure requirements) and participants cannot acquire their interests until 14 days after receiving the necessary disclosure from the entity.</p>

Quotation and suspension requirements	<p>Class Order relief was previously only available where an entity meets the minimum quotation period of 3 months prior to making an offer of eligible interests. In addition, relief is prohibited if an entity is suspended from quotation for over 5 days in the preceding 12-month period.</p> <p>Under the New Rules, listed entities can offer eligible interests without first meeting any minimum quotation period, and regardless of any suspensions to the trading of securities.</p>
On-sale relief	<p>The Class Order provides relief from the on-sale provisions for securities issued under the Class Order.</p> <p>Pursuant to the New Rules, listed entities must issue a cleansing notice to ensure that any Shares issued (including following the exercise of any options and performance rights) may be on-sold within 12 months of issue.</p>
Criminal offences	<p>A number of new offences created under the New Rules, including misleading and deceptive statement offences and offences relating to holding participants' money. In addition, regulatory relief can be revoked if any of the below are breached:</p> <ul style="list-style-type: none"> • compliance with the monetary cap; • compliance with the issue cap; and • providing disclosure documents at the required time.

6.3 Summary of changes of the Existing Plan in the New Plan

A summary of the key changes under the New Plan are set out below.

Matter	Description of changes
Expanded eligibility	<p>Under the Existing Plan, offers of options, performance rights, loan shares, deferred shares and exempt shares (Awards) may be made at the discretion of the Board to "Employees" (as defined as a person who is an employee, officer, director or consultant of a Group entity).</p> <p>In accordance with the New Rules, under the New Plan, the Board will have discretion to offer Awards to:</p> <ul style="list-style-type: none"> • "Employees" (as defined as a person who is an employee, officer, director or consultant of a Group entity); and • "Related persons" (as defined as immediate family members, controlled bodies corporate or a related self-managed superannuation fund)
Issue cap	<p>Under the Existing Plan, generally speaking, rule 6 prevents any offer awards above 5% of the number of Shares on issue at the time of the offer. In accordance with the New Rules, the New Plan has modified the Existing Plan to remove rule 6.</p>

	The constitution has also been amended to reflect an issue cap percentage for the Company of 7.5%.
Disclosure	<p>In accordance with the New Rules, the provisions of the New Plan amend rule 5.2 such that it only applies to offer of Awards where monetary consideration has been paid.</p> <p>For offers of Awards where no monetary, the provisions of the New Plan set out a new rule 5.3 which states that offers made for no monetary consideration do not have any specific requirements, other than the need for a statement that the offer is made pursuant to Division 1A of Part 7.12 of the Corporations Act.</p>

6.4 Listing Rule 7.2 exception 13(b)

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Under Listing Rule 7.1A an eligible entity can seek shareholder approval at its annual general meeting to allow it to issue equity securities comprising up to 10% of its issued capital.

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of equity securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of equity securities under the scheme as an exception to Listing Rule 7.1. The Company's Existing Plan was adopted on 17 February 2021.

If Resolution 5 is passed, the Company will be able to issue equity securities under the New Plan to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolutions 5 is not passed, the Company will not be able to issue equity securities under the New Plan to eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1. Any equity securities issued under the New Plan will reduce the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the New Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

6.5 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the New Plan:

- (a) a summary of the material terms of the New Plan is contained in Annexure 2;
- (b) since adoption of the Existing Plan, the Company has issued 1,380,000 securities under the terms of the Existing Plan; and

- (c) the maximum number of equity securities available to be issued under the New Plan pursuant to Listing Rule 7.2, exception 13(b) is 7.5% of the equity securities on issue at the date of the relevant offer, being equal to 6,095,135 as at the date of the Meeting.
- (d) a voting exclusion statement is included in the Notice.

6.6 Board recommendation

The Board declines to make a recommendation in relation to Resolution 5 due to their material personal interest in the outcome of the Resolution.

7. Resolution 6 – Appointment of auditor

7.1 Background

On 19 December 2022, pursuant to section 327C(1) of the Corporations Act, William Buck Audit (Vic) Pty Ltd ACN 116 151 136 was appointed by the Directors as auditor of the Company to fulfil a casual vacancy.

Under section 327C(2) of the Corporations Act, an auditor who has been appointed under section 327C(1) of the Corporations Act only holds office until the company's next annual general meeting.

The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to section 327B(1) of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated William Buck Audit (Vic) Pty Ltd to be appointed as the auditor of the Company. A copy of the notice of nomination is set out in Annexure 4 to this Notice of Meeting.

William Buck Audit (Vic) Pty Ltd has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, under this Resolution, Shareholder approval is being sought to appoint William Buck Audit (Vic) Pty Ltd as the auditor of the Company.

7.2 Board recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 6.

8. 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 this Notice of Meeting.

The Directors recommend members read this Explanatory Memorandum 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.

9. Glossary

9.1 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 as a physical meeting at K&L Gates, Level 31, 1 O'Connell Street, Sydney NSW 2000, Australia at 11:30am on Thursday, 16 November 2023 pursuant to the Notice of Meeting.

Annual Report means the annual report of the Company announced to ASX on 30 August 2023.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

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

Auditor's Report means the report titled "Independent auditor's report to members " which forms part of the Company's Annual Report announced to ASX on 30 August 2023.

Automic means Automic Registry Services.

Board means the board of Directors of the Company.

Certificate of Appointment of Corporate Representative means the certificate of appointment of corporate representative available at Automic's website: <https://investor.automic.com.au/#/support/2/sub>.

Chair means the chair of the Meeting.

Chairman means the chairman of the Board.

Company means Island Pharmaceuticals Limited ACN 641 183 842.

Constitution means the constitution of the Company dated 15 October 2020.

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

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

Director means a director of the Company.

Directors' Report means the report titled "Directors' report" included in the Company's Annual Report announced to ASX on 30 August 2023.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Financial Report means the financial report of the Company included in its Annual Report announced on the ASX on 30 August 2023.

Group means the Company and any of its subsidiaries.

Key Management Personnel or KMP means the key personnel as disclosed in the Remuneration Report, being Anna Lavelle, David Brookes, Albert Hansen, Paul MacLeman and David Foster.

Meeting means the annual general meeting subject to this Notice.

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2023 as set out in the Company's Annual Report for the year ended 30 June 2023.

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

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

Share Registry means Automic Group Pty Ltd.

Shareholder means a holder of a Share.

9.2 Interpretation

For the purposes of interpreting the Notice:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (d) a reference to time is to Sydney, Australia time;
- (e) a reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors and permitted assigns and substitutes;
- (f) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (h) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act; and

the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions.

Annexure 1 - Proposed Constitution

[Attached]

K&L GATES

**Constitution of
Island Pharmaceuticals Limited
641 183 842
As at 16 November 2023**

Type text here

K&L Gates
Melbourne office
Ref: 7392793.00001

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Island Pharmaceuticals Limited ACN 641 183 842

A Company Limited by Shares

Constitution

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this Constitution unless the context requires otherwise:

Act means the *Corporations Act 2001 (Cth)* and any regulations made under that statute;

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires;

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532;

ASX Settlement Operating Rules means the operating rules of ASX Settlement from time to time;

Award means any securities issued under the Company's Employee Incentive Plan Rules, as amended from time to time, including:

- (a) options;
- (b) performance rights;
- (c) loan shares;
- (d) deferred share award;
- (e) exempt share award; and
- (f) any other ESS Interest;

Board means the Board of Directors of the Company from time to time;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Victoria;

Chairman means the Chairman of Directors appointed under clause 15.4;

CHESS has the meaning given to that term in the ASX Settlement Operating Rules;

Company means Island Pharmaceuticals Limited ACN 641 183 842;

Constitution means this constitution as altered or added to from time to time;

CS Facility has the meaning given to the term "prescribed CS facility" in section 761A of the Act;

Director means a person appointed or elected to the office of director of the Company and includes any alternate director duly acting as a director;

Dividend includes an interim dividend;

ESS Interest has the meaning given to it under section 1100E of the Corporations Act, being offers of interests under an employee share scheme of a body corporate or a registered scheme that meets certain listing requirements;

Government Agency means any government or any public, statutory, governmental (including a local government), semi-governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute;

Law means:

- (a) principles of law or equity established by decisions of courts;
- (b) statutes, regulations or by-laws of the Commonwealth, a State, a Territory or a Government Agency;
- (c) requirements and approvals (including conditions) of the Commonwealth, a State, a Territory or a Government Agency that have the force of law; and
- (d) the Listing Rules;

Listing Rules means the Listing Rules of ASX and any other rules and procedures of ASX that apply to the Company while it is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

Managing Director means a person who, for the time being, has been duly appointed and holds office as a managing Director;

Marketable Parcel has the meaning given in clause 10.1;

Member means a person who is entered in the Register as the holder of Shares in the equity capital of the Company;

Official List means the official list of entities that ASX has admitted and not removed;

Prescribed Rate means the rate that is the rate specified from time to time under section 2 of the *Penalty Interest Rates Act 1983 (Vic)*;

Present means, in connection with a meeting, the Member being present in person or by proxy, by attorney or, where the Member is a body corporate, by representative, and includes being present at a different venue from the venue at which other Members are participating in the same meeting, or virtually where the meeting is held using technology, providing the pre-requisites for a valid meeting at different venues are observed;

Register means the registers and issuer-sponsored subregisters (if any) of Members to be kept under the Act and the Listing Rules;

Registered Office means the registered office of the Company;

Restricted Securities has the same meaning given to it in the Listing Rules;

Secretary means a person appointed to the office of secretary of the Company from time to time; and

Share means a share in the equity capital of the Company.

1.2 Interpretation

In this Constitution, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes the other genders;
- (c) headings are used for convenience only and do not affect the interpretation of this Constitution;
- (d) other grammatical forms of a defined word or expressions have a corresponding meaning;
- (e) a reference to a document is to that document as amended, novated, supplemented, extended or restated from time to time;
- (f) if something is to be or may be done on a day which is not a Business Day then it must be done on the next Business Day;
- (g) "person" includes a natural person, partnership, body corporate, association, joint venture, governmental or local authority, and any other body or entity whether incorporated or not;
- (h) "month" means calendar month and "year" means 12 consecutive months;
- (i) a reference to all or any part of a statute, rule, regulation or ordinance (**statute**) is to that statute as amended, consolidated, re-enacted or replaced from time to time;
- (j) "include", "for example" and any similar expressions are not used, and must not be interpreted, as words of limitation;
- (k) a reference to any agency or body that ceases to exist, is reconstituted, renamed or replaced or has its powers or functions removed (**defunct body**), is to the agency or body that performs most closely the powers or functions of the defunct body;
- (l) any expression in this Constitution that is defined in the Listing Rules has the same meaning as in the Listing Rules; and
- (m) any expression in a provision of this Constitution that relates to a particular provision of the Act has the same meaning as in that provision of the Act.

1.3 Replaceable rules

The replaceable rules contained in the Act are displaced under section 135(2) of the Act and do not apply to the Company.

1.4 Compliance with the Act

This Constitution is subject to the Act and where there is any inconsistency between a clause of this Constitution and the Act which is not permissible under the Act, the Act prevails to the extent of the inconsistency.

1.5 Transitional

Everything done under this Constitution of the Company continues to have the same operation and effect after the adoption of any successor Constitution as if properly done under that Constitution.

1.6 Listing Rules and ASX Settlement Operating Rules only apply if Company is listed

In this Constitution, a reference to the Listing Rules or ASX Settlement Operating Rules:

- (a) only has effect if at the relevant time the Company is admitted to the Official List and is otherwise to be disregarded; and
- (b) is to be read taking into account any waivers or exemptions applicable to the Company.

1.7 Constitution subject to Listing Rules if the Company is listed

If the Company is admitted to the Official List, the following clauses apply:

- (a) despite anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act must not be done;
- (b) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (f) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

2. Capital

2.1 Power of Directors to issue Shares and other securities

- (a) The issue and the terms of issue of Shares, options over unissued Shares and other securities of the Company is under the control of the Directors, subject to the Listing Rules.
- (b) Any Share, option or other security may be issued with such preferred, deferred or other special rights or restrictions, whether with regard to Dividends, voting, return of capital, payment of calls or otherwise, as the Directors decide, subject to the Listing Rules.

- (c) Clause 2.1(a) has effect without prejudice to any special rights conferred on the holders of any issued Shares, options over unissued Shares or other securities.

2.2 Preference Shares

- (a) The Company may issue preference Shares, which may be issued:
 - (i) on terms that they are, at the option of either the Company or the holder or both, liable to be redeemed or converted into ordinary Shares;
 - (ii) as any combination of fully paid, partly paid or unpaid preference Shares; and
 - (iii) with the rights provided for in Schedule 1 and as otherwise determined by the Directors in accordance with Schedule 1.
- (b) The Company may issue further preference Shares ranking pari passu in all respects with (but not in priority to) other preference Shares already issued and the rights of the issued preference Shares are not to be taken to have been varied by the further issue of preference Shares.
- (c) The issue of any class of securities ranking in priority, or any conversion of existing securities to securities ranking in priority, to an existing class of preference Shares is a variation or abrogation of the rights attaching to those preference Shares and requires approval under clause 2.3(b).

2.3 Classes of Shares

- (a) This clause applies when the share capital is divided into different classes of Shares.
- (b) The rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied:
 - (i) with the consent in writing of the holders of at least 75% of the issued Shares of that class; or
 - (ii) with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class.
- (c) The provisions of this Constitution relating to general meetings apply (with any necessary changes) to meetings of every separate class, except that any holder of Shares of the class Present may demand a poll.
- (d) Unless otherwise provided by this Constitution, or by the terms of issue of any Shares, the issue of further Shares ranking equally with existing Shares is not a variation or abrogation of the rights attaching to those existing Shares.

2.4 Brokerage

- (a) Subject to the Act and the Listing Rules, the Company may pay brokerage or commission to any person in consideration of the person:

- (i) subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in the Company; or
 - (ii) procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any Shares in the Company.
- (b) Any brokerage or commission may be satisfied by:
- (i) the payment of cash;
 - (ii) the issue of Shares of the Company; or
 - (iii) a mixture of the above.

2.5 Non-recognition of equitable or other interests

Except as otherwise provided in this Constitution, the Company must treat the registered holder of any Share as the absolute owner of the Share and must not, except as ordered by a court or as required by statute, recognise (even when having notice) any equitable or other claim to or interest in the Share on the part of any other person.

3. Alteration of capital

3.1 Power to alter capital

- (a) The Company may, by resolution, make any reduction or alteration to the Company's share capital permitted by the Act.
- (b) Subject to the Act and the Listing Rules, a reduction of share capital may be effected in any lawful manner, including by cancellation of Shares, return of funds or distribution of assets in specie, as the Directors may approve.
- (c) The Directors may do anything required to give effect to a resolution altering the Company's share capital.
- (d) If a Member becomes entitled to a fraction of a Share, the Directors may determine how to deal with this, including, without limitation:
 - (i) authorising the sale of fractions of Shares and the distribution of net proceeds as they see fit, including authorising entry into any agreement with any person on behalf of the relevant Member; or
 - (ii) issuing fractional certificates for fractions of Shares.

3.2 Power to buy back Shares

The Company may, in accordance with the Act and the Listing Rules, buy back its own Shares on any terms and conditions determined by the Directors.

4. Certificates

4.1 Uncertificated holdings

To the extent that dealings in Shares or other securities take place in CHESS or any other CS Facility that provides for dealing in securities in uncertificated form, the Company is not required to issue certificates for those Shares or securities.

4.2 Certificates

- (a) If the Company is required by the Act, the Listing Rules or the ASX Settlement Operating Rules to issue certificates for Shares or other securities of the Company, the Directors must cause the Company to issue the certificates.
- (b) The Directors may cancel any certificates and replace lost, stolen or damaged certificates on such terms and in such a manner as they determine from time to time.

5. Transfer of Shares

5.1 Transfer of Shares

- (a) Shares may be transferred by:
 - (i) a transfer effected in accordance with the ASX Settlement Operating Rules (if applicable);
 - (ii) a written instrument of transfer in any form authorised by the Act; or
 - (iii) any other method of transfer permitted by the Act and the Listing Rules.
- (b) The Directors may do anything necessary or desirable to facilitate dealings in the Shares or other Company securities to be effected through CHESS or any other CS Facility. The Company must comply with the ASX Settlement Operating Rules or the operating rules of any other CS Facility, as applicable.
- (c) No fee may be charged by the Company on the transfer of any Shares, except to the extent that the fee is permitted by the Listing Rules.
- (d) A transferor of Shares remains the holder of the Shares until:
 - (i) the transfer has been effected in accordance with the ASX Settlement Operating Rules; or
 - (ii) the transferee's name is entered in the Register as the holder of the Shares.

5.2 Registration of written transfers

- (a) A written transfer referred to in clause 5.1(a)(ii) must be:
 - (i) duly executed and stamped (if required by Law); and
 - (ii) lodged for registration at the Registered Office or any other location approved by the Directors, together with:

- (A) the certificate (if any) for the relevant Shares; and
 - (B) any other information that the Directors may require to establish the transferor's right to transfer the Shares and the transferee's right to acquire the Shares.
- (b) Subject to any powers of the Company or the Directors to refuse registration (under clause 5.3 or otherwise), on compliance with clause 5.2(a), the Company must register the transferee as a Member.
 - (c) The Directors may waive compliance with clause 5.2(a)(ii) on receipt of satisfactory evidence of loss or destruction of the certificate.

5.3 Refusing a transfer

Subject to the Act, the Listing Rules and the ASX Settlement Operating Rules, the Directors may in their absolute discretion ask ASX Settlement to apply a holding lock to prevent a transfer under the ASX Settlement Operating Rules, or refuse to register a paper-based transfer, of a Share where:

- (a) the Company has a lien on the Shares the subject of the transfer;
- (b) the Company is served with a court order that restricts the relevant Member's capacity to transfer the Shares;
- (c) registration of the transfer may breach a Law and ASX has agreed in writing to the application of a holding lock (which must not breach an ASX Settlement Operating Rule) or that the Company may refuse to register a transfer;
- (d) this Constitution or the Listing Rules permits them to do so;
- (e) if the transfer is paper-based, a Law related to stamp duty prohibits the Company from registering it;
- (f) the transfer does not comply with the terms of any employee incentive scheme of the Company;
- (g) if the transfer is paper-based, registration of the transfer will create a new holding which at the time the transfer is lodged is less than a Marketable Parcel; or
- (h) the Member has agreed in writing to the application of a holding lock (which must not breach an ASX Settlement Operating Rule) or that the Company may refuse to register a paper-based transfer.

5.4 Notice of non-registration

If the Directors decline to register any transfer of Shares, the Company must, within 5 Business Days after the transfer is lodged with it, give to the person who lodged the transfer written notice of the decision to decline registration and the reason for it.

5.5 Suspension of transfers

Subject to the ASX Settlement Operating Rules, the Directors may suspend registration of transfers of Shares at any times and for any periods as they decide from time to time.

6. Transmission of Shares

6.1 Transmission of Shares on death

- (a) Where a Member dies:
- (i) the surviving Member, where the deceased Member was a joint holder; and
 - (ii) the legal personal representatives of the deceased Member, where the Member was a sole holder,
- are the only persons recognised by the Company as having any title to the Member's interest in the Shares.
- (b) The Directors may require evidence of a Member's death as they think fit.
- (c) This clause does not release the estate of a deceased joint holder from any liability in respect of a Share that had been jointly held by the holder with another person or persons.

6.2 Transmission of Shares by operation of Law

- (a) Subject to any applicable Law, if a person:
- (i) becomes entitled to a Share in consequence of the death, incapacity or bankruptcy of a Member; and
 - (ii) provides the Directors with any information they reasonably require to establish their entitlement,
- the person may, by written notice, elect to:
- (iii) be registered personally as holder of the Share; or
 - (iv) have another person registered as the transferee of the Share.
- (b) All the clauses of this Constitution relating to transfers and registrations are applicable to any transfer as if the death, incapacity or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

6.3 Dividends and other rights

Where a Member dies, becomes incapacitated or bankrupt, the Member's legal personal representative or the trustee of the Member's estate (as the case may be) is, on the production of all information as is properly required by the Directors, entitled to the same:

- (a) Dividends, entitlements and other advantages; and
 - (b) rights (whether in relation to meetings of the Company or to voting or otherwise),
- as the Member would have been entitled to if the Member had not died, become incapacitated or bankrupt.

7. Calls on Shares

7.1 Calls

- (a) Subject to the terms of issue of any Shares, the Directors may make calls on a Member in respect of money unpaid on the Member's Shares.
- (b) If the terms of issue of any Shares include a call program for the payment of money unpaid on the Shares, the relevant Members must pay all money payable in accordance with that call program.
- (c) The Directors may postpone the time for payment on a call or may revoke a call.
- (d) A call may be payable by instalments.
- (e) The Directors may differentiate between Members as to the amount of calls to be paid and the times of payment.
- (f) A call is made when the resolution of the Directors authorising the call is passed or otherwise as specified in the resolution.
- (g) The Company must send notices of a call to the relevant Members at least 30 Business Days before the due date for payment.
- (h) Members who receive a call must pay the called amount at the time or times and in the manner set out in the notice.
- (i) The non-receipt of a notice of a call, or the accidental omission to give notice of a call, does not invalidate the call.

7.2 Liability of joint holders for calls

The joint holders of a Share are jointly and severally liable to pay all calls in respect of the Share.

7.3 Interest on unpaid amounts

- (a) If an amount called or otherwise payable to the Company in respect of a Share is not paid before or on the day nominated for payment of the amount, the person from whom the amount is due must pay:
 - (i) interest on the amount from the day nominated for payment of the amount to the time of actual payment at a rate determined by the Directors but not exceeding the Prescribed Rate; and
 - (ii) any costs and expenses incurred by the Company by reason of the non-payment or late payment.
- (b) The Directors may waive payment of that interest wholly or in part.

7.4 Fixed sums taken to be called

- (a) Any sum that, under the terms of issue of a Share, becomes payable on issue or at or after a fixed or defined date is, for the purposes of this Constitution, taken to have been duly called and is payable on the date payable under the terms of issue.
- (b) If any other sum is not paid when due, all the provisions of this Constitution relating to payment of interest and expenses, forfeiture or otherwise apply as if that sum had become payable by virtue of a call duly made and notified.

7.5 Prepayments of calls

- (a) The Directors may accept from a Member the whole or a part of the amount unpaid on a Share even if that amount has not been called.
- (b) The Directors may authorise payment of interest on the whole or any part of an amount accepted under clause 7.5(a) until the amount becomes payable at a rate, not exceeding the Prescribed Rate, that is agreed between the Directors and the Member paying the sum.
- (c) The Directors may at any time repay the whole or any part of any amount paid in advance and any interest agreed abates from the time of payment.

8. Lien on Shares

8.1 Company has lien

- (a) The Company has an exclusive first lien on every Share (and the proceeds of sale of every Share) for:
 - (i) any amount due and unpaid in respect of the Share that has been called or is payable at a fixed time;
 - (ii) any amounts which remain outstanding on loans made by the Company to acquire Shares under an employee incentive scheme;
 - (iii) all amounts that the Company has paid as required by Law in respect of the Share; and
 - (iv) reasonable expenses incurred because the amount has not been paid and reasonable interest on the amount from the date it was due for payment until the date of payment.
- (b) The Directors may at any time exempt a Share wholly or in part from this clause 8.1.
- (c) The Company's lien (if any) on a Share extends to all Dividends payable and entitlements in respect of the Share. The Company may retain those Dividends or entitlements and may apply them in or towards satisfaction of all amounts due to the Company in respect of that Share.
- (d) No person is entitled to exercise any rights or privileges as a Member until the Member has paid all amounts (including reasonable expenses and interest) for the time being payable in respect of every Share held by the Member.

8.2 Exercise of lien

- (a) Subject to the Listing Rules and to clause 8.2(b), the Company may sell any Shares on which the Company has a lien, in the manner that the Directors think fit.
- (b) A Share on which the Company has a lien may not be sold unless:
 - (i) an amount in respect of which the lien exists is payable; and
 - (ii) at least 10 Business Days before the date of the sale, the Company has given to the Member or the person entitled to the Share by reason of the death, mental incapacity or bankruptcy of the Member, a notice in writing demanding payment of the amount.

8.3 Completion of sale

- (a) For the purpose of giving effect to a sale of Shares to enforce a lien, the Directors may authorise a person to do everything necessary to effect a transfer of the Shares in favour of the purchaser.
- (b) The Company must register the purchaser as the holder of the Shares comprised in any transfer, after which the validity of the sale may not be disputed by any person and the purchaser is not concerned with the application of the purchase money.
- (c) The title of the purchaser to the Shares is not affected by any irregularity or invalidity in connection with the sale.
- (d) The purchaser is discharged from liability for any calls which were in default before the purchase of those Shares, unless otherwise expressly agreed.
- (e) The only remedy of any person aggrieved by any sale of a Share under this clause 8 is in damages and against the Company exclusively.

8.4 Application of proceeds of sale

The proceeds of a sale made to enforce a lien must be applied by the Company in the following order:

- (a) firstly, in payment of the costs of enforcement of the lien and of the sale;
- (b) secondly, in satisfaction of the amount in respect of which the lien exists as is then payable to the Company (including expenses and interest); and
- (c) thirdly, the residue (if any) to or at the direction of the person registered as the holder of the Shares immediately prior to the sale, on production of any evidence as to title required by the Directors.

9. Forfeiture and surrender of Shares

9.1 Liability to forfeiture

- (a) If a Member fails to pay a call or instalment of a call when due, the Directors may, at any time afterwards while any part of the call or instalment remains unpaid, serve

a notice on the Member requiring payment of so much of the unpaid call or instalment, together with any accrued interest and all expenses incurred as a result of the non-payment.

- (b) The notice must:
 - (i) specify a day at least 10 Business Days after the date of the notice by which the payment is to be made and a place where the payment is to be made; and
 - (ii) state that the Shares in respect of which the call was made are liable to be forfeited if payment is not made by the time specified.

9.2 Surrender of Shares

Subject to the Act and the Listing Rules, the Directors may accept the:

- (a) surrender of any fully paid Share by way of compromise of any question as to the proper registration of the holder or in satisfaction of any payment due to the Company; and
- (b) gratuitous surrender of any fully paid Share.

Any Share so surrendered may be disposed of in the same manner as a forfeited Share.

9.3 Power to forfeit

- (a) Subject to the Act and the Listing Rules, if the requirements of a notice under clause 9.1 are not complied with, any Share in respect of which the notice has been given may, at any time afterwards but before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
- (b) Such a forfeiture includes all Dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

9.4 Notice of forfeiture

- (a) Notice of the resolution approving the forfeiture must be given to the Member in whose name the Share was registered immediately before the forfeiture and an entry of the forfeiture and its date must be made promptly in the Register.
- (b) The validity of any forfeiture is not affected in any way by any omission to give the notice or to make the entry in the Register in accordance with clause 9.4(a).

9.5 Powers of Directors

- (a) A forfeited Share may be sold or otherwise disposed of as the Directors think fit.
- (b) A forfeiture of a Share may be cancelled on the terms that the Directors think fit at any time before a sale or disposition of the Share.
- (c) The proceeds of sale of a forfeited Share must be applied in the following order:
 - (i) firstly, in payment of all costs of or in relation to the sale;

- (ii) secondly, in satisfaction of the amount in respect of the Shares as is then payable to the Company (including interest); and
- (iii) thirdly, the residue (if any) to or at the direction of the person registered as the holder of the Shares immediately prior to the sale or to the person's estate, on production of any evidence as to title required by the Directors.

9.6 Consequences of forfeiture

A person whose Shares have been forfeited:

- (a) ceases to be a Member in respect of the forfeited Shares at the time of the Directors' resolution approving the forfeiture;
- (b) has no claims or demands against the Company in respect of those forfeited Shares;
- (c) has no other rights to the forfeited Shares except any rights expressly provided by the Act or this Constitution; and
- (d) remains liable to pay to the Company all amounts that, at the date of forfeiture, were payable by the person to the Company in respect of the Shares including, if the Directors think fit, reasonable expenses of the sale or disposal of the Shares and interest at the Prescribed Rate on the unpaid amounts from the date of forfeiture until the date of payment.

9.7 Evidentiary matters

Without prejudice to clause 9.4, a statement in writing by a Director or a Secretary of the Company to the effect that:

- (a) a Share in the Company has been duly forfeited on a date specified in the statement; or
- (b) a particular amount is payable by a Member or former Member to the Company at a particular date in respect of a call or instalment of a call (including interest),

is, in the absence of manifest error, conclusive evidence of the facts set out in the statement as against all persons claiming to be entitled to the Share and against the Member or former Member who remains liable to the Company under clause 9.6(d).

9.8 Transfers after forfeiture and sale

- (a) The Company may:
 - (i) receive the proceeds of sale or of disposition of a forfeited Share; and
 - (ii) transfer the Share to the transferee.
- (b) On registration of the transfer, the transferee is not bound to see to the application of any money paid as consideration.
- (c) The title of the transferee to the Share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Share.

9.9 Fixed amounts taken to be calls

The provisions of this Constitution relating to forfeiture apply to non-payment of any sum that becomes payable for a Share at a defined time, as if that sum was payable as a call duly made.

10. Sale of small holdings of Shares

10.1 Definitions

In this clause:

Disposal Notice means a written notice given to the holder of a Small Holding under clause 10.2(b);

Issuer Sponsored Holding has the meaning given in the ASX Settlement Operating Rules;

Marketable Parcel has the meaning given in the Listing Rules; and

Small Holding means a parcel of Shares that is less than a Marketable Parcel.

10.2 Disposal Notice

- (a) This clause 10 sets out the procedures by which the Company may sell Shares which are a Small Holding.
- (b) Subject to the Listing Rules, if the Directors determine that a Member's holding of Shares is a Small Holding, they may send a Disposal Notice to that Member stating that the Company intends to sell the relevant Shares and where the Shares are CHESSE Approved Securities, to the Controlling Participant (as defined in the ASX Settlement Operating Rules).
- (c) The Disposal Notice must specify at the discretion of the Company the manner by which any proceeds of sale or unclaimed monies will be paid including payments by electronic funds transfer, cheque, payment to a nominated charity or such other manner as the directors see fit and may specify a default payment mechanism if no election is made by the Minority Member.
- (d) If at 5.00 pm Melbourne time on the day specified in the Disposal Notice the Member still holds the Shares, the subject of the Disposal Notice and:
 - (i) the Member's holding of Shares has not increased to at least a Marketable Parcel by reference to the market price on the day the Member's holding of Shares was deemed a Small Holding; and
 - (ii) the Member has not given a written notice to the Company,

the Member is deemed to have irrevocably appointed the Company as its agent to sell the Shares as contemplated by clause 10.4 and to deal with the proceeds of sale in accordance with clause 10.5.
- (e) In addition to the powers of the Company and the Directors set out above, the Company may sell a Member's Shares that constitute a Small Holding if, any time

after the adoption of this clause, the Shares are in a new holding created by the transfer of a parcel of Shares that was less than a Marketable Parcel:

- (i) at the time a transfer under the ASX Settlement Operating Rules was initiated; or
 - (ii) in the case of a paper-based transfer document, at the time it was lodged with the Company.
- (f) Where clause 10.2(e) applies:
- (i) the Company may give the Member notice in writing stating that the Company intends to sell or dispose of the Shares, and that the proceeds of the sale will be sent to the Member after the sale has been effected;
 - (ii) the Member is deemed to have irrevocably appointed the Company as its agent to sell the Shares as contemplated by clause 10.4 and to deal with the proceeds of sale in accordance with clause 10.5; and
 - (iii) the Directors may remove or change the Member's right to vote and to receive Dividends. Any Dividends that have been withheld must be sent to the Member after the sale of the Member's Shares.

10.3 Limits on Company's power to sell

- (a) The Company may only exercise its powers under clause 10.2 once in any 12 month period.
- (b) The Company's power to sell under clause 10.2 lapses following the announcement of a takeover bid for the Company. The procedure may be started again after the close of the offers made under the takeover.

10.4 Sale of Shares

- (a) The Company may sell the Shares which make up less than a Marketable Parcel as soon as practicable at a price which the Directors consider to be the best price reasonably obtainable for the Shares at the time they are sold.
- (b) For the purposes of effecting a sale, the Company may, in accordance with the ASX Settlement Operating Rules, move the Shares from a CHESS holding to an Issuer Sponsored Holding or into certificated form.

10.5 Proceeds and costs of sale

- (a) For a sale arising from clause 10.2(c):
 - (i) the Company bears the costs of sale of the Shares (but is not liable for tax on income or capital gains of the former Member); and
 - (ii) the proceeds of the sale will not be provided to the former Member until the Company has received any certificate relating to the Shares (or is satisfied that the certificate has been lost or destroyed).

- (b) For a sale arising from clause 10.2(e), the proceeds of sale (less the costs of the sale) must be provided to the former Member after the sale.
- (c) All money payable under this clause 10 may be paid by any of the methods contemplated in clause 20.6.
- (d) All money payable to a former Member under this clause which is unclaimed for 1 year after payment and subject to the *Unclaimed Monies Act 2008 (Vic)* in the State of Victoria does not meet the dollar amount defined for unclaimed monies may be invested or otherwise made use of by the Directors for the benefit of the Company or otherwise disposed of as disclosed in the Disposal Notice. No money payable under this clause by the Company to a former Member bears interest as against the Company.

10.6 Effect of sale

The exercise by the Company of its powers under this clause 10 extinguishes all interests in the Shares of the former Member, and all claims against the Company in respect of those Shares by that Member including all Dividends (whether final or interim) determined to be paid in respect of those Shares and not actually paid or accrued.

10.7 Further action

The Secretary may take any action on behalf of a Member to give effect to this clause as the Secretary considers necessary.

10.8 Registration of transfer

The Company may register a transfer of Shares whether or not any certificate for the Shares has been delivered to the Company.

10.9 Where Shares of 2 or more Members sold

If the Shares of 2 or more Members to whom this clause applies are sold to 1 purchaser, the transfer may be effected by 1 transfer.

10.10 Rights of purchaser

When a purchaser of Shares is registered as the holder of the Shares, the purchaser:

- (a) is not bound to see to the regularity of the actions and proceedings of the Company under this clause or to the application of the proceeds of sale; and
- (b) has title to the Shares which is not affected by any irregularity or invalidity in the actions and proceedings of the Company.

10.11 Limit on Member's remedies

Any remedy of any Member to whom this clause applies in respect of the sale of the Member's Shares is limited to a right of action in damages against the Company to the exclusion of any other right, remedy or relief against any other person.

11. Proportional takeover approval provisions

11.1 Interpretation

In this clause 11:

- (a) **Associate** in relation to another person has the meaning given to that term in the Act for the purposes of subdivision C of Chapter 6.5 of the Act;
- (b) **Bidder** means a person making an offer for Shares under a Proportional Bid;
- (c) **Proportional Bid** means a proportional takeover bid as defined in section 9 of the Act; and
- (d) **Relevant Day**, in relation to a Proportional Bid, means the day that is 14 days before the last day of the bid period.

11.2 Transfers prohibited without approval

Where a Proportional Bid in respect of Shares included in a class of Shares in the Company has been made:

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the Proportional Bid is prohibited unless and until a resolution (**Approving Resolution**) to approve the Proportional Bid is passed, or is deemed to have been passed, in accordance with subdivision C of Chapter 6.5 of the Act;
- (b) a Member (other than the Bidder or an Associate of the Bidder) who, as at the end of the day on which the first offer under the Proportional Bid was made, held Shares included in the bid class is entitled to vote on an Approving Resolution and, for the purposes of so voting, is entitled to 1 vote for each such Share;
- (c) neither the Bidder nor an Associate of the Bidder may vote on an Approving Resolution;
- (d) an Approving Resolution must be voted on at a meeting of the Members entitled to vote on the resolution which has been convened and conducted by the Company; and
- (e) an Approving Resolution is passed if more than 50% of the votes cast on the resolution by Members Present and entitled to vote on the resolution are in favour of the resolution.

11.3 Meetings

- (a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require, in relation to a meeting that is convened for the purposes of this clause 11.
- (b) The Directors of the Company must ensure that the Approving Resolution is voted on in accordance with this clause before the Relevant Day.

(c) Where an Approving Resolution is voted on in accordance with this clause, then before the Relevant Day, the Company must:

- (i) give to the Bidder; and
- (ii) serve on ASX,

a written notice stating that a resolution to approve the Proportional Bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

11.4 Deemed approval

Where, as at the end of the day before the Relevant Day in relation to a Proportional Bid, no Approving Resolution to approve the Proportional Bid has been voted on in accordance with this clause, an Approving Resolution to approve the Proportional Bid is, for the purposes of this clause, deemed to have been passed under this clause 11.

11.5 Proportional Bid rejected

Where an Approving Resolution is voted on and is rejected then:

- (a) despite section 652A of the Act, all offers under the Proportional Bid that have not, as at the end of the Relevant Day, resulted in binding contracts are deemed to be withdrawn at the end of the Relevant Day;
- (b) the Bidder must immediately, after the end of the Relevant Day, return to each Member any documents that were sent by the Member to the Bidder with the acceptance of the offer;
- (c) the Bidder may rescind and must, as soon as practicable after the end of the Relevant Day, rescind each contract resulting from the acceptance of an offer made under the Proportional Bid; and
- (d) a Member who has accepted an offer made under the Proportional Bid is entitled to rescind the contract (if any) resulting from that acceptance.

11.6 Duration of clause

This clause 11 ceases to have effect on the later to occur of:

- (a) the third anniversary of its adoption; or
- (b) the third anniversary of its most recent renewal effected under the Act.

12. General meetings

12.1 Power of Directors to convene

- (a) The Directors may convene a general meeting of Members whenever they think fit.
- (b) The Members may require the Directors to convene a general meeting as permitted by the Act.

- (c) Subject to the Act, the Directors may cancel or postpone any general meeting or change its venue by giving appropriate notice to all persons to whom the notice of the original meeting was given, but may not cancel a general meeting which was called or requisitioned by persons other than the Directors without their prior written consent.
- (d) In relation to general meetings of Members, a **meeting** includes:
 - (i) all adjournments of a meeting; and
 - (ii) any meeting convened to be held by those entitled to be present, meeting simultaneously in different locations as determined by the Directors.
- (e) The business of a general meeting held under clause 12.1(d)(ii) cannot be validly considered, and any resolutions at that meeting have no effect, unless:
 - (i) the Members Present at each such location as a whole have a reasonable opportunity to hear and participate in the business of the general meeting as it is being conducted, both at the venue at which the Chairman of the general meeting is present and at each other venue or virtually is taken for all purposes to be present at the meeting while so attending; and
 - (ii) satisfactory provision is made at each venue for the recording of all votes cast,

and on satisfying these conditions, the general meeting is taken to be held where the Chairman of the general meeting conducts the meeting and all proceedings conducted in that manner are as valid and effective as if conducted at a single gathering of a quorum of those entitled to be present.

12.2 Notice of general meetings

- (a) Each notice convening a general meeting must specify:
 - (i) the place, date and time of the meeting (and, if the meeting is to be held in 2 or more places, or virtually, the technology that will be used to facilitate this); and
 - (ii) the general nature of the business to be transacted at the meeting.
- (b) Notice of a general meeting must be provided to Members at least 28 clear days before the meeting is to be held.
- (c) A notice convening an annual general meeting need not state the general nature of business of the kind referred to in clause 12.2(a) but, if the business includes the election of Directors, the names of the candidates for election must be stated.
- (d) The non-receipt of a notice convening a general meeting by, or the accidental omission to give notice to, any person entitled to receive notice does not invalidate the proceedings at or any resolution passed at the meeting.
- (e) Subject to the Act, the Company may give notices to Members electronically by notifying the Member:

- (i) that the notice is available; and
 - (ii) how the Member may use electronic means to access the notice,
- by any electronic means permitted by the Act and to an electronic address nominated by the relevant Member for the purpose of receiving notices.

12.3 Annual general meetings

- (a) Annual general meetings of the Company must be held in accordance with the Act and the Listing Rules.
- (b) The business of an annual general meeting may include any of the following:
 - (i) consideration of the annual report, Directors' report and the auditor's report;
 - (ii) election of Directors;
- (c) The annual general meeting may transact any other business that may be properly brought before the meeting.

12.4 Quorum

- (a) No business may be transacted at any general meeting unless a quorum of Members is Present at the time when the meeting proceeds to business.
- (b) Except as otherwise provided in this Constitution, a quorum constitutes 2 Members Present in person, by proxy, attorney or Representative. For the purposes of this clause 12.4(b), a person attending as a proxy, attorney or Representative, shall be deemed to be the Member Present in person.

12.5 If a quorum not present

If a quorum is not present within 15 minutes after the time appointed for the general meeting:

- (a) where the meeting is convened on the requisition of Members, the meeting must be dissolved (subject to clause 12.7(a)); and
- (b) in any other case:
 - (i) the meeting stands adjourned to a day and at a time and place as the Directors decide or, if no decision is made by the Directors, to the same day in the next week at the same time and place; and
 - (ii) if at the adjourned meeting a quorum is not present within 15 minutes after the time appointed for the meeting, the meeting must be dissolved.

12.6 Chairing meetings

- (a) Subject to clause 12.6(b), the Chairman must chair every general meeting.
- (b) Where a general meeting is held and:

- (i) there is no Chairman; or
- (ii) the Chairman is not present (in person or, where applicable, virtually) within 15 minutes after the time appointed for the meeting or is unwilling to act as chair,

the Directors present must choose 1 of their number or, in the absence of all Directors or if none of the Directors present wish to act, the Members Present must elect 1 of their number to chair the meeting.

- (c) Where a person is appointed to chair a meeting under clause 12.6(b), in relation to that meeting, references to the Chairman in this Constitution include a reference to that person.

12.7 Adjournments

- (a) The Chairman of the general meeting may, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (b) No business may be transacted at any continuation of an adjourned meeting other than the business left unfinished at the meeting which has been adjourned.
- (c) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.
- (d) Except as provided by clause 12.7(c), it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

12.8 Voting at general meetings

- (a) Subject to the Listing Rules, any resolution to be considered at a general meeting will be decided on a show of hands unless a poll is demanded at or before the declaration of the result of the show of hands. Before a vote is taken, the Chairman of the meeting must inform the meeting of how many proxy votes have been received and how the proxy votes are to be cast on that resolution.
- (b) A declaration by the Chairman of the general meeting that a resolution has on a show of hands been carried or lost and an entry to that effect in the minutes of the meeting is conclusive evidence of the fact without the need to show the number or proportion of the votes recorded in favour of or against the resolution.
- (c) A poll may be demanded:
 - (i) by the Chairman of the general meeting;
 - (ii) by at least 5 Members Present and having the right to vote at the meeting; or
 - (iii) by a Member or Members Present with at least 5% of the votes that may be cast on the resolution on a poll.
- (d) The demand for a poll may be withdrawn.

- (e) A poll may not be demanded on the election of a person to chair a meeting or on a resolution for adjournment.
- (f) Any resolution to be considered at a general meeting and which seeks an approval under (or in connection with) the Listing Rules must be decided by way of a poll.

12.9 Procedure for polls

- (a) A poll, when demanded, is to be taken in the manner and at the time the Chairman of the general meeting directs.
- (b) The result of the poll is a resolution of the general meeting at which the poll was demanded.
- (c) The demand for a poll does not prevent a general meeting from proceeding with any other business.

12.10 Chairman's casting vote

Subject to the Act and the Listing Rules, in the case of an equality of votes on a show of hands or on a poll the Chairman of the general meeting has a casting vote in addition to any vote to which that Chairman may otherwise be entitled.

12.11 Representation and voting of Members

Subject to this Constitution and any rights or restrictions for the time being attached to any class or classes of Shares:

- (a) at general meetings of Members or classes of Members each Member entitled to attend and vote may attend and vote in person or by proxy, or attorney and (where the Member is a body corporate) by representative;
- (b) on a show of hands:
 - (i) every Member Present having the right to vote at the meeting has 1 vote;
 - (ii) every person present (in person or virtually, as applicable) who represents more than 1 Member, either personally, by proxy, attorney or as representative, has 1 vote; and
- (c) on a poll, every Member Present has:
 - (i) 1 vote for each fully paid Share; and
 - (ii) in the case of partly paid Shares, that proportion of a vote as is equal to the proportion which the amount paid up on that Member's Share bears to the total issue price for the Share, excluding calls paid in advance of the due date for payment.

12.12 Joint holders

Where more than 1 joint holder votes, the vote of the holder whose name appears first in the Register must be accepted to the exclusion of the others whether the vote is given personally, by attorney or proxy.

12.13 Members of unsound mind and minors

- (a) If a Member is:
- (i) of unsound mind;
 - (ii) a person whose person or estate is liable to be dealt with in any way under the Law relating to mental health; or
 - (iii) a minor,
- the Member's committee or trustee or any other person who has proper management or guardianship of the Member's estate or affairs may, subject to clause 12.13(b), exercise any rights of the Member in relation to a general meeting as if the committee, trustee or other person were the Member.
- (b) Any person with powers of management or guardianship cannot exercise any rights under clause 12.13(a) unless the person has provided the Directors with satisfactory evidence of the person's appointment and status.

12.14 Restriction on voting rights - unpaid amounts

A Member is not entitled to vote in respect of a security giving the holder the right to vote unless all calls and other sums presently payable by the Member in respect of that security have been paid.

12.15 Objections to qualification to vote

- (a) An objection to the qualification of a person to vote may be raised only at the meeting or adjourned meeting at which the vote objected to is tendered.
- (b) Any objection must be referred to the Chairman of the meeting, whose decision is final.
- (c) A vote allowed after an objection is valid for all purposes.

12.16 Direct voting

- (a) The Directors may determine that, at any general meeting or class meeting, a Member who is entitled to attend and vote on a resolution at that meeting is entitled to vote by direct vote in respect of that resolution. A direct vote includes a vote delivered to the Company by post, fax or any other electronic means approved by the Directors.
- (b) Where clause 12.16(a) applies, the notice of meeting must indicate that direct voting is available at the relevant meeting or on particular resolutions.
- (c) The Directors may prescribe regulations, rules and procedures in relation to direct voting, including (without limitation):
 - (i) specifying the form, method and timing of casting a direct vote at a meeting for the vote to be valid; and

- (ii) the circumstances in which a direct vote may be withdrawn by the Member or deemed withdrawn.

12.17 Number of proxies

- (a) A Member who is entitled to attend and cast a vote at a general meeting of the Members may appoint a person as the Member's proxy to attend and vote for the Member at the meeting.
- (b) An appointment of a proxy may specify the proportion or number of votes that the proxy may exercise.
- (c) If a Member is entitled to cast 2 or more votes at a meeting, the Member may appoint 2 proxies. If the Member appoints 2 proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise half of the Member's votes.

12.18 Form of proxy

- (a) An instrument appointing a proxy is valid if it is in the form specified by the Directors from time to time and is:
 - (i) signed by or on behalf of the Member of the Company making the appointment; and
 - (ii) contains the following information:
 - (A) the Member's name and address;
 - (B) the Company's name;
 - (C) the proxy's name or the name of the office held by the proxy; and
 - (D) the meetings at which the appointment may be used.
- (b) The proxy form must provide for the Member to vote for or against each resolution and may provide for abstention to be indicated.
- (c) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution. Where it does so, the proxy is not entitled to vote on the resolution except as specified in the instrument. A proxy may vote as the proxy thinks fit on any motion or resolution in respect of which no manner of voting is indicated.
- (d) An instrument appointing a proxy confers authority to demand or join in demanding a poll.
- (e) Despite clause 12.12, where an instrument of proxy is signed by all of the joint holders of any Shares, the votes of the proxy so appointed must be accepted in respect of those Shares to the exclusion of any votes tendered by a proxy for any one of those joint holders.

12.19 Where proxy is incomplete

- (a) No instrument appointing a proxy is treated as invalid merely because:
 - (i) it does not contain the address of the appointor or proxy;
 - (ii) it is not dated; or
 - (iii) in relation to any or all resolutions, it does not contain an indication of the manner in which the proxy is to vote.
- (b) Where the instrument does not specify the name of a proxy, the instrument is treated as given in favour of the Chairman of the meeting.

12.20 Lodgement of proxies

- (a) An instrument appointing a proxy is not treated as valid unless:
 - (i) the instrument; and
 - (ii) the power of attorney or other authority (if any) under which the instrument is signed; or
 - (iii) a copy of that power or authority certified in a manner acceptable to the Directors,

are lodged not less than 48 hours (or any shorter period as the Directors may permit, subject to the Act) before the time for holding the meeting at the place specified for that purpose in the notice of the meeting or, if none, at the Registered Office or by the electronic means specified for that purpose in the notice of the meeting, as permitted by the Corporations Act.

- (b) An instrument appointing a representative to act for a Member at all meetings of the Company or at all meetings for a specified period is not treated as valid unless:
 - (i) the instrument of appointment or a certified copy of it, duly signed by hand or electronically authenticated in accordance with clause 12.20(c)(ii); and
 - (ii) any evidence as to the validity and non-revocation of that authority as may be required by the Directors,

are lodged not less than 48 hours (or any shorter period as the Directors may permit) before the time for holding the meeting:

- (iii) at the place or electronic address specified for that purpose in the notice of the meeting or, if none, at the Registered Office; or
- (iv) by the electronic means specified for that purpose in the notice of the meeting, as permitted by the Corporations Act.
- (c) For the purposes of this clause 12:
 - (i) a legible facsimile of any document which is received at a place specified in the notice is duly lodged at that place at the time when the facsimile is received; and

- (ii) subject to the Act, instead of signing or executing an instrument of appointment, a Member may electronically authenticate the appointment of a proxy or a corporate representative, provided that:
 - (A) the Member is identified by personal details as required by the Company;
 - (B) the Member's approval of the information communicated to the Company is accompanied by a personal identification number or any other number provided by the Company; and
 - (C) the Member complies with any other requirements of the Company.

12.21 Validity of proxies

- (a) A vote exercised in accordance with the terms of an instrument of proxy, a power of attorney or other relevant instrument of appointment is valid despite:
 - (i) the previous death or mental incapacity of the principal;
 - (ii) the revocation of the relevant instrument (or of the authority under which the instrument was executed) or the power of attorney; or
 - (iii) the transfer of the Share in respect of which the instrument or power of attorney is given,

if no notice in writing of the death, mental incapacity, revocation or transfer has been received by the Company at its Registered Office before the commencement of the meeting at which the instrument or power of attorney is used.
- (b) A proxy is not revoked by the principal attending and taking part in the meeting, unless the principal actually votes on the resolution for which the proxy is proposed to be used.

12.22 Right of officers and advisers to attend general meeting

- (a) A Director who is not a Member is entitled to be present and to speak at any general meeting.
- (b) A Secretary who is not a Member is entitled to be present and, at the request of the Chairman of the meeting, to speak at any general meeting.
- (c) Any other person (whether a Member or not) required by the Directors to attend any general meeting is entitled to be present and, at the request of the Chairman of the meeting, to speak at that general meeting.

12.23 Use of technology

- (a) The Company may hold a general meeting at 2 or more venues using any technology (including without limitation conducting the meeting as a "virtual" meeting with shareholders attending via technology) that gives Members a reasonable opportunity to participate.

- (b) For the avoidance of doubt, subject to any applicable Law, the Company may hold a meeting of Members:
 - (i) at a physical venue;
 - (ii) at one or more physical venues and virtually using any technology;
 - (iii) virtually, using technology only; or
 - (iv) in any other way permitted by the Corporations Act.
- (c) The Company will give the Members entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting, however it is held.
- (d) A Member, or a proxy, attorney or representative of a Member, who attends the meeting (whether at a physical venue or virtually by using any technology which the Directors deem gives Members a reasonable opportunity to participate in the meeting) is taken for all purposes to be Present at the meeting while so attending.
- (e) If, before or during a meeting of Members, any technical difficulty occurs, such that the Members as a whole do not have a reasonable opportunity to participate, the Chairperson of the meeting may:
 - (i) adjourn the meeting until the technical difficulty is remedied; or
 - (ii) subject to the Corporations Act, where a quorum remains Present and able to participate, continue the meeting.

12.24 Minutes

- (a) The Company must keep minute books in which it records within 30 days:
 - (i) proceedings and resolutions of meetings of the Members;
 - (ii) proceedings and resolutions of Directors' meetings and resolutions passed by Directors without a meeting; and
 - (iii) resolutions passed by Members without a meeting.
- (b) Minutes may be made and kept in hard copy or in electronic form. An electronic form of the minute book must be able to be generated by a method which:
 - (i) assures that the integrity of the information contained in the minute book is maintained, in accordance with the Corporations Act; and
 - (ii) is readily accessible so as to be useable for subsequent reference.
- (c) The Company must ensure that minutes are signed (in hard copy or, as permitted by the Act, by electronic means) within a reasonable time after the date of the meeting or of the resolution being passed by:
 - (i) the Chairman of the meeting; or
 - (ii) the Chairman of the next meeting; or

- (iii) in the case of a resolution without a meeting, a Director.

13. Appointment, removal and remuneration of Directors

13.1 Appointment and removal

- (a) There must be at least 3 Directors, or such greater number of Directors not exceeding 10 as the Directors think fit, in office at all times.
- (b) Subject to the Act, the Company may at any time by resolution passed in general meeting:
 - (i) appoint any person to be a Director; or
 - (ii) remove any Director from office.
- (c) Subject to the Act, the Directors may at any time appoint any person to be a Director.
- (d) A person appointed under clause 13.1(c) holds office until the end of the next annual general meeting following their appointment and is eligible for election at that meeting. This clause 13.1(d) does not apply to any Managing Director appointed under clause 13.1(c).

13.2 No Share qualification

Directors are not required to hold Shares.

13.3 Retirement at each annual general meeting

- (a) There must be an election of Directors at each annual general meeting.
- (b) Subject to clause 16.1 and only when the Company is admitted to the Official List, no Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the Director's election, whichever is the longer, without submitting himself or herself for re-election.
- (c) The following Director or Directors must retire at each annual general meeting, as applicable:
 - (i) any Director required to retire under clause 13.3(b) and standing for re-election;
 - (ii) any Director required to submit for election under clause 13.1(d); or
 - (iii) if no person is standing for election or re-election under clauses 13.3(c)(i) or 13.3(c)(ii), then the Director who has been in office the longest since last being elected. Where 2 or more Directors were elected on the same day, the Director to retire will be decided by lot, unless the relevant Directors agree otherwise.
- (d) Clauses 13.3(b) and 13.3(c) do not apply to the Managing Director.

- (e) A retiring Director is eligible for re-election without needing to give any prior notice of an intention to submit for re-election and holds office as a Director until the end of the meeting at which the Director retires.
- (f) No person other than a retiring Director or a Director vacating office under clause 13.1(d) is eligible to be elected a Director at any general meeting unless a written notice of the person's nomination for election is given to the Company at least 35 Business Days (or in the case of a meeting that Members have requested the Directors to call, 30 Business Days before the meeting).

13.4 Remuneration

- (a) Subject to clause 13.4(b) and the Listing Rules, the Directors are entitled to be paid for their services as Directors such annual fees as the Directors determine, provided the annual fees do not exceed in aggregate the maximum sum that is from time to time approved by the Members in a general meeting in accordance with the Listing Rules. This sum does not include remuneration in the form of share, option or other equity plans separately approved by the Members in a general meeting.
- (b) Clause 13.4(a) does not apply to the remuneration of the Managing Director and any other executive Directors. Remuneration payable by the Company to the Managing Director and any other executive Directors may be by way of salary, bonuses, or any other elements but must not include a commission on, or percentage of operating revenue.
- (c) The fees fixed under clause 13.4(a):
 - (i) are divided among the Directors in the proportions and on the basis as they may agree or, if they cannot agree, equally among them;
 - (ii) are inclusive of any superannuation contributions (whether provided under the superannuation guarantee or similar legislative scheme or otherwise); and
 - (iii) are to be provided in the manner determined by the Board, which may include non-cash benefits. The Board must decide the manner in which the value of any non-cash benefits are to be calculated for the purposes of this clause 13.4.
- (d) The Directors are entitled to be paid or reimbursed (in accordance with the Company's policies applicable to the reimbursement of management expenses) for all travelling and other expenses properly incurred by them in attending and returning from any meeting of the Directors, meeting of any committee of the Directors, general meeting of the Company or otherwise in connection with the business of the Company.
- (e) If, with the approval of the Directors, any Director performs extra services or makes any special exertions for the benefit of the Company, the Directors may approve the payment to that Director of special and additional remuneration as the Directors think fit, having regard to the value to the Company of the extra services or special exertions. Any remuneration paid under this clause 13.4(e) may be in addition to the fees paid in accordance with clause 13.4(a).

13.5 Vacation of office

- (a) In addition to the circumstances in which the office of a Director becomes vacant:
- (i) under the Act;
 - (ii) because of a resolution under clause 13.1(b)(ii); or
 - (iii) under clause 13.3,
- the office of a Director becomes vacant if the Director:
- (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Law relating to mental health;
 - (v) resigns by notice in writing to the Company;
 - (vi) dies;
 - (vii) is absent (and not represented by an alternate Director) from meetings of the Directors for a continuous period of 6 months without special leave of absence from the Directors and the Board resolves that his or her office be vacated; or
 - (viii) is an employee of the Company or a related body corporate of the Company (including a Managing Director) and ceases to be an employee of the Company or a related body corporate of the Company.
- (b) A Director whose office becomes vacant under clause 13.5(a)(viii) is eligible for reappointment or re-election as a Director of the Company.

13.6 Retiring allowance for Directors

- (a) Subject to the Act and the Listing Rules, the Company may:
- (i) make any payment or give any benefit to any Director or any other person in connection with the Director's retirement, resignation from or loss of office or death while in office;
 - (ii) make contracts or arrangements with a Director or a person about to become a Director of the Company under which the Director or any person nominated by the Director is paid or provided with a lump sum payment, pension, retiring allowance or other benefit on or after the Director or person about to become a Director ceases to hold office for any reason;
 - (iii) make any payment under any contract or arrangement referred to in clause 13.6(a)(ii); and
 - (iv) establish any fund or scheme to provide lump sum payments, pensions, retiring allowances or other benefits for:
 - (A) Directors ceasing to hold office; or
 - (B) any person including a person nominated by the Director, in the event of the Director's death while in office,

and from time to time pay to the fund or scheme any sum as the Company considers necessary to provide those benefits.

- (b) The Company may impose any conditions and restrictions under any contract, arrangement, fund or scheme referred to in clause 13.6(a) as it thinks proper.
- (c) The Company may authorise any subsidiary to make a similar contract or arrangement with the subsidiary's directors and make payments under it or establish and maintain any fund or schemes, whether or not all or any of the directors of the subsidiary are also Directors of the Company.

14. Powers and duties of Directors

14.1 Powers of Directors

- (a) Subject to the Act and this Constitution, the Directors are responsible for managing the business of the Company and may exercise all powers of the Company which are not required to be exercised by the Company in a general meeting by the Act or this Constitution.
- (b) Without limiting the generality of clause 14.1(a), the Directors may exercise all the powers of the Company to:
 - (i) borrow or raise money;
 - (ii) grant security over any property or business of the Company or all or any of its uncalled capital;
 - (iii) pay interest on any debt due by the Company; and
 - (iv) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

14.2 Appointment of attorneys and representatives

- (a) The Directors may, by power of attorney or by general or specific appointment, appoint such person or persons to be an attorney or representative of the Company for the purposes, with the powers, authorities and discretions vested in or exercisable by the Directors for any period and subject to any conditions as they think fit.
- (b) Any appointment under clause 14.2(a) may be made on terms for the protection and convenience of persons dealing with any such attorney or representative as the Directors think fit and may also authorise an attorney or representative to delegate all or any of the powers, authorities and discretions vested in the attorney or representative.

14.3 Negotiable instruments and electronic payments

- (a) All negotiable instruments of the Company are to be executed by the persons and in the manner determined by the Directors from time to time.
- (b) All electronic payments by the Company are to be made or authorised in the manner determined by the Directors from time to time.

15. Proceedings of Directors

15.1 Proceedings

- (a) The Directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) A Director may at any time, and the Secretary must on the request of a Director, convene a meeting of the Directors.
- (c) Reasonable notice of the place, date and hour of every meeting of the Directors must be given to every Director. Where any Director is for the time being outside Australia, notice need only be given to that Director if contact details have been given, but notice must always be given to any alternate Director in Australia whose appointment by that Director is for the time being in force.

15.2 Meetings by telecommunications

The Directors may hold a valid meeting using any medium by which each of the Directors can simultaneously hear all the other participants (including telephone and video conferencing), and in that case:

- (a) the participating Directors are taken to be present at the meeting for the purposes of this Constitution concerning meetings of Directors;
- (b) the meeting is taken to be held where the Chairman of the meeting is; and
- (c) all proceedings of the Directors conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were present in person.

15.3 Quorum at meetings

At a meeting of Directors, the number of Directors whose presence is necessary to constitute a quorum is the number determined by the Directors and, if not so determined, is 3 Directors entitled to vote.

15.4 Chairman of Directors

- (a) The Directors may elect 1 of their number as their Chairman and may decide the period during which the Chairman is to hold that office.
- (b) Where a meeting of Directors is held and:
 - (i) a Chairman has not been elected as provided by clause 15.4(a); or
 - (ii) the Chairman is not present (in person or virtually, as applicable) within 15 minutes of the time appointed for the holding of the meeting or is unwilling to act as chair,

the Directors present must elect 1 of their number to chair the meeting.

- (c) Where a person is appointed to chair a meeting under clause 15.4(b), in relation to that meeting, references to the Chairman in this Constitution include a reference to that person.

15.5 Proceedings at meetings

- (a) Subject to this Constitution, questions arising at a meeting of Directors are decided by a majority of votes of Directors present in person or by their alternate Director (if any) and voting and for all purposes any such decision is taken to be a decision of the Directors.
- (b) In the case of an equality of votes, the Chairman of the meeting has a second or casting vote in addition to the Chairman's deliberative vote.

15.6 Disclosure of interests

- (a) A Director is not disqualified by the Director's office from contracting with the Company in any capacity.
- (b) A contract or arrangement made by the Company with a Director or in which a Director is in any way directly or indirectly interested may not be avoided merely because the Director is a party to or interested in it.
- (c) A Director is liable to account to the Company for any profits derived in respect of a matter in which the Director has a material interest, merely because of the Director's office or the fiduciary relationship it entails, unless the Director:
 - (i) declares the Director's interest in the matter as soon as practicable after the relevant facts come to the Director's knowledge; and
 - (ii) does not breach this Constitution or the Act in relation to the matter.
- (d) A general notice stating:
 - (i) that the Director is an officer or member of a specified body corporate or firm; and
 - (ii) the nature and extent of the Director's interest in that body corporate or firm in a matter involving the Company and that body corporate or firm,

is sufficient declaration of the Director's interest, provided the extent of that interest is at the time of first consideration of the matter by the Directors no greater than was stated in the notice.
- (e) Except as permitted by the Act and the Listing Rules, a Director must not:
 - (i) participate in and vote at; or
 - (ii) be present while the matter is being considered,

at a meeting of the Directors at which there is considered any matter in which the Director has a direct or indirect material interest or any lesser interest.
- (f) Subject to compliance with this clause 15.6 and the Act, a Director who is interested in any contract or arrangement is not prevented from signing, affixing or witnessing the affixing of a seal to the document evidencing the contract or arrangement by virtue of that interest.

15.7 Alternate Directors and attendance by proxy

- (a) A Director may:
 - (i) with the approval of a majority of the other Directors, appoint a person (whether a Member of the Company or not); or
 - (ii) without the need for the approval of the other Directors, appoint another Director,

to be an alternate Director in the Director's place during any period that the Director thinks fit.
- (b) An alternate Director is entitled to notice of meetings of the Directors and, if the appointor is not present at such a meeting, is entitled to attend, participate and vote in the Director's stead.
- (c) An alternate Director may exercise all the powers and perform all the duties of the appointor, except the power to appoint an alternate Director. The exercise of any power by the alternate Director is as officer of the Company and not as agent of the appointor and the alternate Director is responsible to the Company for his or her own acts and omissions.
- (d) Where the alternate is another Director, that Director is entitled to cast a deliberative vote on the Director's own account and on account of each person for whom the Director has been appointed as an alternate Director.
- (e) The appointment of an alternate Director:
 - (i) may be terminated or suspended at any time by the appointor even if the period of the appointment of the alternate Director has not expired; and
 - (ii) terminates automatically if the appointor vacates office as a Director.
- (f) An appointment or the termination or suspension of an appointment of an alternate Director is effected by delivery of a written notice signed by the appointor to the Company. Delivery may be by post, fax or any electronic message.
- (g) Except for reimbursement of expenses in accordance with clause 13.4(d), an alternate Director is not entitled to receive additional remuneration for acting as alternate Director, except to the extent that the Directors otherwise determine. Any additional remuneration that is paid to an alternate Director must be deducted from the remuneration of the appointor.
- (h) An alternate Director is not taken into account in determining the number of Directors or rotation of Directors.
- (i) A Director may attend and vote by proxy at any meeting of the Directors provided that such proxy is a Director of the Company and has been appointed in writing signed by the appointing Director. Such appointment may be general or for any particular meeting or meetings.

15.8 Vacancies

If the number of Directors is reduced below the minimum set by the Act:

- (a) for so long as their number is sufficient to constitute a quorum, the remaining Directors may act; and
- (b) if the number of remaining Directors is not sufficient to constitute a quorum, the remaining Director or Directors may act only for the purpose of increasing the number of Directors to the minimum number required under this Constitution to constitute a quorum or for calling a general meeting, but for no other purpose.

15.9 Committees

- (a) The Directors may delegate any of their powers to a committee or committees consisting of any number of them and such other persons as the Directors from time to time think fit.
- (b) A committee to which any powers have been delegated must exercise the delegated powers in accordance with any directions of the Directors. A power so exercised is taken to be exercised by the Directors.
- (c) Clauses 15.1, 15.2, 15.4 and 15.5 apply to any committee as if each reference in those clauses to the Directors was a reference to the members of the committee and each reference to a meeting of Directors were to a meeting of the committee.
- (d) Subject to clause 15.10(c), minutes of all the proceedings and decisions of every committee must be made, entered and signed in the same manner in all respects as minutes of proceedings of the Directors are required by the Act to be made, entered and signed.

15.10 Written resolutions

- (a) If a document:
 - (i) states that the signatories to it are in favour of a resolution;
 - (ii) sufficiently identifies the terms of the resolution; and
 - (iii) is signed by all the Directors entitled to vote on that resolution,

a resolution in those terms is taken to be passed at a meeting of the Directors held at the time when the document was signed by the last Director to do so.
- (b) For the purposes of clause 15.10(a):
 - (i) two or more separate documents containing statements in identical terms each being signed by 1 or more Directors together are taken to constitute 1 document containing a statement in those terms signed by those Directors on the respective days on which they signed the separate documents;
 - (ii) a reference to all the Directors does not include a reference to an alternate Director whose appointor has signed the document, but an alternate Director may sign the document in the place of the appointor; and

- (iii) a signed document may be transmitted to the Company by an email, facsimile or other electronic communication or message which is expressed to be sent by or on behalf of a Director or alternate Director. An email of the Director addressed to another officer of the Company confirming agreement with the resolution and undertaking to sign the resolution as soon as practicable shall be deemed to be a document in writing signed by the Director. The document is taken to be signed by that Director or alternate Director at the time of receipt of the facsimile or electronic message by the Company in legible form.
- (c) Where a committee consists of 1 Director only, a document signed by that Director and recording a decision of the committee is valid and effective as if it were a decision made at a meeting of that committee and that document constitutes a minute of that decision.

15.11 Minutes

Minutes of Directors' meetings and resolutions passed by Directors without a meeting must be kept in accordance with clause 12.24.

15.12 Defects in appointments

- (a) All acts done by any meeting of the Directors, committee of Directors, or person acting as a Director are as valid as if each person was duly appointed and qualified to be a Director or a member of the committee.
- (b) Clause 15.12(a) applies even if it is afterwards discovered that there was some defect in the appointment of a person to be a Director or a member of a committee or to act as a Director or that a person so appointed was disqualified.

16. Managing Director

16.1 Power to appoint Managing Director

- (a) The Directors may appoint a Director to the office of Managing Director for the period and on the terms they think fit, including the grant of power for the Managing Director to delegate all or part of his or her authorities to another Director during any temporary absence. Subject to the terms of any agreement entered into in a particular case, the Directors may at any time revoke any appointment of a Managing Director.
- (b) The Managing Director's appointment automatically terminates if the Managing Director ceases for any reason to be a Director.
- (c) Subject to clause 16.1(a), clause 13.3 does not apply to a Managing Director.

16.2 Delegation of powers to Managing Director

- (a) The Directors may, on the terms and conditions and with any restrictions as they think fit, confer on the Managing Director any of the powers exercisable by them.
- (b) Any powers so conferred may be concurrent with the powers of the Directors.

- (c) The Directors may at any time withdraw or vary any of powers conferred on the Managing Director under clause 16.2(a).

17. Secretaries and other officers

17.1 Secretaries

- (a) There must be at least 1 Secretary in office at all times. A Secretary of the Company holds office on the terms and conditions, as to remuneration and otherwise, as the Directors decide.
- (b) The Directors may at any time terminate the appointment of a Secretary.

17.2 Other officers

- (a) The Directors may from time to time:
 - (i) create any other position or positions in the Company with the powers and responsibilities as the Directors may from time to time confer; and
 - (ii) appoint any person, whether or not a Director, to any position or positions created under clause 17.2(a)(i).
- (b) The Directors at any time may terminate the appointment of a person holding a position created under clause 17.2(a)(i) and may abolish the position.

18. Execution of documents

- (a) The Company may execute documents in any way permitted by Law.
- (b) If the Company has a seal, it may execute documents by affixing the seal to the document where the affixing of the seal is witnessed by:
 - (i) 2 Directors of the Company; or
 - (ii) at least 1 Director and a Secretary or a person authorised by the Directors to witness the affixing of the seal.
- (c) The Company may have a common seal, a duplicate common seal and 1 or more other seals for specific purposes, each appropriately identified on its face.
- (d) A seal may be used only by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the seal.

19. Inspection of records

19.1 Inspection of records

- (a) The Directors may, subject to the Act, decide whether and to what extent, at which time and places and under what conditions, the accounting and other books and records of the Company will be open to inspection by Members.
- (b) A Member other than a Director has no right to inspect any document of the Company except as provided by Law or as authorised by the Directors.

20. Dividends, reserves and distributions

20.1 Power to pay Dividends

- (a) Subject to the Act and to any special rights or restrictions attached to any Shares, the Directors may resolve to:
 - (i) pay any Dividend they think appropriate; and
 - (ii) fix the time for payment.
- (b) The Company must not pay interest on unpaid Dividends.

20.2 Crediting of Dividends

- (a) Subject to any special rights or restrictions attached to any Shares and clause 8.1(c), every Dividend:
 - (i) must be paid equally on all fully paid Shares (which were fully paid for the entire period to which the Dividend relates); and
 - (ii) for all partly paid Shares and Shares which were not fully paid for the entire period to which the Dividend relates, must be apportionable and paid proportionately to the amounts paid for the Shares during any part or parts of the period in respect of which the Dividend is paid.
- (b) Unless the Directors decide otherwise, an amount paid on a Share in advance of a call is not taken for the purposes of clause 20.2(a) to be paid on the Shares.
- (c) Subject to any special rights or restrictions attached to any Shares, the Directors may from time to time resolve that Dividends are to be paid out of a particular source or particular sources, and where the Directors so resolve, they may, in their absolute discretion:
 - (i) allow any Member to elect from which specified sources that particular Member's Dividend may be paid by the Company; and
 - (ii) where such elections are permitted and a Member fails to make such an election, the Directors may, in their absolute discretion, identify the particular source from which Dividends are payable.

20.3 Reserves

- (a) The Directors at their discretion may, at any time, set aside out of the profits of the Company as reserves any sums as they think proper, which sums may be applied for any proper purpose.
- (b) The reserves may either be employed in the business of the Company or be placed in any investments as the Directors decide.
- (c) The Directors may, without placing them to any reserve, carry forward any profits which they may think prudent not to distribute by way of Dividend.

20.4 Deduction of unpaid amounts

The Directors may deduct from any Dividend payable to a Member all sums of money presently payable by the Member to the Company on account of calls or otherwise in relation to Shares in the Company.

20.5 Distribution in kind

- (a) The Directors may by resolution, direct payment of any Dividend wholly or partly by the distribution of specific assets, including, without limitation, paid up Shares in the Company or other securities or debentures of the Company or any other body corporate.
- (b) Where a difficulty arises in regard to a distribution under clause 20.5(a) the Directors may:
 - (i) settle the matter as they think fit and fix the value for distribution of the specific assets or any part of those assets;
 - (ii) decide that cash payments are to be made to any Member or Members on the basis of the value so fixed in order to adjust the rights of all parties; or
 - (iii) vest any specific assets in trustees.

20.6 Payment of distributions

- (a) Any Dividend, interest or other money payable in cash in respect of Shares may be paid, at the Directors discretion and at the sole risk of the intended recipient:
 - (i) by cheque sent through the post directed to:
 - (A) the address of the Member as shown in the Register or, in the case of joint holders, to the address shown in the Register as the address of the joint holder first named in that Register; or
 - (B) to any other address as the Member or joint holders in writing directs or direct; or
 - (ii) by electronic funds transfer to an account with a bank or other financial institution nominated in writing by the Member and acceptable to the Company; or
 - (iii) by any other means determined by the Directors.
- (b) The Directors may decide to use different payment methods for different Members.
- (c) Subject to the Act, and all applicable Laws, all unclaimed Dividends may be invested or otherwise used by the Directors for the benefit of the Company, or may be disposed of at the discretion of the Company.

21. Capitalisation of profits

21.1 Capitalisation

The Directors may resolve:

- (a) to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account, profit and loss account or otherwise available for distribution to Members; and
- (b) that the sum be applied, in any of the ways mentioned in clause 21.2, for the benefit of Members in full satisfaction of their interest in the capitalised sum, in the proportions to which those Members would have been entitled in a distribution of that sum by way of Dividend or, if there is no such proportional entitlement, as the Directors determine.

21.2 Manner in which sums applied

The ways in which a sum may be applied for the benefit of Members under clause 21.1(b) are:

- (a) in paying up any amounts unpaid on the Shares held by the Members;
- (b) in paying up in full unissued Shares or debentures or debenture stock to be issued to Members as fully paid;
- (c) partly as mentioned in clause 21.2(a) and partly as mentioned in clause 21.2(b);
- (d) in accordance with any bonus share plan adopted by the Company; or
- (e) any other application permitted by the Act.

21.3 Participation by holders of partly paid Shares

Where the conditions of issue of a partly paid Share so provide, the holder may participate in any application of a sum under clause 21.2 to a greater extent than would have been the case had those funds been distributed by Dividend, but not to any greater extent than permitted by the terms of issue.

21.4 Powers of Directors

The Directors must do all things necessary to give effect to a resolution referred to in clause 21.1 and, in particular, to the extent necessary to adjust the rights of the Members amongst themselves, may:

- (a) fix the value for distribution of the specific assets or any part of those assets;
- (b) make cash payments in cases where Shares or debentures or debenture stock become issuable in fractions, or determine that fractions may be disregarded;
- (c) vest any cash or specific assets in trustees on trust for the persons entitled as they think fit; or

- (d) authorise any person to make an agreement with the Company on behalf of all the Members entitled to any further Shares or debentures or debenture stock on the capitalisation providing for:
- (i) the issue to them of any further Shares or debentures or debenture stock, credited as fully paid up; or
 - (ii) the payment by the Company on their behalf of all or any part of the amounts remaining unpaid on their existing Shares by the application of their respective proportions of the sum resolved to be capitalised,
- and any agreement made under that authority is effective and binding on all the Members concerned.

22. Dividend reinvestment and Share plans

22.1 Directors may establish plans for Members

The Directors may establish 1 or more plans under which each participating Member may elect, as provided in the plan:

- (a) that Dividends to be paid in respect of some or all of the Shares from time to time held by the Member may be satisfied by the issue of fully paid ordinary Shares;
- (b) that Dividends are not to be determined or paid in respect of some or all of the Shares from time to time held by the Member, but that the Member is to receive fully paid ordinary Shares or some other form of distribution as the Directors determine; or
- (c) such other options as the Directors consider appropriate,

and the Directors may vary, suspend or terminate any such plan.

22.2 Implementing plans

Any such plan has effect in accordance with its terms and the Directors may do all things necessary and convenient for the purpose of implementing the plan, including, subject to applicable Law, making each issue of Shares and each necessary appropriation, capitalisation, application, payment and distribution of funds.

22.3 Where not all Members or holders participate

For the purpose of giving effect to any such plan, the appropriations, capitalisations, applications, payments and distributions authorised by clause 22.2 may be made and the powers of the Directors under this clause 22 may be exercised (with such adjustments as may be required) even if only some of the Members or holders of Shares of any class participate.

22.4 Information and advice to Members

- (a) In offering opportunities to Members to participate in any such plan, the Directors may give such information as in their opinion may be useful to assist Members in assessing the opportunity.

- (b) The Directors, the Company and its officers are not responsible for, nor are they obliged to provide, any legal, taxation or financial advice in respect of the choices available to Members.

22.5 Limit on Directors' obligations

The Directors are under no obligation:

- (a) to admit any Member as a participant in any such plan; nor
- (b) to comply with any request made by a Member who is not admitted as a participant in any such plan.

22.6 Equity incentive plans

- (a) The Board may establish equity incentive plans on the terms that they decide, under which securities of the Company or of a related body corporate are issued to, or held for the benefit of, any Directors (including non executive Directors) or senior executives of the Company, or any employees or contractors of the Company or of a related body corporate.
- (b) Subject to the discretion of the Board, the rules of the equity incentive plan and applicable Law, securities may be issued to or held for the benefit of a nominee with which a Director, senior executive, employee or contractor is associated.
- (c) The Board may amend, suspend or terminate a equity incentive plan at any time.
- (d) For the purposes of section 1100V of Division 1A of Part 7.12 of the Corporations Act, the issue cap percentage for the Company is 7.5%.

22.7 Duties and powers of Directors

In establishing and maintaining any plan, the Directors must act in accordance with the provisions of this Constitution and may exercise all or any of the powers conferred upon them by the terms of any such plan, by this Constitution or by the Act.

23. Notices

23.1 How notice to be given

- (a) A Member may, by written notice to the Secretary left at or sent to the Registered Office, require that all notices to be given by the Company or the Directors be served on the Member's representative at an address specified in the notice.
- (b) A notice may be given by the Company to any Member by:
 - (i) serving it on the Member personally;
 - (ii) post, either by:
 - (A) properly addressing, prepaying and posting the notice to the Member or leaving it at the Member's address as shown in the Register or the address supplied by the Member to the Company for the giving of notices; or

- (B) subject to the Act, properly addressing, prepaying and posting to the Member, or leaving at the Member's address as shown in the Register or the address supplied by the Member to the Company for the giving of notices, a letter, postcard or other document setting out a URL from which the notice can be viewed or downloaded (**Notification**);
- (iii) serving it in any manner contemplated in this clause 23.1 on a Member's representative as specified by the Member in a notice given under clause 23.1(a);
- (iv) facsimile transmission to the facsimile number supplied by the Member to the Company for the giving of notices;
- (v) sending it by email to an email address nominated by the Member;
- (vi) sending it via any other electronic means permitted by the Act and nominated by the Member for the giving of notices, including providing an electronic link to the notice; or
- (vii) giving it by any other means permitted or contemplated by this clause 23 or the Act.

23.2 When notice is given

A notice is deemed to be given by the Company and received by the Member:

- (a) if delivered in person, when delivered to the Member;
- (b) if posted, on the day after the date of posting to the Member, whether delivered or not;
- (c) if given in accordance with clause 23.1(b)(ii)(B), on the day after the date of posting the Notification to the Member, whether delivered or not;
- (d) if sent by facsimile transmission, upon confirmation being received by the Company that all pages of the notice have been successfully transmitted to the Member's facsimile machine at the facsimile number nominated by the Member; or
- (e) if sent by email or other electronic means, once sent by the Company to the electronic address nominated by the Member (regardless of whether or not the notice is actually received by the Member).

23.3 Notice of general meeting

- (a) Notice of every general meeting must be given in the manner authorised by clause 23.1:
 - (i) subject to clause 24.1, to every Member and Director;
 - (ii) to every person entitled to a Share in consequence of the death, mental incapacity or bankruptcy of a Member who, but for the death or bankruptcy, would be entitled to receive notice of the meeting; and

- (iii) to any auditor of the Company.
- (b) No other person is entitled to receive notice of general meeting.

23.4 No notice if no valid address

If:

- (a) any Member has not provided to the Registered Office an address for registration in the Register; or
- (b) the Company believes that a Member is not known at the address registered in the Register,

unless and until the Member provides a valid address to the Registered Office, all notices to be sent to that Member are taken to be given to the Member if the notice is displayed at the Company's Registered Office for 48 hours, and are taken to be served at the commencement of that period.

24. Joint holders

24.1 Notice to be given by joint holders

Joint holders of a Share must give to the Company notice of:

- (a) a single address for the purpose of all notices to be given by the Company under clause 23.1, and for the payment of Dividends and the making of distributions in accordance with this Constitution; and
- (b) a single account for the payment of money by electronic funds transfer in accordance with clause 20.6(a)(ii), if so desired, in respect of that Share.

24.2 Effect of giving notice

Where the Company receives notice under clause 24.1, the giving of notice, the payment of Dividends or the making of distributions, to the address or account so notified is deemed given, paid or made to all joint holders of the relevant Share.

24.3 Failure to give notice

Where joint holders of a Share fail to give notice to the Company in accordance with clause 24.1, the Company may give notice, pay Dividends and make distributions to the address of the joint holder whose name first appears in the Register.

24.4 Receipts

Any of the joint holders of a Share may give effective receipt for all Dividends and payments in respect of the Share.

25. Winding up

25.1 Where assets insufficient to repay paid up capital

If the Company is wound up and the assets available for distribution among the Members are insufficient to repay the whole of the paid up capital, the assets must be distributed so that, as nearly as may be, the losses are borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the Shares held by them respectively.

25.2 Where assets sufficient to repay paid up capital

If, in a winding up, the assets available for distribution among the Members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess must be distributed among the Members in proportion to the capital at the commencement of the winding up paid up, or which ought to have been paid up, on the Shares held by them respectively.

25.3 Powers of liquidator

If the Company is wound up, the liquidator may:

- (a) with the sanction of a special resolution, divide among the Members in kind the whole or any part of the property of the Company;
- (b) for that purpose set a value as the liquidator considers fair on any property to be so divided; and
- (c) decide how the division is to be carried out as between the Members or different classes of Members.

25.4 Vesting of property in trustees

The liquidator may, with the sanction of a special resolution, vest the whole or any part of any property in trustees on any trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any Shares or other securities in respect of which there is any liability.

26. Indemnity and insurance

26.1 Definition

In this clause **Officer** has the meaning given in section 9 of the Act.

26.2 Company must indemnify Officers

To the full extent permitted by Law and without limiting the powers of the Company, the Company may indemnify any person who is or has been an Officer of the Company, or of a related body corporate of the Company against all losses, liabilities, damages, costs, charges and expenses of any kind incurred by the Officer as an officer of the Company or of a related body corporate.

26.3 Documentary indemnity and insurance policy

To the extent permitted by the Act and any applicable Law and without limiting the powers of the Company, the Directors may authorise the Company to, and the Company may, enter into any:

- (a) documentary indemnity in favour of; or
- (b) insurance policy for the benefit of,

a person who is, or has been, an Officer of the Company or of a related body corporate of the Company, which indemnity or insurance policy may be in such terms as the Directors approve and, in particular, may apply to acts or omissions prior to or after the time of entering into the indemnity or policy.

27. Restricted Securities

27.1 Definitions

In this clause 27, "**dispose**" (and any other grammatical forms of it) and "**restriction deed**" have the meaning given by the Listing Rules.

27.2 Compliance with Listing Rules

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- (a) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (b) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;
- (c) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and
- (e) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.

27.3 Non-Issue or Cancellation of Certificate

Notwithstanding any other provision of this Constitution, the Company need not issue a certificate and may cancel any certificate without issuing a certificate in substitution, in respect of any Shares or Share Options of the Company in any circumstances where the

non-issue or cancellation of that certificate is permitted by the Act, the Listing Rules or the ASX Settlement Operating Rules.

27.4 No Prohibition on Foreign Ownership

Nothing in this Constitution shall have the effect of limiting or restricting the ownership of any securities of the Company by foreign persons except where such limits or restrictions are prescribed by Australian law.

Schedule 1 – Preference Share Terms of Issue

1. Definitions

The following definitions apply to this Schedule:

Dividend Date means, in relation to a Preference Share, a date specified in the Issue Resolution on which a dividend in respect of that Preference Share is payable, and in relation to Redeemable Preference Shares, includes the Redemption Date;

Dividend Rate means, in relation to a Preference Share, the terms specified in the Issue Resolution for the calculation of the amount of Dividend to be paid in respect of that Preference Share on any Dividend Date, which may be fixed or calculated wholly or partly by reference to a formula;

Issue Resolution means the Board resolution to issue a Preference Share referred to in item 2 of this Schedule;

Preference Share means a Share issued as a preference Share under clause 2.2(a) of the Constitution;

Redeemable Preference Share means a Preference Share which is, at the option of the Company or the holder or both, liable to be redeemed;

Redemption Amount means, in relation to a Redeemable Preference Share, the amount specified in the Issue Resolution as the amount to be paid on redemption of the Redeemable Preference Share;

Redemption Date means, in relation to a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Preference Share, which may include a formula for ascertaining the date for redemption upon the occurrence of certain events; and

Terms of Issue means these terms of issue and the terms set out in the Issue Resolution for a Preference Share.

2. Issue Resolution

In order to issue a Preference Share, the Board must pass an Issue Resolution which specifies:

- (a) the Dividend Date;
- (b) the Dividend Rate;
- (c) whether, and the extent to which, the dividend is a franked dividend for the purposes of the *Income Tax Assessment Act 1936 (Cth)* and the *Income Tax Assessment Act 1997 (Cth)*, and if the dividend is not franked, any consequences of that;
- (d) the priority over other classes of Shares with respect to payment of dividends and repayment of capital;
- (e) whether the Preference Shares is a Redeemable Preference Share, and if so, the Redemption Amount and Redemption Date; and

- (f) such other terms as the Board may determine.

3. Preference Share rights

Each Preference Share confers the following rights on its holder, subject to the Act and the Listing Rules:

- (a) the right to receive a dividend at the Dividend Rate on the Dividend Date:
- (i) subject to any conditions specified in the Issue Resolution, which may include conditions in which no dividend is payable or on which the right to a dividend is changed upon the occurrence of certain events;
 - (ii) which is non-cumulative unless, and to the extent that, the Issue Resolution states otherwise;
 - (iii) which will rank for payment:
 - (A) in priority to any dividend payment on ordinary Shares and in priority to any other class of Shares over which the Issue Resolution gives it priority, and
 - (B) equally or behind any other class of Shares or Preference Shares where the Issue Resolution gives it that ranking;
- (b) if the Issue Resolution so provides, the right to participate with the Shares in Dividends in addition to the preferential dividend;
- (c) unless otherwise determined in the Issue Resolution, no rights to participate in the profits or assets of the Company except as otherwise provided for in the Terms of Issue; and
- (d) the rights on a winding up of the Company specified in item 4 of this Schedule.

4. Rights on winding up of the Company

Each Preference Share confers on its holder the following rights on a winding up of the Company, subject to the Corporations Act:

- (a) the right to payment of the amount of any dividend accrued but unpaid on that Preference Share at the commencement of the winding up, whether earned or determined or not:
- (i) in priority to ordinary Shares; and
 - (ii) with the same priority or ranking in relation to other classes of Shares and Preference Shares that applies in relation to payment of dividends, unless the Issue Resolution provides otherwise;
- (b) the right to payment of the capital for the time being paid up (or agreed to be considered as paid) on that Preference Share and any arrears of Dividends declared but unpaid in respect of that Preference Share:
- (i) in priority to ordinary Shares; and

- (ii) with the same priority or ranking in relation to other classes of Shares and Preference Shares that apply in relation to the payment of dividends on that Preference Share, unless the Issue Resolution provides otherwise;
- (c) the right to payment of any further amount out of the surplus assets and profits of the Company:
 - (i) in priority to ordinary Shares; and
 - (ii) with the same priority or ranking in relation to other classes of Shares and Preference Shares that applies in relation to payment of dividends, unless the Issue Resolution provides otherwise.

5. Rights to attend meetings and voting rights

- (a) Preference Share holders have the same rights as Members to:
 - (i) receive notices of general meetings, reports and accounts of the Company; and
 - (ii) attend and be heard at general meetings,
 but do not have the right to vote at general meetings except as set out in item 5(b) of this Schedule.
- (b) Preference Share holders have the right to vote at general meetings:
 - (i) on a proposal:
 - (A) to reduce the Company's share capital;
 - (B) that affects rights attached to Preference Shares;
 - (C) to wind up the Company; or
 - (D) to dispose of all or substantially all of the Company's property, business and undertaking;
 - (ii) on a resolution to approve the terms of a buy-back agreement;
 - (iii) during a period in which a Dividend or part of a Dividend in respect of the Preference Share is in arrears; or
 - (iv) on any question considered at a meeting held during the winding up of the Company.

6. Redemption rights

- (a) A holder of a Redeemable Preference Share has the right to require the Company to redeem it in accordance with the Terms of Issue.
- (b) Subject to the Corporations Act, a Redeemable Preference Share must be redeemed on the Redemption Date and the Company must pay to the holder the Redemption Amount by cheque, electronic funds transfer or in any other way agreed by the holder and the Company.

7. Conversion to ordinary Shares

Subject to the Corporations Act:

- (a) a Preference Share which may be converted into an ordinary Share, at the time of conversion:
 - (i) has the same rights as a fully paid ordinary Share; and
 - (ii) ranks equally with other fully paid ordinary Shares on issue; and
- (b) the conversion does not constitute the cancellation, redemption or termination of the Preference Share or the issue or creation of new Shares, but has the effect of varying the status of, and the rights attaching to, the Preference Shares.

8. Amendment

Subject to complying with all applicable laws, the Company may, without the consent of holders of Preference Shares, amend or add to the Terms of Issue of Preference Shares, if in the Company's opinion the amendment is:

- (a) of a formal, minor or technical nature;
- (b) required to correct a manifest error;
- (c) made to comply with the Act, the Listing Rules, any ASX requirement or recommendation, or any other applicable law; or
- (d) not likely to materially prejudice any holders of Preference Shares.

9. Variation of rights

Subject to item 8 of this Schedule, the rights attaching to Preference Shares may only be varied or cancelled in accordance with clause 2.3(b) of this Constitution.

Annexure 2 - Summary of material terms of Employee Incentive Plan (New Plan)

A summary of the key terms of the New Plan is set out below:

1. Purpose of the New Plan

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of eligible participants;
- (b) link the reward of eligible participants to Shareholder value creation; and
- (c) align the interests of eligible participants with shareholders of the Group (being the Company and each of its Related Bodies Corporate), by providing an opportunity to eligible participants to receive an equity interest in the Company in the form of Awards (being securities exercisable for Shares, including options and performance rights).

2. Eligibility to participate

An eligible participant means a person that:

- (a) is a "primary participant" (as defined in section 1100L(1)(a) Corporations Act or any amendment or replacement thereof) in relation to the Company or a Related Body Corporate; and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

3. Related persons of Employees

If an Eligible Participant is permitted in the Offer, they may, by written notice to the Board, nominate a Permitted Nominee in whose favour the Eligible Participant wishes to renounce the Offer.

4. Administration of the New Plan

The New Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the New Plan rules in its absolute discretion. The Board may delegate its powers and discretion.

5. Offers of Awards

The Board may from time to time determine that an eligible participant may participate in the New Plan and make an offer to that eligible participant to apply for Awards.

6. Applications for Awards

An eligible participant who wishes to apply to participate in the New Plan in response to an Offer must provide a completed application form to the Company. The Board may accept an application from an eligible participant in whole or in part. If an eligible participant is permitted in the Offer, the eligible participant may, by notice in writing to the Board, nominate a party in whose favour the eligible participant wishes to renounce the invitation in order for that nominee to be granted the Awards the subject of the Offer.

7. Grant of Awards

The Company will, to the extent that it has accepted a duly completed application, grant the participant the relevant number of Awards, subject to the terms and conditions set out in the Offer, the New Plan rules and any ancillary documentation required.

8. Terms of Awards

Each 'Award' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the New Plan. Prior to an Award being exercised, a participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Award by virtue of holding the Award.

9. Vesting of Awards

Any vesting conditions applicable to the grant of Awards will be described in the Offer. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the participant by the Company informing them that the relevant Awards have vested.

Unless and until the vesting notice is issued by the Company, the Awards will not be considered to have vested.

For the avoidance of doubt, if the vesting conditions relevant to an Award are not satisfied and/or otherwise waived by the Board, that Award will lapse.

10. Rights

All Shares issued under the New Plan or issued or transferred to a participant upon the valid exercise of an Award, will rank equally in all respects with the Shares of the same class. A participant will be entitled to any dividends declared and distributed by the Company on the Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A participant may exercise any voting rights attaching to Shares.

11. Adjustment for capital reconstructions

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each participant holding Awards will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Awards is entitled, upon exercise of the Awards, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Awards are exercised.

Unless otherwise determined by the Board, a holder of Awards does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

12. Participation in new issues

There are no participation rights or entitlements inherent in the Awards and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Awards without exercising the Awards.

13. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the New Plan rules, including the terms upon which any Awards have been granted under the New Plan and determine that any amendments to the New Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

14. Term of plan

Subject to the Listing Rules, the New Plan continues in operation until the Board decides to end it.

The Board may from time to time suspend the operation of the New Plan for a fixed period or indefinitely, and may end any suspension. If the New Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the participants.

Annexure 3 - Employee Incentive Plan (mark-up of New Plan against Existing Plan)

Dated ~~17 February 2021~~ 16 November 2023

Employee Incentive Plan Rules

Island Pharmaceuticals Limited ACN 641 183 842

(Company)

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Employee Incentive Plan Rules

1. Introduction

1.1 Purpose of plan

The Company has established this Plan to encourage Employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all Employees.

1.2 Advice

- (a) There are legal and tax consequences associated with participation in the Plan. Employees should ensure that they understand these consequences before accepting an invitation to participate in the Plan.
- (b) Any advice given by or on behalf of the Company is general advice only, and Employees should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give such advice.

2. Definitions and Interpretations

2.1 Definitions

In these Rules unless the contrary intention appears:

Acquisition Loan means a loan made by the Company to a Participant under clause 4.14 or the purpose of the Participant acquiring a Loan Share as the result of the acceptance of an Offer.

Acquisition Loan Period means the period of the Acquisition Loan determined in accordance with clause 4.2(a)(v)~~4.2(a)(v)~~.

Amount has the meaning given to it under clause 14.

Application means a written acceptance of an Offer for, or an application for, Awards in form approved by or acceptable to the ~~f~~Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the securities market which it operates, as the context requires.

Award means:

- (a) an Option,
- (b) a Performance Right,
- (c) a Loan Share,
- (d) a Deferred Share Award,

~~(e)~~ an Exempt Share Award, as applicable, ~~and~~

~~(e)(f)~~ any other ESS Interest as defined under section 1100E of the Corporations Act.

Benefit has the meaning given to it under clause 13.

Board means the Board of Directors of the Company.

Company means Island Pharmaceuticals Limited (ACN 641 183 842).

Constitution means the constitution of the Company.

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

Deferred Share Award means a Share issued under clause 3.5~~3.6~~.

Employee means a person who is an employee, officer, director or consultant of a Group entity.

ESS Interest has the meaning given to it under section 1100E of the Corporations Act, being offers of interests under an employee share scheme of a body corporate or a registered scheme that meets certain listing requirements.

Exempt Share Award means a Share issued under clause 3.6~~3.5~~.

Exercise means exercise of an Award in accordance with its terms, and includes automatic exercise in accordance with these Rules.

Exercise Price means the price payable (if any) per Share to exercise an Award.

Expiry Date means the date on which an Award lapses, being the date specified in an Offer as the Expiry Date, or fixed by a method of calculation set out in an Offer.

Good Leaver means a Participant who ceases to be employed by, contracted by, or a director of, a Group Member as a result of:

- (a) total or permanent disablement, or an illness which persists for at least 3 months, which in either case prevents the person from carrying out their previous functions as an employee, contractor or director;
- (b) genuine redundancy;
- (c) death; or
- (d) other factors determined by the Board in its discretion to constitute sufficient reason to treat the person as a Good Leaver.

Group means the Company and each of its controlled entities, and Group Member means any of them.

Issue of a Share includes the transfer of an existing Share in accordance with clause 7.3~~8.3~~.

Issue Price means the price (if any) to be paid for the issue of a Share as stated in the Offer.

Liability means any liability, whether actual or contingent, present or future, quantified or unquantified.

Limiting Legislation has the meaning given to it under clause 13.

Listed means the Company being and remaining admitted to the official list of the ASX.

Listing Rules means the Listing Rules of ASX and any other rules of the ASX which are applicable while the Company is Listed each as amended or replaced from time to time, except to the extent of any waiver granted by the ASX.

Loan Share means a Share issued under clause 3.4~~3~~4 on the terms set out in clause 44.

Market Price means the weighted average sale price of Shares on the ASX over the five trading days immediately preceding the day the Offer is made, or another pricing method determined by the Company.

Offer means an offer or issue of Awards made to an Employee under clause 44. Where Awards are issued without the need for acceptance, an Offer includes the document setting out the terms of the Award.

Option means an option to acquire Shares issued under clause 3.2~~3~~2.

Participant means an Employee to whom Awards are issued.

Performance Right means a right to acquire a Share issued under clause 3.3~~3~~3.

Plan means this Employee Incentive Plan.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Related Person means, subject to the Corporations Act, another person who is:

- (a) a spouse, parent, child or sibling of the primary participant; or
- (b) another body corporate controlled by the primary participant or a person mentioned in subparagraph (a); or
- (c) a body corporate that is the trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the primary participant is a director of the body corporate; or
- (d) a person prescribed in relation to the primary participant by the regulations for the purposes of section 1100L of the Corporations Act; or
- (e) any other person defined as a "related person" under section 1100L of the Corporations Act, as updated from time to time.

Restricted Award means an Award or a Share issued on exercise of an Award in respect of which a restriction on sale or disposal applies under this Plan.

Restriction Period means the period during which Awards, or Shares issued on exercise of Awards, must not be sold or disposed of, being the period specified in these Rules in respect of Deferred Share Awards and Exempt Share Awards, and as specified in the Offer in respect of other Awards.

Rules means these rules as amended from time to time.

Securities Trading Policy means any securities trading policy adopted by the Company from time to time.

Security Interest means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or Liability, including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance or hypothecation and a security interest as defined in sections 12(1) and 12(2) of the PPSA.

Share means a fully paid ordinary share of the Company, and where the context requires, includes a Loan Share.

Tax Act means the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997*, or any legislation amending or replacing the provisions of those Acts relating to the issue and exercise of Awards.

Vesting Conditions means any conditions described in the Offer that must be satisfied before an Award can be exercised or before an Award (or Share issued under an Award) is no longer subject to forfeiture.

Vesting Date means the date on which an Award is exercisable or is no longer subject to forfeiture following satisfaction of any Vesting Conditions.

2.2 Interpretation

In these Rules, unless expressed to the contrary:

- (a) terms defined in the Corporations Act or the Listing Rules have the same meaning in these Rules;
- (b) words importing:
 - (i) the singular include the plural and vice versa;
 - (ii) any gender includes the other genders;
- (c) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (d) a reference to:
 - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes its legal personal representatives, successors and assigns;
 - (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (iv) a right includes a benefit, remedy, discretion, authority or power;
 - (v) "\$" or "dollars" is a reference to the lawful currency of Australia;
 - (vi) this or any other document includes the document as varied or replaced and notwithstanding any change in the identity of the parties; and
 - (vii) any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them.

2.3 Headings

Headings are for convenience only and do not affect the interpretation of these Rules.

2.4 Tax treatment of Plan

This Plan is a plan to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Act).

3. Awards that may be made under the Plan

3.1 Making of Awards

- (a) The Company may, at the discretion of the Board, offer and issue Awards to Employees of the kind set out in this clause 3~~3~~.

3.2 Options

- (a) The Company may offer or issue Options, which are rights to be issued a Share upon payment of the Exercise Price and satisfaction of specified Vesting Conditions. These terms apply unless the Offer specifies otherwise:
 - (i) Options are Restricted Awards until they are exercised or expire.
 - (ii) An Offer may specify a Restriction Period for Shares issued on the exercise of Options.
 - (iii) Options are subject to adjustment under clause 12~~13~~.

3.3 Performance Rights

- (a) The Company may offer or issue Performance Rights, which are rights to be issued a Share for nil Exercise Price upon the satisfaction of specified Vesting Conditions. These terms apply unless the Offer specifies otherwise:
 - (i) Performance Rights are Restricted Awards until they are exercised or expire.
 - (ii) An Offer may specify a Restriction Period for Shares issued on the exercise of Performance Rights.
 - (iii) Performance Rights are subject to adjustment under clause 12~~13~~.

3.4 Loan Shares

- (a) The Company may offer or issue Loan Shares, which are Shares issued to Employees at an Issue Price that the Board in its discretion determines, and may be subject to the satisfaction of specified Vesting Conditions. These terms apply unless the Offer specifies otherwise:
 - (i) Loan Shares are Restricted Awards until Vesting Conditions are satisfied and the Acquisition Loan is repaid or satisfied.
 - (ii) The Acquisition Loan and security terms in clause 4~~4~~ apply.

3.5 Deferred Share Awards

- (a) The Company may offer or issue Deferred Share Awards, which are Shares issued to Employees:
 - (i) who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; or
 - (ii) by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment.

- (b) Unless a different Restriction Period is specified in an Offer, the Restriction Period for Deferred Share Awards will expire on the earlier of:
 - (i) when a Participant ceases to be an Employee;
 - (ii) when the Board, in its discretion, agrees to end the Restriction Period; and
 - (iii) 10 years from the date of issue of the Shares.

3.6 Exempt Share Awards

- (a) The Company may offer or issue Exempt Share Awards, which are Shares issued for no consideration or at an Issue Price which is a discount to the Market Price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the Tax Act from time to time) of the total value or discount received by each Employee will be exempt from tax.
- (b) Unless a different Restriction Period is specified in an Offer, the Restriction Period for Exempt Share Awards will expire on the earlier of:
 - (i) three years from the date of issue of the Shares; and
 - (ii) the time when a Participant ceases to be an Employee.
- (c) The Company must offer Exempt Share Awards on a non-discriminatory basis as defined by section 83A-35(6) of the Tax Act.

4. Loan Shares

4.1 Offer of Acquisition Loan

- (a) The Company may provide an Acquisition Loan in relation to Loan Shares by making a loan to a Participant on the terms set out in an Offer and in these Rules.
- (b) The offer of an Acquisition Loan may be subject to the Company and the Participant executing agreements and other documents in a form acceptable to the Company providing for:
 - (i) the offer by the Company and the acceptance by the Participant of an Acquisition Loan equal to the aggregate Issue Price of the Loan Shares offered;
 - (ii) the grant by the Participant in favour of the Company of a Security Interest over the Loan Shares as set out in this clause 44 and the perfection of that Security Interest under the PPSA as a first ranking Security Interest; and
 - (iii) if required by the Company, a written agreement by the Participant to the application of a holding lock in respect of the Loan Shares.

4.2 Default Acquisition Loan Terms

- (a) Unless otherwise determined by the Board:
 - (i) **(Timing)** an Acquisition Loan will be made to a Participant at the time the Participant acquires a Loan Share as the result of their acceptance of an Offer;
 - (ii) **(Amount)** the amount of the Acquisition Loan will be equal to the aggregate Issue Price of the Loan Shares offered;

- (iii) **(Application of Acquisition Loan money)** a Participant who accepts an Acquisition Loan irrevocably authorises the Company to apply the Acquisition Loan on behalf of the Participant to pay for the aggregate Issue Price of the Loan Shares to be issued or transferred to the Participant Employee;
- (iv) **(Acquisition Loans interest free)** an Acquisition Loan will not bear interest;
- (v) **(Acquisition Loan Period)** the Acquisition Loan Period commences when the Acquisition Loan is made and ends on the earliest of:
 - (A) the date on which the Participant ceases to be an Employee;
 - (B) the buy-back of the Loan Shares in accordance with clause 11~~4~~2;
 - (C) the failure to satisfy any Vesting Conditions applicable to the Loan Shares;
 - (D) any breach by the Participant of this Plan where the breach is not remedied within seven days of the Company's notice to the Participant to do so; or
 - (E) an application being made to a court for an order, or an order being made, that the Participant be made bankrupt (or any similar event in any jurisdiction as determined by the Board in its discretion); and
- (vi) **(Repayment)** a Participant:
 - (A) may repay all or part of an Acquisition Loan made to the Participant at any time before expiry of the Acquisition Loan Period; and
 - (B) must repay in full the outstanding amount of the Acquisition Loan at the end of the Acquisition Loan Period.

4.3 Repayment of Acquisition Loan

- (a) If an Acquisition Loan provided to a Participant becomes repayable, the Company must accept in full and complete satisfaction of the Participant's indebtedness and obligations to it under the Acquisition Loan:
 - (i) if the applicable Vesting Conditions have been satisfied, the total amount owing by the Participant to the Company in cash or by other means agreed between the Participant and the Company; or
 - (ii) in any case, the transfer to the Company (or its nominee) of the Loan Shares to which the Acquisition Loan relates in accordance with clause 11~~4~~2.
- (b) If the Participant has:
 - (i) not repaid the outstanding amount of an Acquisition Loan (if any) at the end of the Acquisition Loan Period; or
 - (ii) not satisfied the Vesting Conditions applicable to the Loan Shares,

the Board may, in its discretion, determine that the Company may, on behalf of the Participant:

- (i) transfer to the Company (or its nominee) the Loan Shares to which the outstanding amount of the Acquisition Loan or outstanding Vesting Conditions (as applicable) relate in accordance with clause 11~~12~~; or
 - (ii) sell the relevant Loan Shares to which the outstanding amount of the Acquisition Loan or outstanding Vesting Conditions (as applicable) relate.
- (c) Without limiting the generality of clause 15~~16~~, for the purpose of the sale of the Loan Shares in accordance with clause 4.3(b)~~4.3(b)(iv)~~, the Participant appoints the secretary of the Company (or his or her duly authorised delegate) as their attorney and authorises the secretary of the Company (or their duly authorised delegate) to sell the relevant Loan Shares on behalf of the Participant. The Company and the secretary will have complete discretion in respect of the sale of the relevant Loan Shares under clause 4.3(b)~~4.3(b)(iv)~~ and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.
- (d) If the Company sells any Loan Shares in accordance with clause 4.3(b)~~4.3(b)(iv)~~, the proceeds of sale will be applied in the following order, unless the Board otherwise determines:
- (i) in payment of any costs and expenses of the sale incurred by the Company;
 - (ii) in reduction of the outstanding amount of the Acquisition Loan (if any); and
 - (iii) the balance (if any):
 - (A) if Vesting Conditions applicable to the Loan Shares were satisfied at the time of the sale, in payment to the Participant; or
 - (B) if the Loan Shares were unvested at the time of the sale, in payment to the Company.

4.4 Limited recourse

- (a) If the Acquisition Loan is discharged or repaid under clauses 4.3~~4 to 4.6~~ then:
- (i) no further amount will be repayable by the Participant to the Company under the Acquisition Loan in respect of the Loan Shares; and
 - (ii) no further amount will at any time be recoverable by the Company from the Participant in respect of the Acquisition Loan.

4.5 Security

- (a) As security for the Acquisition Loan, each Participant grants to the Company:
- (i) a pledge of its Loan Shares provided under the Plan; and
 - (ii) a charge over all dividends and other amounts paid or payable on those Loan Shares.
- (b) While the Shares are subject to the restrictions of this Plan, a Participant must not without the consent of the Board:
- (i) create, other than in favour of the Company, any Security Interest over any Shares; or

- (ii) grant, or agree to grant, a first right of refusal, voting right, or pre-emptive right or enter into any agreement, option or other arrangement to grant such an interest or right.
- (c) Loan Shares are Restricted Awards until the Vesting Conditions applicable to the Loan Shares (if any) are satisfied and/or the Acquisition Loan is repaid, unless the Board in its discretion determines otherwise.
- (d) The Company is entitled to retain the share certificates (if any) for any Loan Shares provided under this Plan to the Participant, and to impose a holding lock on the Loan Shares.

4.6 Dividends and other entitlements

- (a) The Company may retain, or pay to itself on behalf of a Participant, any moneys (including dividends) and any capital distributions that may become payable in respect of a Loan Share in reduction of the amount outstanding under the Acquisition Loan in respect of that Loan Share.
- (b) A Participant may not participate in any dividend reinvestment plan (or similar plan) established by the Company until the Acquisition Loan in respect of his or her Loan Shares has been fully repaid.
- (c) If any Shares or other securities are issued in respect of Loan Shares as part of a bonus or entitlement issue, then those Shares or other securities will also be subject to the security in this clause 4.54.5 and the other terms of this Plan as if they were a Loan Share (unless the Board otherwise determines).

5. Offers of Awards

5.1 Offers to any employee~~Employee~~ or Related Persons

- (a) Subject to ~~clause 6~~the Corporations Act, the Company's constitution and Listing Rules, the Company may make an Offer to any Employee or Related Persons.

5.2 Form of Offer for Awards involving monetary consideration

- (a) Each Offer for Awards involving consideration must be in writing (which includes email), include an Application if acceptance is required, and specify the following to the extent applicable:
 - (i) the identity of the Employee to whom the Offer is made;
 - (ii) the type of Awards being offered;
 - (iii) the number of Awards being offered;
 - (iv) any Vesting Conditions for the Awards;
 - (v) the Issue Price and/or Exercise Price for the Awards, or the manner in which the Issue Price and/or Exercise Price is to be determined;
 - (vi) the Expiry Date (if any);
 - (vii) any Restriction Period;
 - (viii) any other terms or conditions that the Board decides to include; and

- (ix) any other matters required to be specified in the Offer by either the Corporations Act or the Listing Rules.
- ~~(b)~~ If required by applicable laws or the conditions to applicable ASIC relief, the Offer must include an undertaking by the Company to provide to a Participant, if a request is made before the Award is ~~Exercised~~exercised and within a reasonable period of being so requested, the current market price of the Shares.

5.3 Form of Offer for Awards involving no monetary consideration

- ~~(a)~~ Offers for Awards made for no monetary consideration will be made in writing (which includes email) and, at the discretion of the Board, may only be accompanied by a statement that the offer is made pursuant to Division 1A of Part 7.12 of the Corporations Act.

5.35.4 Compliance with laws

- (a) No Offer will be made to the extent that any such Offer would contravene the Company's Constitution, the Listing Rules, the Corporations Act or any other applicable law.

5.45.5 Acceptance

- (a) If acceptance of an Offer is required, it may be accepted:
 - (i) by an Employee completing and returning the Application, as required by the Offer, by not later than the date specified in the Offer; and
 - (ii) if required, by the Employee making or directing payment of the total amount payable for the Awards (if any) accepted under the Offer, in the manner specified in the Offer.
- ~~(b)~~ An Offer which requires acceptance lapses if it is not accepted by the Employee to whom the Offer is made as required under clause ~~5.55.4~~.

~~(e)(b)~~

~~1. Dilution limit~~

- ~~(a) An Offer of Awards must not be made if the total of the following:
 - ~~(a) the number of Shares which are the subject of the Offer of Awards;~~
 - ~~(b) the total number of Shares which are the subject of any outstanding Offers of Awards;~~
 - ~~(c) the total number of Shares issued during the previous five years under this Plan or any other employee share scheme extended only to Employees of the Company (adjusted if necessary in each case for capital reorganisations), but not including existing Shares transferred to a Participant after having been acquired for that purpose; and~~
 - ~~(d) the total number of Shares which would be issued under all outstanding Awards that have been granted but which have not yet been exercised, terminated or expired, assuming all such Awards were exercised and ignoring any Vesting Conditions;~~~~

~~but disregarding any Offer made, or Award offered or issued, or Share issued by way of or as a result of:~~

- ~~(e) an offer to a person situated outside Australia at the time of receipt of the offer;~~
- ~~(f) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or~~
- ~~(g) of offer made under a disclosure document as defined in the Corporations Act, would exceed 5% of the number of Shares on issue at the time of the Offer.~~

6. Vesting and Exercise of Awards

6.1 Vesting

- (a) The Awards held by a Participant will vest in and become exercisable by that Participant upon the satisfaction of any Vesting Conditions specified in the Offer and in accordance with these Rules.
- (b) Vesting Conditions may be waived at the absolute discretion of the Board (unless such waiver is excluded by the terms of the Award).

6.2 Default vesting conditions if none specified in an Offer

- (a) If vesting conditions or other vesting events are not specified in an Offer and the Offer does not expressly state to the effect that no vesting conditions apply, the following Vesting Conditions apply to any Options, Performance Rights or Loan Shares offered under the Plan:
 - (i) the Awards only vest if at the applicable vesting date the Participant either:
 - (A) remains employed with a Group Member, continues to provide consulting services to a Group Member or acts as a director of a Group Member (as applicable); or
 - (B) ceased to do so before the applicable vesting date in circumstances where the person was a Good Leaver; and
 - (ii) the Awards vest in equal one-third tranches on the first, second, and third anniversaries of the grant date of the Awards (or of another date specified in the Offer for this purpose).

6.3 Automatic Exercise

- (a) Unless clause 6.2~~7.3~~ applies, the vesting of an Award on the satisfaction of any Vesting Conditions will not automatically trigger the exercise of the Award.
- (b) The terms of an Award which has a nil Exercise Price may provide for the Award to be exercised automatically upon vesting. Further, and whether or not the terms of the Award provide for it, the Board may in its discretion waive any requirement that an issued Award which has a nil Exercise Price be exercised by the Participant. In either case the Company will treat the Award as having been validly exercised on the Vesting Date.

6.4 Exercise of Awards

- (a) A Participant is, subject to this clause ~~7~~6, entitled to exercise an Award on or after the Vesting Date. Any exercise must be for a minimum number or multiple of Shares (if any) specified in the terms of the Offer.

- (b) Awards may be exercised by the Participant delivering to the Company a notice stating the number of Awards to be exercised together with the Issue Price (if any) for the Shares to be issued.

7. Allotment of Shares on exercise or vesting of Awards

7.1 Rights attaching to Shares

- (a) The Shares issued under this Plan will upon allotment:
 - (i) be credited as fully paid;
 - (ii) rank equally for dividends and other entitlements where the record date is on or after the date of allotment, but will carry no right to receive any dividend or entitlement where the record date is before the date of allotment;
 - (iii) be subject to any restrictions imposed under these Rules, and
 - (iv) otherwise rank equally with the existing issued Shares at the time of allotment.

7.2 Quotation

- (a) ~~If the Company~~While the Company is Listed, then as soon as practicable after the date of the allotment of Shares, the Company will, unless the Board otherwise resolves, apply for official quotation of such Shares on the ASX.

7.3 New or existing Shares

- (a) The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.
- (b) If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate, including from a trustee appointed under clause 7.4~~8.4~~.

7.4 Trustee

- (a) The Company may appoint a trustee on terms and conditions which it considers appropriate to acquire and hold Shares, options, or other securities of the Company either on behalf of Participants or for the purposes of this Plan.

8. Restricted Awards

8.1 Restrictions

- (a) A Participant must not sell, transfer, grant a Security Interest over or otherwise dispose of any Restricted Awards, or agree to do any of those things, during the Restriction Period.
- (b) The Company may implement any procedures it considers appropriate to ensure that Restricted Awards are not disposed of during the Restriction Period, including applying a holding lock in respect of Shares.
- (c) Without limiting its discretions under these Rules, the Board may at any time in its discretion waive or shorten the Restriction Period applicable to an Award.

8.2 Bonus issues

- (a) If the Company makes a pro rata bonus issue to holders of Restricted Awards, the Shares issued to Participants under the pro rata bonus issue will be subject to the balance of the Restriction Period that applied to the Restricted Awards.

8.3 Takeovers and control transactions

- (a) If a takeover bid is made to acquire all of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid for Shares in the Company, then Participants are entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Awards other than Exempt Share Awards notwithstanding that the Restriction Period in respect of such Awards has not expired. The Board may, in its discretion, waive unsatisfied Vesting Conditions in relation to some or all Awards in the event of such a takeover or other transaction.

8.4 Personal representatives

- (a) If a Participant dies before the end of the Restriction Period, then the legal personal representative of that deceased Participant will have the same rights and benefits and be subject to the same obligations in respect of those Shares as the deceased Participant would have had or been subject to had they survived until the end of the Restriction Period.

9. Hedging unvested Awards

- (a) Participants must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested Awards.
- (b) Without limiting clause 10~~11~~, if a Participant is a member of the Company's key management personnel (as defined in the Corporations Act) then the Participant must also observe any additional restrictions imposed by the Corporations Act.

10. Clawback

- (a) If in relation to a Participant's Awards:
 - (i) the Company or Board waived any Vesting Condition; or
 - (ii) the Company or Board determined that a Vesting Condition was satisfied; or
 - (iii) clause 6.2(a)(i)(B)~~7.2(a)(i)(B)~~ (Good Leaver vesting) applied to the Awards, and it was the case or is later discovered that:
 - (A) a Vesting Condition was not, in fact, satisfied; or
 - (B) the Participant was not, in fact, entitled to the benefit of clause 6.2(a)(i)(B)~~7.2(a)(i)(B)~~; or
 - (C) the satisfaction of a Vesting Condition, or the decision of the Company or Board to waive a Vesting Condition, was contributed to by the Participant's fraud, unlawful behaviour, wilful default, or conduct in material breach of the Company's policies and codes of conduct,

then the Board may determine that:

- (iv) all or some of the Awards held by the Participant immediately expire and are incapable of being exercised; and/or
- (v) the Participant must, or must procure that any relevant third party, immediately on request by the Company transfers any or all Shares issued upon the exercise of the relevant Award on terms, determined by the Company (which may include transferring them for nil consideration), to:
 - (A) the Company in accordance with clause 11~~12~~; or
 - (B) to a person, determined by the Board in its discretion; and/or
- (vi) the Participant must pay the Company any:
 - (A) proceeds received from the sale of any Shares issued upon the exercise of the Awards; and
 - (B) any distributions or dividends paid on Shares issued upon the exercise of the Awards,

as a debt due to the Company.

11. Share buy-back or transfer

11.1 When Shares are bought back or transferred

- (a) Shares held by a Participant may be bought back and cancelled if:
 - (i) the Participant elects to transfer Loan Shares to the Company in satisfaction of any outstanding Acquisition Loan under clause 4.3(a)(ii)~~4.3(a)(ii)~~;
 - (ii) an Acquisition Loan has become repayable and either the Participant does not repay the Acquisition Loan in accordance with clause 4.3(a)(i)~~4.3(a)(i)~~ on the repayment due date or any Vesting Conditions in respect of relevant Loan Shares have not been satisfied at the repayment due date;
 - (iii) any Vesting Conditions in respect of relevant Loan Shares have not been satisfied by the last date for their satisfaction (if applicable) or have otherwise failed to be satisfied; or
 - (iv) the circumstances set out in clause 4.3(a)(ii)~~4.3(a)(ii)~~ arise and the Board in its discretion determines that Participant must, or must procure that any relevant third party must transfer any or all Shares issued upon the exercise of a relevant Award.

11.2 Buy-back price

- (a) The consideration for a buy-back of Shares is:
 - (i) if the buy-back is in respect of Loan Shares, the full satisfaction of any Acquisition Loan provided in connection with the acquisition of those Loan Shares, even if the amount of Acquisition Loan was or has been reduced to nil; or
 - (ii) if the buy-back is in the circumstances set out in clause 10~~11~~, nil.

11.3 How Shares are bought back

- (a) A Participant and the Company must do whatever is necessary or desirable to effect a buy-back or transfer of Shares when required under clause 11~~4~~2. Each Participant irrevocably appoints the Company and each of its Directors and secretaries from time to time severally as its attorney to sign any document necessary or desirable, and carry out any act, on that Participant's behalf for the purposes of this clause 11~~4~~2.
- (b) If the buy-back is in respect of Loan Shares where an Acquisition Loan is outstanding, payment of the amount by the Company under a buy-back of the Loan Share as provided in this clause 11~~4~~2 will be satisfied by being set off and applied against the amount of the Acquisition Loan outstanding in respect of the Loan Share bought back.
- (c) If it is impractical to buy back Shares to which this clause 11~~4~~2 applies, or if the Board in its discretion otherwise determines, the Company may, instead of buying back the relevant Shares, direct that they be transferred to a person nominated by the Company. Any transfer under this clause 11.3(c)~~12.3(e)~~ will discharge the Participant's Acquisition Loan in the same way as a buy-back would have done if conducted under this clause 11~~4~~2.

12. Adjustments

12.1 Application of This ~~this~~ clause

- (a) This clause 12~~4~~3 applies to Options, Performance Rights, and other Awards where the Participant may be entitled to acquire Shares in the future on exercise of the Award.

12.2 New issues of shares

- (a) A Participant is not entitled to participate in a new issue of Shares or other securities made by the Company to holders of its Shares without exercising the Awards, or unless the applicable Loan Shares or other Shares comprising the Award are on issue, before the record date for the relevant new issue.

12.3 Bonus issues

- (a) If, prior to the exercise of an Award, the Company makes a pro-rata bonus issue to the holders of its Shares, and the Award is not exercised prior to the record date in respect of that bonus issue, the Award will, when exercised, entitle the holder to one Share plus the number of bonus shares which would have been issued to the holder if the Award had been exercised prior to the record date.

12.4 Other reorganisations of capital

- (a) If, prior to the exercise of an Award, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) the terms of the Awards of the Participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

12.5 General

- (a) Unless otherwise permitted by the Listing Rules, the number of Shares which the Participant is entitled to receive on exercise of an Award will only be adjusted in accordance with this clause 12~~4~~3.

- (b) The Company must give notice to Participants of any adjustment to the number of Shares which the Participant is entitled to receive on exercise of an Award in accordance with the Listing Rules.

13. Termination benefits

- (a) This clause 13~~44~~ applies to any benefit which may be required to be provided by any Group entity (**Benefit**). This clause 13~~44~~ applies notwithstanding, and prevails over, any other provision of this Plan, an Offer, Award or other agreement or arrangement.
- (b) No person will be entitled to any Benefit in connection with any person's cessation of Employment-employment to the extent that the giving of the Benefit would give rise to a breach of Part 2D.2 of the Corporations Act, any other provision of the Corporations Act, or any other applicable law which limits or restricts the giving of such Benefits (**Limiting Legislation**).
- (c) If any Limiting Legislation limits the amount of the Benefit, or the amount of the Benefit that may be given without obtaining shareholder approval, the Benefit is capped at that amount and no further Benefit is required to be provided to the relevant person. The Group may reduce any Benefit in such manner as it determines appropriate to ensure compliance with Limiting Legislation and so that shareholder approval does not need to be obtained. No Group entity is required to seek or obtain the approval of its shareholders for the purpose of overcoming any limitation or restriction imposed by any Limiting Legislation.

14. Tax compliance

14.1 Taxes and withholding

- (a) The Company is not responsible for any taxes which may become payable by a Participant in connection with the issue or transfer of Awards, the issue, transfer or allocation of Shares, or any other dealing by a Participant with such Awards or Shares including the payment of any cash amount. Participants are solely responsible for all such amounts.
- (b) Where a Group entity, or a trustee appointed under these Rules, must account for any tax or social security contributions (in any jurisdiction) for which a Participant may be liable because of the issue or transfer of Shares, payment of cash, or the vesting or exercise of an Award (the **Amount**), the entity or trustee may in its discretion:
 - (i) withhold up to the Amount from any cash payment; and/or
 - (ii) withhold a number of Shares which would otherwise be provided to the Participant and sell them in order to realise the Amount (with any excess received over the Amount net of costs of sale being paid to the Participant).

The entity or trustee may also, either instead of or in addition to exercising the above discretion:

- (i) accept payment from the Participant of the relevant Amount; or
- (ii) make acceptable arrangements with the Participant for the Amount to be made available.

14.2 Tax reporting

- (a) Participants acknowledge that the Company may have reporting obligations in relation to participation in the Plan. Participants authorise the Company to provide information regarding their participation in the Plan, and any related personal or financial information, to any tax authority or other government agency (in any jurisdiction) to the extent required by law, or by the official policy of the tax authority or a government agency.

15. Power of attorney

- (a) In consideration of the issue of the Awards, each Participant irrevocably appoints each director and the secretary for the time being of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or the terms of an Award.
- (b) The Participant (or after his or her death, his or her legal personal representative) will be deemed to ratify and confirm any act or thing done under this power and must indemnify the attorney in respect of doing so.

16. Powers of the Board

- (a) The Plan will be administered by the Board, or a committee of the Board, which will have an absolute discretion to:
 - (i) determine appropriate procedures for administration of the Plan consistent with these Rules;
 - (ii) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Rules;
 - (iii) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions under the Plan or these Rules;
 - (iv) formulate special terms and conditions (subject to the Listing Rules), in addition to those set out in these Rules to apply to Participants employed and/or resident in and/or who are citizens of countries other than Australia. Each of these special terms and conditions will be restricted in their application to those Participants employed and/or resident in and/or who are citizens of other jurisdictions; and
 - (v) amend these Rules, provided that such amendments do not materially prejudice the rights of existing Participants except where the amendment is made primarily:
 - (A) for the purpose of complying with a law which affects the Group, a Participant, or Awards;
 - (B) for the purpose of complying with the Listing Rules; or
 - (C) to correct any manifest error or mistake.
- (b) While the Company is Listed, the Board may only exercise its powers in accordance with the Listing Rules.

17. Commencement, suspension, termination and amendment of Plan

- (a) Subject to the passing of any necessary resolution approving the establishment of the Plan and the issue of the Awards, the Plan will take effect when the Board decides.
- (b) The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules.

18. General provisions

18.1 Bound by Constitution and Securities Trading Policy

- (a) Participants who are issued or who exercise Awards under this Plan are deemed to agree to be bound by these Rules, the Constitution, and by any Securities Trading Policy (by whatever name called), as each of those documents is in force from time to time.

18.2 Notices

- (a) Any notice required to be given by the Company to a Participant or any correspondence to be made between the Company and a Participant may be given or made by the Board or its delegate on behalf of the Company.
- (b) Any notice to be given by the Company may be given by email, and any reference to the Company giving or providing information or documents in writing includes doing so by email.

18.3 Effect on employee entitlements

- (a) Participation in the Plan does not affect an Employee's terms of employment or appointment with the Group. In particular, participation in the Plan does not detract from any right the Group may have to terminate the employment or appointment of an Employee.
- (b) Participation in the Plan, or the issuing of any Awards, does not form part of the Employee's remuneration for the purposes of determining payments in lieu of notice of termination of employment, severance payments, leave entitlements, or any other compensation payable to an Employee upon the termination of employment.
- (c) Participation in the Plan, or receipt of an Offer, does not confer on any person any expectation to receive an Offer in the future, or an expectation of benefits in lieu of participation in the Plan, even if participation is offered repeatedly.

18.4 Governing law and jurisdiction

These Rules are governed by and are to be construed in accordance with the laws of the State of Victoria and each Participant submits to the non-exclusive jurisdiction of the Courts of Victoria.

Annexure 4 - Notice of Nomination of Auditor

The Directors
Island Pharmaceuticals Limited
Suite 201, 697 Burke Rd
Camberwell VIC 3124

5 October 2023

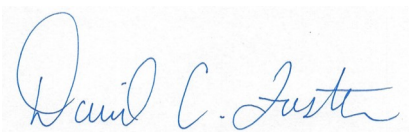
Dear Directors

NOMINATION OF AUDITOR

Pursuant to section 328B(1) of the *Corporations Act 2001* (Cth), I David C Foster, being a shareholder of Island Pharmaceuticals Limited, provide notice of nomination of William Buck Audit (Vic) Pty Ltd of Level 20, 181 William Street, Melbourne VIC 3000 for appointment as the company auditor of Island Pharmaceuticals Limited.

It is intended that this nomination will be put forward as an item of business for consideration of shareholders at the annual general meeting of the company that is to be held on 16 November 2023.

Your sincerely



David C Foster

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **11.30am (AEDT) on Tuesday, 14 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

