



ACN 090 987 250

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

DATE: Tuesday, 28 November 2017

TIME: 10:30 am (WST)

PLACE: The Boulevard Centre
99 The Boulevard
Floreat WA

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6142 5555.

12/55 Howe Street, Osborne Park, WA 6017

Phone: +61 8 6142 5555 Fax: +61 8 9443 8858

Email: suda@sudaltd.com.au

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders, to which this Notice of Meeting relates, will be held at 10:30 am (WST) on Tuesday, 28 November 2017 at:

The Boulevard Centre, 99 The Boulevard, Floreat, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- By post to: Advanced Share Registry Ltd
PO Box No 1156, Nedlands WA 6909
- By facsimile to: +61 8 9262 3723 (Advanced Share Registry Ltd); or
+61 8 9443 8858 (Suda Ltd)
- In person: Advanced Share Registry Ltd
110 Stirling Highway, Nedlands WA

Please note that the Proxy Form must be received by the Company not later **than 10:30am (WST) on, Sunday, 26 November 2017.**

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Annual General Meeting.

The Company’s Directors have determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at **10:30am (WST) on Sunday, 26 November 2017.**

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the Shareholders of Suda Ltd (the **Company**) will be held at The Boulevard Centre, 99 The Boulevard, Floreat, WA, on Tuesday, 28 November 2017 commencing at 10:30am WST to consider, and if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Annual General Meeting and accompanying Explanatory Statement are defined in the glossary to this document.

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

1. ANNUAL FINANCIAL REPORT, DIRECTORS' AND AUDITOR'S REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017, together with the Directors' Report and Auditor's Report.

Note: there is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING ADVISORY VOTE)

To consider, and if thought fit, pass the following non-binding advisory resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act, the Company adopts the remuneration report as set out in the Annual Report for the financial year ended 30 June 2017."

The remuneration report is set out in pages 24 - 34 of the 2017 Annual Report.

N.B. This resolution shall be determined as if it was an ordinary resolution, but under section 250R(3) of the Corporations Act, the vote does not bind the Directors or the Company.

Voting exclusion: The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the remuneration report, or a closely related party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chairman of the Meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR: MR JOSEPH OHAYON

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

"That Mr Joseph Ohayon, a Director, retiring by rotation in accordance with clause 12.3 of the Company's Constitution, being eligible, and offering himself for election, be and hereby is re-elected as a Director of the Company."

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF 75,000,000 SHARES

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 75,000,000 Shares to sophisticated investors, issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue and any person associated with that person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 10,000,000 OPTIONS TO RM CAPITAL

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 10,000,000 Options to RM Capital, issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 4 by RM Capital who participated in the issue and any person associated with RM Capital.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – RATIFICATION OF REPRICING OF CONVERTIBLE NOTES

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of Convertible Securities by repricing the conversion of 1,140,000 Convertible Notes held by sophisticated investors on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by any person who participated in the issue and any person associated with that person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF 2017 CONVERTIBLE NOTES

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 292,500 2017 Convertible Notes to sophisticated investors, issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by any person who participated in the issue and any person associated with that person.

However, the Company will not disregard a vote if:

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

8. **RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES IN PAYMENT OF INTEREST ON 2017 CONVERTIBLE NOTES**

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 1,566,868 Shares in payment of interest on the 2017 Convertible Notes for the period ending 30 September 2017 on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting exclusion: The Company will disregard any votes cast on Resolution 7 by any person who participated in the issue and any person associated with that person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. **RESOLUTION 8 – APPROVAL OF ISSUE OF 150,000 CONVERTIBLE NOTES TO KAMALA HOLDINGS**

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

“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue to Kamala Holdings of 150,000 2017 Convertible Notes on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on Resolution 8 by Kamala Holdings and any associate of Kamala Holdings.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

10. **RESOLUTION 9 – APPROVAL OF ISSUE OF 150,000 CONVERTIBLE NOTES TO CHELSEA INVESTMENTS**

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

“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue to Chelsea Investments of 150,000 2017 Convertible Notes on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on Resolution 9 by Chelsea Investments and any associate of Chelsea Investments.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

11. RESOLUTION 10 – APPROVAL OF ISSUE OF 200,000 CONVERTIBLE NOTES TO ZERRIN INVESTMENTS

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

“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue to Zerrin Investments of 200,000 2017 Convertible Notes on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on Resolution 10 by Zerrin Investments and any associate of Zerrin Investments.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

12. RESOLUTION 11 – APPROVAL OF ISSUE OF 50,000 CONVERTIBLE NOTES TO PEARLCOVE INVESTMENTS

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

“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue to Pearlcove Investments of 50,000 2017 Convertible Notes on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on Resolution 11 by Pearlcove Investments and any associate of Pearlcove Investments.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

13. RESOLUTION 12 – APPROVAL OF ISSUE OF 20,000 CONVERTIBLE NOTES TO MR JOSEPH OHAYON

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

“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue to Mr Ohayon of 20,000 2017 Convertible Notes on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on Resolution 12 by Mr Ohayon and any associate of Mr Ohayon.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

14. RESOLUTION 13 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval be given for the Company’s Employee Share Option Plan, and issue of securities thereunder, on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 13 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 13 by a Director if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company will also disregard any votes cast on Resolution 13 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

15. RESOLUTION 14 – ADOPTION OF TAX EXEMPT PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval be given for the Company’s Tax Exempt Plan, and issue of securities thereunder, on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 14 by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director. However, the Company will not disregard any votes cast on Resolution 14 by a Director if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company will also disregard any votes cast on Resolution 14 by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

16. RESOLUTION 15 – APPROVAL OF ISSUE OF OPTIONS TO MR STEPHEN CARTER

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

“That, for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, approval be given for the issue of a maximum of 7,500,000 Options to Mr Stephen Carter under the Company’s Employee Share Option Plan on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 15 by Messrs Carter, Ohayon and Stewart and any person associated with Messrs Carter, Ohayon and Stewart. However, the Company will not disregard any votes cast on Resolution 15 by Messrs Carter, Ohayon and Stewart if:

- (a) Messrs Carter, Ohayon and Stewart are acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

The Company will also disregard any votes cast on Resolution 15 by a member of the Key Management Personnel or their closely related parties as proxy for another person where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

17. RESOLUTION 16 – APPROVAL OF ISSUE OPTIONS OF MR JOSEPH OHAYON

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

“That, for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, approval be given for the issue a maximum of 4,000,000 Options to Mr Joseph Ohayon under the Company’s Employee Share Option Plan on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 16 by Messrs Carter, Ohayon and Stewart and any person associated with Messrs Carter, Ohayon and Stewart. However, the Company will not disregard any votes cast on Resolution 16 by Messrs Carter, Ohayon and Stewart if:

- (a) Messrs Carter, Ohayon and Stewart are acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

The Company will also disregard any votes cast on Resolution 16 by a member of the Key Management Personnel or their closely related parties as proxy for another person where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

18. RESOLUTION 17 – APPROVAL OF ISSUE OPTIONS OF MR MICHAEL STEWART

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

“That, for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, approval be given for the issue of a maximum of 7,500,000 Options to Mr Michael Stewart under the Company’s Employee Share Option Plan on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion: The Company will disregard any votes cast on Resolution 17 by Messrs Carter, Ohayon and Stewart any person associated with Messrs Carter, Ohayon and Stewart. However, the Company will not disregard any votes cast on Resolution 17 by Messrs Carter, Ohayon and Stewart if:

- (a) Messrs Carter, Ohayon and Stewart are acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

The Company will also disregard any votes cast on Resolution 17 by a member of the Key Management Personnel or their closely related parties as proxy for another person where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

19. RESOLUTION 18 – TO CHANGE THE NAME OF THE COMPANY FROM SUDA LTD TO SUDA PHARMACEUTICALS LTD

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

“That, the name of the Company be changed from Suda Ltd to Suda Pharmaceuticals Ltd.”

20. QUESTIONS AND COMMENTS

Shareholders will be provided the opportunity to ask questions about or make comments on the management of the Company.

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

Shareholders are specifically referred to the glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

ENQUIRIES

Shareholders are invited to contact the Company Secretary on +61 8 6142 5555 if they have any queries in respect of the matters set out in this document.

BY ORDER OF THE BOARD OF DIRECTORS



Joseph Ohayon

Company Secretary
Suda Ltd

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting on Tuesday, 28 November 2017.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Annual General Meeting, please contact the Company Secretary, your stockbroker or other professional adviser.

Ordinary Business

1. FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act, the Company must table the financial statements and reports of the Company (including the Directors' Report, Directors' Declaration and Auditor's Report) for the previous year before the members at its Annual General Meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements, Directors' Report and Auditor's Report in the Annual Report of the Company and the consolidated group for the financial year ended 30 June 2017. A copy of the Annual Report has been forwarded to those Shareholders who elected to receive one. The Annual Report can also be viewed, printed and downloaded from the Company's website www.sudaltd.com.au. A copy of the financial statements, Directors' Report, Directors' Declaration and the Auditor's Report will also be tabled at the Meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the Annual General Meeting is to provide the Shareholders with the opportunity to be able to ask questions or discuss matters arising from the financial statements or reports at the Meeting. It is not the purpose of the Meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no formal resolution to adopt, receive or consider the Company's financial statements or the reports (other than the Remuneration Report) will be put to the Shareholders at the Meeting.

Members will be given a reasonable opportunity at the Meeting to ask questions and make comments on the financial statements and the reports. The Company's auditor will be available at the Meeting to answer any questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the 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 Tuesday, 21 November 2017 to the Company.

2. RESOLUTION 1 - REMUNERATION REPORT

The Corporations Act requires that the Remuneration Report of the Company for the financial year ended 30 June 2017 be adopted by way of a non-binding resolution. The Company's Remuneration Report which forms part of the Directors' Report is set out on pages 24 - 34 of the Annual Report and reports on the remuneration arrangements in place for executive directors, non-executive directors and specified executives.

Shareholders attending the Annual General Meeting will be given reasonable opportunity to ask questions about, or make comments on the Remuneration Report.

The Corporations Act expressly provides that voting on this resolution is advisory only and does not bind the Directors or the Company. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any

changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% “no” vote.

In addition, sections 250U and 250V of the Corporations Act sets out a “two strikes” re-election process, pursuant to which:

- (a) (if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company’s Directors who were Directors at the time when the resolution to make the Directors’ Report was passed (excluding the Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end of the Spill Meeting and may stand for re-election at the Spill Meeting.

At the Company’s 2016 annual general meeting held on 25 November 2016, less than 25% of the eligible votes cast in respect of the 2016 remuneration report were cast against the adoption of the 2016 remuneration report. Accordingly, a Spill Resolution will not be put to the Meeting even if 25% or more of the votes cast in respect of the 2017 Remuneration Report are against the adoption of the 2017 Remuneration Report.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR: MR JOSEPH OHAYON

3.1 Background

Clause 12.3 of the Company’s Constitution requires there to be an election of Directors at each annual general meeting of the Company. This provision requires that:

- (a) A Director must not hold office without re-election:
 - (i) past the third annual general meeting following the Director’s appointment or last election; or
 - (ii) for more than three years,whichever is the longer.
- (b) There must be an election of Directors at each annual general meeting of the Company. This can be satisfied by one or more of the following:
 - (i) a person standing for election as a new Director having nominated in accordance with article 12.6;
 - (ii) any Director who was appointed under article 12.7 standing for election as a Director;
 - (iii) any Director who is retiring at the end of the annual general meeting due to the tenure limitation in article 12.3(a), standing for re-election; or
 - (iv) if no person or Director is standing for election or re-election in accordance with paragraphs (i), (ii) or (iii), then the Director who has been a Director the longest without re-election must retire and stand for re-election. If two or more Directors have been a Director the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.

Listing Rule 14.4 also requires Directors to retire at the third annual general meeting following their last appointment. Any Directors who retire in accordance with Clause 12.3 and Listing Rule 14.4 are eligible for re-election at the Annual General Meeting.

Mr Joseph Ohayon was initially appointed as a Director by the Board with effect from 1 December 2012 and was most recently re-elected in 27 November 2014. Mr Ohayon seeks re-election as a Director at the Meeting in accordance with the Constitution.

Mr Ohayon joined the company in July 2010 as the Chief Financial Officer. In March 2011 he took over the role of Company Secretary and then became an Executive Director and member of the Board in December 2012. He has over 20 years' experience in financial roles including 12 years' experience in health-related industries. Mr Ohayon qualified as a Chartered Accountant in the UK and graduated with a Masters of Business Administration in International Business from Murdoch University in 2007. Mr Ohayon resides in Perth, Western Australia.

The Board believes that Mr Ohayon has performed the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

3.2 Board Recommendation

The Board, with Mr Ohayon abstaining, unanimously supports the re-election of Mr Ohayon.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF 75,000,000 SHARES

4.1 Background

On 26 April 2017, the Company issued 75,000,000 Shares by way of a placement as announced to ASX on 7 April 2017 (**Placement**) and under the terms outlined in the Placement prospectus dated 24 April 2017. The total gross proceeds of the Placement were \$1,500,000.

The subscribers under the Placement were not related parties of the Company.

The 75,000,000 Shares were issued without shareholder approval and accordingly, Resolution 3 seeks ratification of the Shares issued under the Placement.

4.2 Regulatory Requirements

ASX 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.

ASX Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4 in respect of the ratification of the 75,000,000 Shares issued under the Placement:

- (a) The total number of Shares issued pursuant to the Placement was 75,000,000.
- (b) The Shares were issued at an issue price of 2.0 cents per Share.
- (c) The Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The Shares were issued to sophisticated investors who were not related parties of the Company at the time of the issue.
- (e) A total of \$1,500,000 was raised under the Placement. The funds raised were to be used for working capital, the conduct of a proof of concept clinical trial of the Company's SUD-003 sildenafil oral spray and the commercialisation and ongoing development of the Company's OroMist drug delivery technology and its pipeline of novel oral sprays.
- (f) A voting exclusion statement for Resolution 3 is included in the Notice.

4.4 Board Recommendation

The Directors recommend that the Shareholders of the Company vote in favour of Resolution 3.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 10,000,000 OPTIONS TO RM CAPITAL

5.1 Background

On 26 April 2017, the Company issued 10,000,000 Options to RM Capital in part consideration for services provided to the Company as lead manager and underwriter to the Placement under the terms outlined in the Prospectus dated 24 April 2017. The Company also paid RM Capital \$90,000 for these services. The total gross proceeds of the Placement were \$1,500,000.

The 10,000,000 Options were issued without Shareholder approval and accordingly, Resolution 3 seeks ratification of the Options issued to RM Capital in relation to the Placement.

5.2 Regulatory Requirements

ASX 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.

ASX Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4 in respect of the ratification of the 10,000,000 Options issued to RM Capital in relation to the Placement:

- (a) The total number of Options issued was 10,000,000.
- (b) The Options were issued in consideration of services provided to the Company as lead manager and underwriter to the Placement.
- (c) The Options are unlisted with an exercise price of \$0.04 and an expiry date of 26 April 2020. On exercise of the Options for Shares, the Shares will rank equally in all respects with the existing Shares. There are no further terms and conditions that apply to the Options.
- (d) The Options were issued to RM Capital.
- (e) No funds were raised from the issue of the Options. In the event the Options are exercised the funds raised will be used for working capital requirements at that time.
- (f) A voting exclusion statement for Resolution 4 is included in the Notice.

5.4 Board Recommendation

The Directors recommend that the Shareholders of the Company vote in favour of Resolution 4.

6. RESOLUTION 5 – RATIFICATION OF REPRICING OF CONVERTIBLE NOTES

6.1 Background

1,730,000 Convertible Notes previously issued by the Company matured on 31 March 2017.

As announced to ASX on 3 April 2017, the Company agreed to vary the terms of 1,140,000 Convertible Notes held by sophisticated investors who are not related parties including to extend the repayment date for the Convertible Notes to 31 March 2019 in consideration of, amongst other things, a reduction in the conversion price for the Convertible Notes.

As a consequence to the change in the conversion price the maximum number of Shares that may be issued to noteholders on conversion of the Convertible Notes increased. Accordingly, Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the repricing of the conversion of the Convertible Notes held by non-related parties.

6.2 Regulatory Requirements

ASX 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.

ASX Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4 in respect of the ratification of the repricing of 1,140,000 Convertible Notes held by non-related parties:

- (a) The total number of Convertible Notes on issue to non-related parties as a consequence of repricing the conversion of the Convertible Notes held by non-related parties is 1,140,000. The repricing of the conversion price from 3 cents per Share to 2.38 cents per Share did not alter the number of Convertible Notes or their face value but did increase the maximum number of Shares that can be issued on conversion by 9,900,000 Shares, from 38,000,000 Shares to 47,900,000 Shares.
- (b) The Convertible Notes were issued at an issue price of \$1.00 each.
- (c) The Convertible Notes were issued on the Convertible Note Terms and Conditions set out in Schedule 1.
- (d) The Convertible Notes were issued to sophisticated investors who were not related parties.
- (e) No funds were raised through the repricing of the conversion price of the Convertible Notes.
- (f) A voting exclusion statement for Resolution 5 is included in the Notice.

6.4 Board Recommendation

The Directors recommend that the Shareholders of the Company vote in favour of Resolution 5.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES

7.1 Background

As announced to ASX on 3 April 2017, the Company received subscriptions from new subscribers who are not related parties for Convertible Notes.

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the prior issue of 292,500 2017 Convertible Notes to non-related parties.

7.2 Regulatory Requirements

ASX 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.

ASX Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4 in respect of the ratification of the 292,500 2017 Convertible Notes issued to non-related parties:

- (a) The total number of 2017 Convertible Notes issued to non-related parties was 292,500.
- (b) The 2017 Convertible Notes were issued at an issue price of \$1.00 each.
- (c) The 2017 Convertible Notes were issued on the Convertible Note Terms and Conditions set out in Schedule 1.
- (d) The 2017 Convertible Notes were issued to sophisticated investors who were not related parties.
- (e) The proceeds of the 2017 Convertible Notes were to be used for:
 - (i) the conduct of a proof of concept clinical trial of the Company's SUD-003 sildenafil oral spray;
 - (ii) the commercialisation and ongoing development of the Company's OroMist drug delivery technology and its pipeline of novel oral sprays; and
 - (iii) working capital.
- (f) A voting exclusion statement for Resolution 6 is included in the Notice.

7.4 Board Recommendation

The Directors recommend that the Shareholders of the Company vote in favour of Resolution 6.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES IN PAYMENT OF INTEREST ON THE 2017 CONVERTIBLE NOTES

8.1 Background

The 2017 Convertible Notes were issued at the price of \$1.00 for each 2017 Convertible Note convertible to Shares which attract interest at the rate of 8% per annum and which were issued on the Convertible Note Terms and Conditions.

As noted in the Convertible Note Terms and Conditions, holders of the 2017 Convertible Notes may elect to receive Shares in payment of interest. The formula for determining the conversion price where interest is to be settled by way of Shares is set out in the Convertible Note Terms and Conditions.

Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the prior issue of 1,566,868 Shares in payment of interest on the 2017 Convertible Notes.

8.2 Regulatory Requirements

ASX 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.

ASX Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4 in respect of the ratification of the prior issue of 1,566,868 Shares in payment of interest on the 2017 Convertible Notes:

- (a) The number of Shares issued was 1,566,868.
- (b) The Shares were issued at an issue price of 1.787 cents per Shares.
- (c) The Shares rank equally in all respects with existing Shares on issue.
- (d) The Shares were issued to holders of the 2017 Convertible Notes who are not related parties.
- (e) The Shares were issued in payment of interest on the 2017 Convertible Notes. Accordingly, no funds were raised from the issue of the Shares.
- (f) A voting exclusion statement for Resolution 7 is included in the Notice.

8.4 Board Recommendation

The Directors recommend that the Shareholders of the Company vote in favour of Resolution 7.

9. RESOLUTION 8 TO 12 – APPROVAL OF ISSUE OF 2017 CONVERTIBLE NOTES TO RELATED PARTIES

9.1 Background

As part of the issue of 2017 Convertible Notes the Company entered into agreements to issue 570,000 2017 Convertible Notes to related parties subject to Shareholder approval.

The proposed terms of the 2017 Convertible Notes to be issued to related parties are the same terms as the issue of the 2017 Convertible Notes made to unrelated parties the subject of Resolution 6.

If Shareholder approval is not obtained by 31 December 2017 the related parties are entitled to demand repayment of the monies loaned to the Company together with any accrued unpaid interest.

Resolutions 8 to 12 seek Shareholder approval pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of 570,000 2017 Convertible Notes to related parties.

9.2 Regulatory Requirements

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

If Shareholder approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

9.3 Specific Information required by Listing Rule 10.13 and Section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13 and Section 219 of the Corporations Act, the following information is provided:

- (a) The following 2017 Convertible Notes are proposed to be issued to the following related parties:

Related Party	2017 Convertible Notes
Kamala Holdings	150,000
Chelsea Investments (WA)	150,000
Zerrin Investments	200,000
Pearlcove Investments	50,000
Mr Joseph Ohayon	20,000
TOTAL	570,000

- (b) The Convertible Notes will be issued at an issue price of \$1.00 each.
- (c) The 2017 Convertible Notes will be issued to the related parties no later than 1 month from the date of approval.
- (d) Kamala Holdings is a company controlled by Mr Michael Stewart, a director of the Company.

Chelsea Investments is a company controlled by Mr Stewart's son, Ryan Stewart.

Zerrin Investments is a company controlled by Mr Stewart's son, Justin Stewart.

Pearlcove Investments is a company controlled by Mr Stephen Carter, a director of the Company.

Mr Joseph Ohayon is a director of the Company.

- (e) The 2017 Convertible Notes Terms and Conditions are set out in Schedule 1.
- (f) Clause 3.2 of the Convertible Note Terms and Conditions refers to security being provided for the 2017 Convertible Notes. The Company has applied to ASX for a waiver of ASX Listing Rule 10.1 to permit the Company to provide the proposed security to the related parties. The Company will not provide the proposed security without having first obtained a waiver from ASX of Listing Rule 10.1. There is no guarantee that ASX will grant the waiver, in which case the 2017 Convertible Notes issued to the related parties will be unsecured. However, if ASX grants the waiver, the Company will advise the market accordingly.
- (g) 120,000 of the 2017 Convertible Notes will be issued in replacement of maturing Convertible Notes. The Company was to use the funds raised from the balance of the 2017 Convertible Notes to be issued to the related parties towards the conduct of a proof of concept clinical trial of the Company's SUD-003 sildenafil oral spray, the commercialisation and ongoing development of the Company's OroMist drug delivery technology and its pipeline of novel oral sprays, and for working capital.
- (h) The current holding of the related parties and their associates in securities in the Company and the position following the issue of the 2017 Convertible Notes are summarised below:

Related Party	Type of holding	Current holding	2017 Convertible Notes proposed to be issued
Michael Stewart¹	Ordinary Shares	24,411,890	
	2017 Convertible Notes		150,000
Ryan Stewart²	Ordinary Shares	7,020,698	
	2017 Convertible Notes		150,000
Justin Stewart³	Ordinary Shares	7,111,998	
	2017 Convertible Notes		200,000
Stephen Carter⁴	Ordinary Shares	Nil	
	2017 Convertible Notes		50,000
Joseph Ohayon	Ordinary Shares	Nil	
	Performance Rights	2,750,000	
	2017 Convertible Notes		20,000

- Held indirectly by Kamala Holdings as trustee for the Kamala (1994) Super Fund and the Asten Discretionary Trust of which Mr M Stewart is a Director and beneficiary.
- Held indirectly by Chelsea Investments of which Mr R Stewart is a Director.
- Held indirectly by Zerrin Investments of which Mr J Stewart is a Director.
- Held indirectly by Pearlcove Investments of which Mr Carter is a Director.

The following table sets out what the holdings of the related parties and their associates will be if each related party converts all of their 2017 Convertible Notes at the current conversion price of 2.38 cents per Share. The 2017 Convertible Note Terms and Conditions provide that if the Company makes an issue price of Shares which is less than 2.4 cents per Share (except in respect of payment of interest) the conversion price will be adjusted in accordance with the formula set out in the Convertible Note Terms and Conditions. As a consequence of the Placement, as outlined in Resolution 3, the amended conversion price is 2.38 cents per Share.

Related Party	Type of holding	Current holding	Conversion of 2017 Convertible Notes	Holding after conversion
Michael Stewart	Ordinary Shares	24,411,890	6,302,521	30,714,411
Ryan Stewart	Ordinary Shares	7,020,698	6,302,521	13,323,219
Justin Stewart	Ordinary Shares	7,111,998	8,403,361	15,515,359
Stephen Carter	Ordinary Shares	Nil	2,100,840	2,100,840
Joseph Ohayon	Ordinary Shares	Nil	840,336	840,336

- (i) Historical Share price information for the last three months prior to the date of lodgement of this Explanatory Statement with ASIC is as follows:

	Price	Date
Highest	2.5 cents	25, 29 August 2017
Lowest	1.6 cents	12, 21 July, 8 August 2017
Latest	1.9 cents	5 October 2017

- (j) Details of the remuneration, including superannuation, of each of the related parties who are Directors, being Messrs Carter, Ohayon and Stewart, for the year ended 30 June 2017, is set out below.

The Company expects the total remuneration for each Director for the year ended 30 June 2018 to be similar to that set out below in respect of the previous financial year.

Name	Total Remuneration
Mr Stephen Carter	\$279,225
Mr Joseph Ohayon	\$235,425
Mr Michael Stewart	\$76,650

- (k) The dilution effect if Resolutions 8 to 12 are approved and all 2017 Convertible Notes issued to the related parties are converted at their current conversion price of 2.38 cents per Share and no additional Shares are issued is as follows:

Current Number of Shares on Issue	1,221,425,388
Number of Shares to be Issued on Conversion	23,949,580
Dilution Effect if all related party Convertible Notes are converted	1.96%

- (l) The issue of the 2017 Convertible Notes represents a financial benefit to the related parties because the related parties are entitled to interest on the funds advanced to the Company and in the event of conversion of the 2017 Convertible Notes will be entitled to receive Shares.

The terms on which the 2017 Convertible Notes will be issued to related parties are the same terms as those issued to non-related parties and accordingly the Board has formed the view that these terms are no more favourable to the related parties than arms-length terms.

The interest payable in relation to the 2017 Convertible Notes is 8% per annum.

The market value of any Shares issued on conversion of the 2017 Convertible Notes cannot currently be calculated as it will depend on the value of Shares in the Company as at the date of conversion. As at the date of lodgement of this Explanatory Statement with ASIC, the 2017 Convertible Notes are 'out of the money' as the conversion price is higher than the most recent price of Shares traded on ASX.

There is no cash cost to the Company in issuing Shares in the event of the conversion of the 2017 Convertible Notes. If the 2017 Convertible Notes are converted and the Shares are trading at that time above the conversion price there may be a perceived cost to the Company as the Company may have been able to issue the Shares at a higher price.

- (m) Mr Michael Stewart declines to make a recommendation to Shareholders in relation to Resolutions 8 to 10 due to his material personal interest in the outcome of Resolutions 8 to 10.
- (n) Mr Carter declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of Resolution 11.
- (o) Mr Ohayon declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of Resolution 12.
- (p) Except as noted above, the Directors recommend that the shareholders of the Company vote in favour of Resolutions 8 to 12.
- (q) Voting exclusion statements for Resolutions 8 to 12 are included in the Notice.
- (r) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to Resolutions 8 to 12.

10. RESOLUTIONS 13 AND 14 – ADOPTION OF EMPLOYEE INCENTIVE PLANS

10.1 Background

In 2014 the Directors considered that it was desirable to establish various employee incentive plans, in order to:

- (a) reward employees of the Company;
- (b) assist in the retention and motivation of employees of the Company; and
- (c) provide an incentive to employees of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

Accordingly, in 2014 Shareholder approval was sought for the issue of securities under:

- (a) an Employee Share Option Plan (**Option Plan**) under which Directors and executives and other employees may be offered the opportunity to be granted Options;
- (b) a Tax Exempt Plan under which eligible employees may be issued up to \$1,000 of Shares (**Tax Exempt Plan**).

Under the ASX Listing Rules, such approvals are required to be renewed every 3 years.

The plans are designed to provide incentives to employees and Directors of the Company and to recognise their contribution to the Company's success. The Directors consider that the incentive plans are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as increased cash based remuneration. To enable the Company to secure employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The plans are designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

As directors of the Company may receive securities in the Company under the Option Plan, Shareholder approval will also be required before a director or related party of the Company can participate in an issue of Options under the Option Plan. Approvals for director participation are the subject of Resolutions 15 to 17. Directors will not participate in the Tax Exempt Plan.

10.2 Regulatory Requirements

Resolutions 13 and 14 seek Shareholder approval for the issue of securities under the Option Plan and Tax Exempt Plan pursuant to ASX Listing Rule 7.2 (Exception 9(b)) which provides an exception from the Listing Rule 7.1 15% annual limit for securities issued under an employee incentive scheme provided, within three years before the date of issue, shareholders have approved the issue of securities under the plan. In the absence of such approval, the issue can still occur but is counted as part of the Listing Rule 7.1 15% limit which would otherwise apply during a 12 month period.

10.3 Specific Information required by ASX Listing Rule 7.2 (Exception 9(b))

The following information is provided to Shareholders for the purpose of Listing Rule 7.2 Exception 9(b):

- (a) Schedule 2 contains a summary of the key terms of the Option Plan and Schedule 3 contains a summary of the key terms of the Tax Exempt Plan.

- (b) Since the date the plans were last approved by Shareholders:
 - (i) 5,000,000 Options have previously been issued under the Option Plan with an exercise price of 7.2 cents and an expiry date of 11 May 2017. All of those Options lapsed unexercised.
 - (ii) 431,504 Shares have been previously issued under the Tax Exempt Plan.
- (c) Voting exclusion statements for Resolutions 13 and 14 are included in the Notice.

10.4 Board Recommendation

Each of the Directors has an interest in the outcome of Resolution 13 and accordingly do not make a voting recommendation to Shareholders.

The Directors recommend that Shareholders of the Company vote in favour of Resolution 14.

11. RESOLUTION 15 TO 17 – APPROVAL OF ISSUE OPTIONS OF MESSRS CARTER, OHAYON AND STEWART

11.1 Background

Shareholders are being asked to approve Resolutions 15 to 17 to allow Options to be issued to Messrs Carter, Ohayon and Stewart pursuant to the Option Plan.

The Board has determined that the grant of Options under the Option Plan to Messrs Carter, Ohayon and Stewart is an appropriate form of long term incentive for the Company's key personnel. The Board considers that Messrs Carter, Ohayon and Stewart are essential to the operation of the Company's ongoing business.

Accordingly, the Company is proposing, subject to obtaining Shareholder approval, to issue Options under the Option Plan up to the maximum amounts as set out in the table below.

In determining the remuneration packages of Messrs Carter, Ohayon and Stewart, including this proposed issue of Options, the Board considered the scope of Messrs Carter, Ohayon and Stewart's roles, the business challenges facing the Company and market practice for the remuneration of executives and officers in positions of similar responsibility.

The Directors are of the opinion that the performance conditions of Options should be linked to Shareholder return and consider that the most appropriate measure is the market capitalisation of the Company.

The market capitalisation on the date of approval of the proposed Option issue by the Board on 26 September 2017 was \$25,000,000. The intention of the Directors is that the market capitalisation of the Company increase by 100% during the life of the Options in order for the Directors to receive the full benefit of the Options.

The performance conditions are also linked to continuous service so that the Directors have to be engaged by the Company for a minimum of 12 months before any Options vest.

The number of Options which will be received upon satisfaction of the performance conditions and vesting is cumulative and will be calculated as the product of the market capitalisation and continuous employment performance condition percentages.

11.2 Regulatory Requirements

Listing Rule 10.14 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities.

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company under section 228 of the Corporations Act. As such, the Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit,

the issuing of securities or the granting of an option to a related party. The issue of the Options under Resolutions 14 to 16 constitute the provision of a financial benefit to a related party.

Accordingly, Resolutions 15 to 17 seek Shareholder approval in order to comply with the requirements of Listing Rule 10.14 and Chapter 2E of the Corporations Act.

11.3 Specific Information required by Listing Rule 10.15A and Section 219 of the Corporations Act

For the purposes of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided:

- (a) The Options are proposed to be issued to Messrs Carter, Ohayon and Stewart, each a Director of the Company and, as such, a related party of the Company.
- (b) The following Options are proposed to be issued to each Director:

Director	Options
Mr Stephen Carter	7,500,000
Mr Joseph Ohayon	4,000,000
Mr Michael Stewart	7,500,000
TOTAL	19,000,000

- (c) Each Option will be granted to Messrs Carter, Ohayon and Stewart for no monetary consideration. The issue price of the Options will therefore be nil.
- (d) The exercise price of each Option shall be 145% of the VWAP of Shares sold on ASX during the five trading days up to and including the day on which the Board resolves to accept an application for Options by the Director and enters into a contract with the Director for the provision of the Options (**Acquisition Date**) and the expiry date of an Option will be the 3 year anniversary of its Acquisition Date.
- (e) The Options will be issued as soon as practicable after the Meeting and in any event within 1 month after the Meeting.
- (f) The vesting of Options is dependent on the following performance conditions being satisfied:
- (i) Market capitalisation
- This performance condition is linked to market capitalisation based on 25% increments.
- Vesting is dependent on the extent that the performance hurdle is satisfied prior to the expiry date of the Options as follows:
- If achieve 25% increase in market capitalisation: 25% vest
 - If achieve 50% increase in market capitalisation: 50% vest
 - If achieve 75% increase in market capitalisation: 75% vest
 - If achieve 100% increase in market capitalisation: 100% vest
- (ii) Continuous employment
- At least 12 months continuous service from Acquisition Date: 33% vest subject to performance hurdle being met
 - At least 24 months continuous service from Acquisition Date: 66% vest subject to performance hurdle being met
 - At least 36 months continuous service from Acquisition Date: 100% vest subject to performance hurdle being met
- (g) Item (b) of Schedule 2 to this Explanatory Statement sets out the key terms of the Option Plan.
- (h) A total of 5,000,000 Options were previously issued to Mr Stewart under the Option Plan with an exercise price of 7.2 cents and an expiry date of 11 May 2017. All of these Options lapsed unexercised.
- (i) All Directors of the Company are eligible to participate in the Option Plan being Messrs Carter, Ohayon and Stewart.
- (j) No loan is being provided by the Company for the acquisition or exercise of Options under the Option Plan. The exercise price of Options may, however, be paid using the cashless exercise facility referred to in the Option Plan.

- (k) The Shares to be issued upon exercise of the Options will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.
- (l) The dilution effect if Resolutions 14 to 16 are approved and all Options are exercised and no additional Shares are issued is as follows:

Current Number of Shares on Issue	1,221,425,388
Number of Options to be issued	19,000,000
Dilution Effect if all Options exercised	1.56%

- (m) The Monte Carlo Simulation has been applied in providing valuation information in respect of the Options.

Assumptions	
Valuation Date:	9 October 2017
Market Price of Shares (at Valuation Date):	\$0.018
Exercise Price (hypothetical exercise price):	\$0.026
Expiry Date:	3 years
Risk Free Interest Rate:	2.09%
Volatility:	131.5%
Dividend yield:	0.0%
Indicative value per Option:	0.3 cents

The valuation above is based on a hypothetical exercise price of the Options. The actual exercise price can only be determined on the Acquisition Date as it will be based on 145% of the VWAP of the Shares on the five trading days up to and including the Acquisition Date.

	Number of Options	Value (based on Indicative value per Option set out above) \$
Mr Stephen Carter	7,500,000	25,916
Mr Joseph Ohayon	4,000,000	13,823
Mr Michael Stewart	7,500,000	25,916

- (n) The current holding of the directors in securities in the Company and the position following the issue of the Options are summarised below:

Director	Type of holding	Current holding	2017 Convertible Notes proposed to be issued	Options proposed to be issued
Michael Stewart¹	Ordinary Shares	24,411,890		
	2017 Convertible Notes		150,000	
	Options			7,500,000
Stephen Carter⁴	Ordinary Shares	Nil		
	2017 Convertible Notes		50,000	
	Options			7,500,000
Joseph Ohayon	Ordinary Shares	Nil		
	Performance Rights	2,750,000		
	2017 Convertible Notes		20,000	
	Options			4,000,000

The following table sets out what the holdings of the related parties and their associates will be if each related party converts all of their 2017 Convertible Notes at the current conversion price of 2.38 cents per Share and exercises all of their Options. As stated in the section of this Explanatory Memorandum in respect of Resolution 8 to 12, the Convertible Note Terms and Condition on which the 2017 Convertible Notes are issued provide that if the Company makes an issue price of Shares which is less than 2.4 cents per Share (except in respect of payment of interest) the conversion price will be adjusted in accordance with the formula set out in the Convertible Note Terms and Conditions. As a consequence of the Placement, as outlined in Resolution 3, the amended conversion price is 2.38 cents per Share.

Director	Type of holding	Current holding	Conversion of 2017 Convertible Notes	Exercise of Options	Holding after conversion and exercise
Michael Stewart	Ordinary Shares	24,411,890	6,302,521	7,500,000	38,214,411
Stephen Carter	Ordinary Shares	Nil	2,100,840	7,500,000	9,600,840
Joseph Ohayon	Ordinary Shares	Nil	840,336	4,000,000	4,840,336

- (o) Details of the remuneration, including superannuation, of each of Messrs Carter, Ohayon and Stewart, for the year ended 30 June 2017, is set out below.

The Company expects the total remuneration for each Director for the year ended 30 June 2018 to be similar to that set out below in respect of the previous financial year.

Name	Total Remuneration
Mr Stephen Carter	\$279,225
Mr Joseph Ohayon	\$235,425
Mr Michael Stewart	\$76,650

- (p) There is no cash cost to the Company in issuing the Options or in funding the exercise of the Options. The value of the Options at the time of their issue are, however, recorded as an expense in the Company's accounts. If the Options are exercised and the Shares are trading at that time above the exercise price there may be a perceived cost to the Company as the Company may have been able to issue the Shares at a higher price.
- (q) Historical Share price information for the last three months prior to the date of lodgement of this Explanatory Statement with ASIC is as follows:

	Price	Date
Highest	2.5 cents	25, 29 August 2017
Lowest	1.6 cents	12, 21 July, 8 August 2017
Latest	1.9 cents	5 October 2017

- (r) The Directors consider that the grant of Options to its personnel are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. The Company considers that, to enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The grant of the Options is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

The Company reviewed the practices of other companies of a similar size and stage of development to determine the number of Options required to be granted to attract and retain senior directors. Based on that review, the Board determined that the proposed grant of the number of Options in Resolutions 15 to 17 is appropriate.

- (s) Voting exclusion statements for Resolutions 15 to 17 are included in the Notice.
- (t) Each of the Directors do not make a voting recommendation to Shareholders in relation to those of Resolutions 15 to 17 in which they have a material personal interest as the potential recipients of Options. The Directors otherwise recommend shareholders of the Company vote in favour of Resolutions 15 to 17.

- (u) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to Resolutions 15 to 17.

12. RESOLUTION 18 – TO CHANGE THE COMPANY NAME FROM SUDA LTD TO SUDA PHARMACEUTICALS LTD

12.1 Background

Shareholders may be aware that the Company changed its name to Suda Ltd in November 2012.

The Board has considered feedback from investors and potential partners that the name “Suda Ltd” did not reflect the business operations and believed that by adding “Pharmaceuticals” to the name would provide a stronger message about the business operations of the Company.

“Suda” is an acronym for Sub-lingual Uniform Dosage Administration and it is also a reference to an ancient encyclopaedia, a receptacle of knowledge. Suda is derived from Souda which means fortress or stronghold. The Directors see that the Company is both a stronghold and a receptacle of knowledge and will continue to grow in both these areas. The Directors believe that it is an appropriate name for a company whose value and strength is derived from the generation of new knowledge and intellectual property.

The resolution is a special resolution and will be passed if at least 75% of the votes that are cast by Shareholders on the resolution are voted in favour of the resolution.

12.2 Board Recommendation

The Directors recommend that Shareholders approve the change of name of “Suda Ltd” to “Suda Pharmaceuticals Ltd”.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

2017 Convertible Note	a Convertible Note issued to a noteholder with an effective date of 1 April 2017 and a redemption date of 31 March 2019 on the Convertible Note Terms and Conditions.
ASX	ASX Limited or the securities market operated by ASX Limited.
Board	the Company's board of Directors.
Chelsea Investments	Chelsea Investments (WA) Pty Ltd ACN 110 889 373.
Chairman	chairman of the Annual General Meeting.
Company or Suda	Suda Ltd ACN 090 987 250.
Company Secretary	the company secretary of the Company, Mr Joseph Ohayon.
Constitution	constitution of the Company.
Convertible Note Terms and Conditions	the terms and conditions of the 2017 Convertible Notes set out in Schedule 1.
Convertible Notes	notes which can be converted into Shares.
Convertible Securities	securities which are convertible by the holder, or otherwise by their terms of issue, into equity securities.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	director of the Company.
Explanatory Statement	the explanatory statement that accompanies this Notice of Annual General Meeting.
Kamala Holdings	Kamala Holdings Pty Ltd as trustee of the Kamala 1994 super fund ACN 064 721 660.
Key Management Personnel	key management personnel of the Company (as defined in section 9 of the Corporations Act).
Listing Rules or ASX Listing Rules	listing rules of the ASX.
Meeting or Annual General Meeting	the annual general meeting convened by this Notice of Annual General Meeting.
Notice or Notice of Annual General Meeting	this notice of Annual General Meeting.
Option	an option to subscribe for a Share.
Proxy Form	the proxy form enclosed with this Notice of Annual General Meeting.
Resolution	a resolution in the Notice.
RM Capital	RM Corporate Finance Pty Ltd ACN 108 084 386 AFSL 315235.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	holder of a Share in the Company.
VWAP	volume weighted average market price as defined in the ASX Listing Rules.
WST	Australian Western Standard Time.
Zerrin Investments	Zerrin Investments Pty Ltd ACN 110 889 346.

SCHEDULE 1

CONVERTIBLE NOTE TERMS AND CONDITIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Terms, unless the context otherwise requires:

Allotment Date means the date that Shares are allotted in respect of a conversion of a Convertible Note being not more than 3 Business Days after the Conversion Date (unless otherwise agreed to by both parties).

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Business Day means a day which is not a Saturday, Sunday or public holiday in Perth, Western Australia.

Company means Suda Limited (ACN 090 987 250).

Company Charge means a general security deed creating a PPSA Security Interest over all of the assets, undertaking and property of the Company in favour of the Trustee to secure the obligations of the Company to the Noteholders as amended from time to time.

Constitution means the constitution of the Company.

Conversion Date means the date of delivery of a Conversion Notice by the Noteholder to the Company in accordance with these Terms.

Convertible Note means a redeemable convertible note issued to the Noteholder in accordance with these Terms.

Conversion Notice means the conversion notice referred to in clause 5.2 of these Terms in the form set out in Annexure 1 to these Terms.

Conversion Period means the period commencing on the Effective Date and ending on the last Business Day before the earlier of:

- (a) the date upon which all Convertible Notes are repaid in full or converted into Shares in their entirety; or
- (b) the Redemption Date.

Conversion Price, in relation to a Share, means, subject to clauses 8 and 9, A\$0.024 (two point four cents) per Share.

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

Directors means the directors of the Company from time to time.

Effective Date means 1 April 2017.

Event of Default means any of the events or circumstances described in clause 11.1.

Interest Rate means 8.0% per annum.

Interest Share means a Share issued pursuant to clause 4.4.

Listing Rules means the Listing Rules of the ASX.

Monies Payable means, at any particular time, the amount of the Subscription Sum Outstanding and accrued interest on the Convertible Notes which have not been repaid or converted into Shares.

Note Certificate means a certificate for the Convertible Notes substantially in the form of Annexure 2 to these Terms.

Noteholder means the person recorded as the holder of the Convertible Notes.

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

PPSA Security means a security interest as defined in the PPSA.

Redemption Date means 31 March 2019.

Redemption Monies means an amount equal to 105% of the Subscription Sum Outstanding at the Redemption Date plus accrued interest which has not been converted to Shares or paid.

Securities has the meaning given to that term in Section 92(3) of the Corporations Act.

Security Interest means a mortgage, pledge, lien, charge, assignment, hypothecation, secured interest, title retention arrangement, preferential right or other arrangement (including a conditionally repayable deposit or 'flawed asset' arrangement), trust or power, in each case having the same or a similar commercial effect as a grant of security, and any agreement to create or give any such arrangements.

Share means a fully paid ordinary share in the capital of the Company ranking pari passu with the existing issued ordinary share capital of the Company.

Shareholder means a holder of Shares.

Subscription Sum means the amount stated in the Note Certificate for each Noteholder.

Subscription Sum Outstanding means, in respect of the Convertible Notes:

- (a) an amount in dollars equal to the difference between the Subscription Sum (or such portion thereof which has been subscribed by the Noteholder) and the monetary value of that portion of the Convertible Notes that have been previously repaid or converted (if at all and as the case may be) in accordance with these Terms; and
- (b) which amount is evidenced on the Note Certificate(s) most recently issued by the Company to the Noteholder.

Trading Day means a day on which the ASX is open for trading.

Trustee means Eastland CN Nominees Pty Ltd (ACN 159 221 066).

Trust Deed means the deed entered into by the Company and the Trustee by which the Trustee holds the Company Charge and the Westcoast Charge and the proceeds of realisation of those charges on trust for the Noteholders as amended from time to time.

VWAP means in relation to a Trading Day, the volume weighted average price (in Australian dollars, rounded to four decimal places) of the Shares traded in the ordinary course of business on the ASX on that Trading Day, excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of options over Shares, subject to all adjustments set out in these Terms provided that:

- (a) if on that Trading Day, Shares were quoted on the ASX as cum dividend or cum any other distribution or entitlement, and the issue of Shares for the purpose of which the VWAP is being

determined will occur after that date, and those Shares no longer carry that dividend or other distribution or entitlement, then the VWAP on that Trading Day shall be reduced by an amount (**Cum Value**) equal to:

- (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution;
 - (ii) in the case of any other entitlement which is traded on the ASX on that Trading Day, the VWAP of such entitlements sold on the ASX on that Trading Day; or
 - (iii) in the case of an entitlement not traded on the ASX on that Trading Day, the value of the entitlement as reasonably determined by the Investor; and
- (b) if on that Trading Day, Shares were quoted on the ASX as ex-dividend or ex any other distribution or entitlement, and the Shares for the purpose of which the VWAP is being determined would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on that Trading Day shall be increased by the Cum Value.

Westcoast means Westcoast Surgical and Medical Supplies Pty Ltd (ACN 119 200 672).

Westcoast Charge means a general security deed creating a PPSA Security Interest over all of the assets, undertakings and property of Westcoast in favour of the Trustee to secure the obligations of the Company to the Noteholders as amended from time to time.

1.2 Interpretation

In these Terms unless the context otherwise requires:

- (a) every covenant, agreement, representation or warranty expressed or implied in which more persons than one covenant, agree represent or warrant shall bind such persons and every two or more of them jointly and each of them severally;
- (b) reference to any Party shall mean and include a reference to that Party, his or its successors or personal representatives (as the case may be) assigns and transferees;
- (c) the word 'person' shall include a corporation;
- (d) words importing a masculine gender shall include the feminine and neuter genders;
- (e) the singular shall include the plural and vice versa;
- (f) reference to any statute shall include all statutes amending or consolidating the statutes referred to;
- (g) a reference to a recital, clause or schedule is a reference to a recital, clause or schedule of these Terms;
- (h) a reference to currency is to the currency of Australia;
- (i) any term or phrase which is defined in the Corporations Act and which is not defined in this Deed shall have the meaning specified in the Corporations Act and
- (j) **'these Terms'** means these Terms & Conditions.

2 BENEFIT OF THE TRUST DEED

The Noteholder shall be a beneficiary as provided in the Trust Deed.

3 CONVERTIBLE NOTES

3.1 Face Value

Each Convertible Note shall have a face value equal to \$1.00.

3.2 Secured

The Convertible Notes will be secured by:

- (a) the Company Charge; and
- (b) the Westcoast Charge.

3.3 Acknowledgment of indebtedness

The Company acknowledges that on and from the Effective Date and at all times before the Redemption Date or Conversion Date (as the case may be) of the Convertible Notes, it will be indebted to the Noteholder to the extent of the Monies Payable.

3.4 Notes are unlisted

The Company does not intend to list the Convertible Notes for quotation on ASX and it is not obliged to do so.

3.5 Repayment

The Company shall not repay any or all of the Subscription Sum (by redeeming any or all of the Convertible Notes by payment to the Noteholder of the face value of each Convertible Note which is to be redeemed) prior to the Redemption Date without the prior written consent of the Noteholder.

3.6 Voting Rights

The Convertible Notes shall not provide for any voting rights at Shareholder meetings of the Company.

3.7 Transfer

The Noteholder must not within 12 months of the Effective Date transfer any of the Convertible Notes without the prior written approval of the Company and the Company shall not be required to give its consent where the Company would be required to produce a disclosure document (as defined in section 9 of the Corporations Act) as a result of, or in connection with, the transfer.

4 INTEREST

4.1 Interest Rate

Each Convertible Note shall bear interest at the Interest Rate on the Subscription Sum Outstanding from time to time (with each Convertible Note which has not been repaid or converted to Shares bearing interest on its face value) from the Effective Date until the earlier of:

- (a) the date such Convertible Notes are converted into Shares in their entirety in accordance with clause 5; or
- (b) the date upon which the Subscription Sum is repaid to the Noteholder in full in accordance with these Terms.

4.2 Calculation of Interest

Interest on each Convertible Note will accrue daily on the Subscription Sum Outstanding and will be calculated half yearly in arrears as and from the Effective Date until:

- (a) the date such Convertible Notes are converted into Shares in their entirety in accordance with clause 5; or
- (b) the date upon which the full Subscription Sum is repaid to the Noteholder in accordance with these Terms.

4.3 Payment of Interest

Subject to clause 4.4, the Company shall pay the Noteholder interest calculated in accordance with, and for the period specified in, clause 4.2 commencing on the Effective Date half yearly in arrears, (the first instalment to be paid for the period ending 30 September 2017), in respect of the Convertible Notes until maturity.

4.4 Method of Payment

- (a) Interest shall be paid to the Noteholder in cash, unless the Noteholder gives notice to the Company no later than:
 - (i) 28 February in the relevant year, in the case of interest payable in respect of the period ending 31 March in each year;
 - (ii) 31 August in the relevant year, in the case of interest payable in respect of the period ending 30 September in each year,

that the Noteholder requires the interest to be paid in Shares (**Scrip Payment Notice**). Where a Scrip Payment Notice has been given, the obligation to pay interest shall be satisfied by the issue to the Noteholder of Shares which shall be issued in accordance with the following formula:

$$NS = \frac{\text{Interest}}{\text{Interest Conversion Rate}}$$

Where:

NS = the number of Shares to be issued;

Interest = the Interest payable; and

Interest Conversion Rate = 90% of the 5 day VWAP for the Company's Shares (provided that this must not be less than 80% of the average market price over the last 5 days on which sales of the Company's Shares were recorded).

- (b) Where the Noteholder is to receive interest by payment of cash, interest on the Convertible Notes shall be paid by the Company to the Noteholder in cash, half yearly in arrears in accordance with clauses 4.2 and 4.3, with the balance of any interest paid in the manner set out in paragraphs 4.4(b)(i), 4.4(b)(ii) and 4.4(b)(iii) below:
 - (i) if the Subscription Sum is repaid in full prior to the Redemption Date in accordance with clause 3.5, then any unpaid interest accrued on the Convertible Notes as at the date of repayment will be paid either in cash pursuant to clause 4.4(a), or if no later than 10 Business Days prior to the date on which the Convertible Notes are to be redeemed the Noteholder has given a Scrip Payment Notice, by way of Shares issued to the Noteholder as provided in clause 4.4(a);
 - (ii) if the Subscription Sum is repaid in full on the Redemption Date, then any unpaid interest accrued on the Convertible Notes as at the Redemption Date will be paid either in cash pursuant to clause 4.4(a), or if no later than 31 August 2019 the Noteholder has given a

Scrip Payment Notice, by way of Shares issued to the Noteholder on the Redemption Date;
or

- (iii) if the Convertible Notes are converted into Shares in accordance with clause 5 then any unpaid interest accrued on the Convertible Notes which are converted as at the Conversion Date will be paid to the Noteholder on the Conversion Date in cash in accordance with this clause, or in Shares if the Noteholder has given a Scrip Payment Notice no later than the date it gives the Conversion Notice.

- (c) The number of Shares which may be issued pursuant to a Conversion Notice is subject to the Company being able to issue those shares in accordance with Listing Rule 7.1, Listing Rule 7.1A and any other relevant provisions of the Listing Rules.

4.5 Interest shall cease

For the avoidance of doubt, interest shall cease to be payable in respect of each Convertible Note:

- (a) from the Allotment Date upon conversion of that Convertible Note; or
(b) the date of repayment of that Convertible Note, in accordance with these Terms,

unless default is made by the Company in effecting such conversion or repayment in which case interest shall accrue until the conversion or repayment is actually effected or made by the Company.

5 CONVERSION OF CONVERTIBLE NOTES

5.1 Conversion

The Convertible Notes shall be convertible into Shares in whole or in part (to the extent to which it has not already been repaid by the Company pursuant to clause 3.5) at the election of the Noteholder at the Conversion Price at any time in the Conversion Period.

5.2 Conversion Notice

If the Noteholder wishes to convert some or all of the Convertible Notes into Shares, the Noteholder must deliver to the Company a duly completed and executed Conversion Notice and the Note Certificate, or such other evidence of title as to ownership of the Convertible Notes as is acceptable to the Directors.

5.3 Conversion Notice cannot be withdrawn

A Conversion Notice once issued cannot be withdrawn without the consent in writing of the Company.

5.4 Shares

The number of Shares to be issued to the Noteholder upon delivery of a Conversion Notice in accordance with clause 5.1 shall be calculated in accordance with the following formula (and rounded down to the nearest whole number):

$$\frac{\text{Number of Shares issued to Noteholders} \times \text{No. of Convertible Notes the subject of the Conversion Notice} \times \text{face value of \$1.00}}{\text{Conversion Price}}$$

5.5 Satisfaction of Company's obligations

The conversion of the Convertible Notes into Shares (or part thereof) in accordance with clause 5.1, operates in satisfaction of the Company's obligation to the Noteholder in respect of the Subscription Sum or that portion thereof equal to the aggregate face value of the Convertible Notes the subject of the Conversion Notice (as the case requires).

6 ALLOTMENT OF SHARES

6.1 Allotment on conversion

The Company shall allot and issue the Shares to which the Noteholder is entitled upon conversion of some or all of the Convertible Notes on the Allotment Date.

6.2 Compliance with Listing Rules

The Company must effect the issue to the Noteholder of the Shares to which the Noteholder is entitled upon conversion of some or all of the Convertible Notes or which are issued in respect of interest, as soon as practicable after a valid Conversion Notice is given to the Company by the Noteholder and, in any event, in a manner required or permitted by the Listing Rules.

6.3 New Note Certificate

The Company shall forward free of charge to the Noteholder (or such other person as it may in writing request) a certificate or holding statement for the Shares allotted and issued on conversion of some or all of the Convertible Notes and in respect of payment of interest and shall also send free of charge to the Noteholder, or such other person as nominated by the Noteholder, a Note Certificate in respect of any Convertible Notes remaining unconverted.

6.4 Ranking

Shares issued on conversion of the Convertible Notes (or any of them) and in respect of payment of interest shall rank pari passu with all other Shares then on issue by the Company.

6.5 ASX Quotation

The Company undertakes to apply for quotation of the Shares issued in respect of interest and the shares issued on conversion of the Convertible Notes in accordance with the Listing Rules immediately after the Shares are allotted and in accordance with section 708A(6) of the Corporations Act, lodge a cleansing statement pursuant to Section 708A(5) of the Corporations Act (**Cleansing Statement**) with ASX within 5 Business Days (as such period is determined under the Corporations Act) of the issue of the Shares or, if the Company is unable to comply with each of the conditions required to issue a Cleansing Statement, lodge a cleansing prospectus complying with Part 6D.2 of the Corporations Act in respect of an offer of shares (**Cleansing Prospectus**) with ASIC within 5 Business Days (as such period is determined under the Corporations Act) of the issue of the Conversion Shares and the Interest Shares.

7 REDEMPTION

7.1 Payment of Redemption Monies

In the event that any of the Convertible Notes are not converted into Shares on or before the Redemption Date or are not repaid prior to the Redemption Date in accordance with clauses 3.5, the Company covenants with the Noteholder that it shall pay to the Noteholder the Redemption Monies on the Redemption Date.

7.2 Satisfaction of Company's obligations

The payment by the Company to the Noteholder under clause 7.1 of the entirety of the Redemption Monies operates in satisfaction of the Company's obligation to the Noteholder in respect of the Monies Payable.

8 RECONSTRUCTION

8.1 In the event of a reconstruction of the capital of the Company whether by a return of capital, scheme of arrangement or otherwise (but other than by way of a bonus issue or rights issue), a proportionate adjustment will be made to the number and issue price of Shares to which the Noteholder is entitled upon conversion of the Convertible Notes so that:

- (a) the value of the Convertible Notes is not adversely affected by the reconstruction;
- (b) the Noteholder is not conferred with any additional benefits which are not also conferred on the holders of Shares (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting Shareholders approving the reconstruction of capital); and
- (c) subject to clause (b), in all other respects the terms for the conversion of the Convertible Notes shall remain unchanged.

8.2 These Terms from time to time must be varied to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

9 ADJUSTMENT TO CONVERSION PRICE

9.1 If after the Effective Date the Company issues any new Shares where the issue price is less than \$0.024 (two point four cents) (except where this is in respect of payment of interest pursuant to clause 4 the Conversion Price shall be adjusted in accordance with the following formula:

$$CP_1 = CP_0 - \{NI / TI \times (CP_0 - IP)\}$$

Where

CP₁ = the new Conversion Price

CP₀ = the original Conversion Price

NI = the number of new Shares issued

TI = the total number of Shares issued after the new issue

IP = the issue price of the new Share issue

10 OFFERS TO HOLDERS OF SHARES

The Convertible Notes do not carry any rights to participate in any bonus offer or pro-rata offer of Shares or other securities by the Company.

11 EVENTS OF DEFAULT

11.1 Events of Default

Each of the following events or circumstances is an Event of Default:

- (a) **breach of material term:** the Company breaches a material term of these Terms and:
 - (i) does not remedy the breach within 30 days after receiving notice of the breach from a Noteholder requesting the breach to be remedied; or
 - (ii) the breach is incapable of remedy.

- (b) **non-payment:** the Company fails to pay within 10 Business Days of its due date any amount payable under these Terms;
- (c) **misrepresentation:** any representation, warranty or statement made or repeated in or in connection with these Terms is untrue or misleading in a material respect (whether by omission or otherwise) when so made or repeated or becomes untrue or misleading in a material respect (or, in the case of financial forecasts, unfair or unreasonable) when taken as a whole;
- (d) **involuntary winding up:** an application or order is made for the winding up of the Company or Westcoast or for the appointment of a liquidator;
- (e) **voluntary winding up:** the Company or Westcoast passes a resolution for its winding up;
- (f) **receiver:** a receiver, controller (within the meaning of section 9 of the Corporations Act) or analogous person is appointed to, or the holder of a Security Interest takes possession of all, or a substantial part of the assets of the Company or those of Westcoast;
- (g) **insolvency:** the Company or Westcoast:
- (i) suspends payment generally;
 - (ii) becomes an externally-administered body corporate within the meaning of the Corporations Act;
 - (iii) becomes subject to administration under Part 5.3A of Chapter 5 of the Corporations Act, or steps are taken which could reasonably be expected to result in the Company becoming so subject; or
 - (iv) is or states that it is, or is deemed by applicable law to be, unable to pay its debts as and when they fall due;
- (h) **compromise or arrangement:** the Company or Westcoast takes any step for the purpose of entering into a compromise or arrangement with any of its members or creditors except for the purpose of resolution of a bona fide dispute or a reconstruction, amalgamation, merger or consolidation on terms approved by the Noteholder (which should not be unreasonably withheld);
- (i) **failure to comply with waiver:** if any Event of Default (or occurrence which would otherwise have been or become an Event of Default) is conditionally waived by the Noteholder and the Company does not comply with those conditions or those conditions are not fulfilled (whether by the Company or any other person) or are or become incapable of fulfilment; or
- (j) **provisions void:** all or any material provision of these Terms:
- (i) does not have effect or ceases to have effect in accordance with its terms;
 - (ii) is or becomes void, voidable, illegal, invalid or unenforceable other than by reason of equitable principles or laws affecting creditors' rights generally; or
 - (iii) is claimed by the Company to be any of the matters referred to in paragraphs (i) or (ii) or the Company commences any court proceedings to establish any of the matters referred to in paragraphs (i) or (ii) to be the case;

11.2 Noteholder's powers on default

If an Event of Default occurs, the Noteholder may then or at any time subsequently by notice to the Company:

- (a) declare all money owing under these Terms to be immediately due and payable, and the Company must immediately pay that money (including accrued interest and fees) and cash cover for the full amount of any money contingently owing under these Terms; and/or

- (b) cancel its obligations (if any) under these Terms.

12 NOTICES

12.1 Requirements for Notice

Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed and prepaid mail or email in each case addressed to the Party at its address set out below, or as the case may be to such other address as it may from time to time notify to the other Parties pursuant to clause 12.2.

Address

In the case of the Company:

Delivered personally:

The Company Secretary
Mr Joseph Ohayon
Suda Ltd
Level 1, Unit 12
Howe Street
OSBORNE PARK WA 6017

By mail:

The Company Secretary
Mr Joseph Ohayon
Suda Ltd
PO Box 1719
OSBORNE PARK BC WA 6916
By Email: legal@sudaltd.com.au

In the case of the Noteholder:

At the address specified in the Note Certificate.

12.2 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 12.1 to the other Parties.

12.3 Receipt of Notice

Any notice given pursuant to clause 12.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery if delivered prior to 5pm (Perth time) on a Business Day or on the next following Business Day if delivered after 5pm (Perth time) on a Business Day or on other than a Business Day;
- (b) if sent by mail, on the second clear Business Day after the day of posting; or
- (c) if sent by email, as soon as it enters the recipient's information system (as shown in a confirmation of delivery report from the sender's information system).

13 COSTS

13.1 Stamp and Transfer Duty

All stamp and transfer duty assessed on or in respect of these Terms shall be paid by the Company.

13.2 Legal Costs

Each Party shall bear their own legal costs of and incidental to the preparation, negotiation and execution of these Terms.

14 GOVERNING LAW

These Terms shall be governed by and construed in accordance with the law from time to time in the State of Western Australia and the Parties agree to submit to the exclusive jurisdiction of the courts of Western Australia and the courts which hear appeals there from.

15 MISCELLANEOUS

15.1 Severance

If any provision of these Terms is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

15.2 Provisions of the Listing Rules to Apply

Where any provision of these terms is inconsistent with a provision in the Listing Rules which has mandatory application, these Terms shall be deemed to be amended so that they comply with the relevant provisions in the Listing Rules.

15.3 Entire Agreement

These Terms shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

15.4 Time

Time shall be of the essence in these Terms in all respects.

15.5 Taxes and withholdings

The Company must make any payments to be made to the Noteholder in accordance with these Terms free of all withholdings and deductions PROVIDED THAT the Noteholder has provided the Company with its Australian Business Number (ABN) or Australian Tax File Number (TFN) and for avoidance of doubt where the Noteholder is a foreign resident or a foreign company which does not have an ABN or TFN, then the Company shall make such withholdings as required by law.

SCHEDULE 2

1. SUMMARY OF TERMS OF EMPLOYEE SHARE OPTION PLAN

1.1 Eligibility

The Board may, in its absolute discretion, invite an Eligible Employee to participate in the Company's Employee Share Option Plan (**Option Plan**). An Eligible Employee includes a director, senior executive or employee of the Company, or an associated body corporate of the Company.

1.2 Terms of Options

- (a) Each Option will be granted to an Eligible Employee under the Option Plan for \$Nil consideration.
- (b) Each Option will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Option).
- (c) Options will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Options.
- (d) The Acquisition Date and potentially the Expiry Date of Options shall be as determined upon acceptance by the Board of an application by the Eligible Employee for the Options in response to an Offer of Options made by the Company to the Eligible Employee.
- (e) The Exercise Price of an Option (or the method for determining the Exercise Price) will be set by the Board in accordance with the Option Plan Rules.
- (f) A Participant is not entitled to participate in or receive any dividends or other Shareholder benefits until its Options have vested and been exercised and Shares have been allocated to the Participant as a result of the exercise of Options.
- (g) There are no participating rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Options.
- (h) Following the issue of Shares on the exercise of vested Options, Participants will be entitled to exercise all rights of a Shareholder attaching to the Shares, subject to any disposal restrictions advised to the Participant at the time of their acquisition of the Options.
- (i) An Eligible Employee may (by notifying the Board in writing) nominate a related party as defined in the Option Plan Rules (Nominee) in whose favour the Eligible Employee wishes to renounce the Offer.

1.3 Performance Conditions

When granting Options, the Board may make their vesting conditional on the satisfaction of a Performance Condition within a specified period. The Board may at any time waive or change a Performance Condition or Performance Period in accordance with the Option Plan Rules if the Board (acting reasonably) considers it appropriate to do so.

1.4 Vesting

The Options will vest following satisfaction of the Performance Conditions or such other date as determined by the Board in its discretion.

Subject to the Option Plan Rules, the Board may declare that all or a specified number of any unvested Options granted to a Participant which have not lapsed immediately vest if, in the opinion of the Board a change of control in relation to the Company has occurred, or is likely to occur, having regard to the Participant's pro rata performance in relation to the applicable Performance Conditions up to that date.

Subject to the Option Plan Rules, the Board may in its absolute discretion, declare the vesting of an Option where the Company is wound up or passes a resolution to dispose of its main undertaking.

If there is any internal reconstruction or acquisition of the Company which does not involve a significant change in the identity of the ultimate Shareholders of the Company, the Board may declare in its sole discretion whether and to what extent Options, which have not vested by the day the reconstruction takes place, will vest.

1.5 Cashless Exercise Facility

Participants may, at their election, elect to pay the Exercise Price for an Option by setting off the Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using

the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Exercise Price has been set off.

If a Participant elects to use the Cashless Exercise Facility, the Participant will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value of the difference between the Exercise Price otherwise payable for the Options and the then Market Value of the Shares at the time of exercise (determined based on the volume weighted average price for a Share traded on the ASX during the 7 day period up to and including the Exercise Date).

1.6

Disposal Restrictions

A Participant may not transfer an Option granted under the Option Plan except in Special Circumstances, with prior consent of the Board (which may be withheld in its absolute discretion).

1.7

Overriding Restrictions

No issue or allocation of Options and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

1.8

Lapse

- (a) An Option will immediately lapse upon the first to occur of:
 - (i) its Expiry Date;
 - (ii) the Performance Condition(s) (if any) not being satisfied prior to the end of the Performance Period(s);
 - (iii) the transfer or purported transfer of the Option in breach of the Option Plan Rules;
 - (iv) if the Option has not vested, the day that is 30 days following the date the Participant voluntarily or for a bona fide reason ceases to be employed or engaged by the Company or an associated body corporate; or
 - (v) termination of the Participant's employment or engagement with the Company or an associated body corporate for cause.
- (b) Where a Participant ceases to be employed or engaged by the Company or an associated body corporate by reason of their death, disability, bona fide redundancy, and the Options have vested, they will remain exercisable by that Participant's estate or legal representative until the Options lapse in accordance with the Option Plan Rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the Participant ceases to be employed or engaged, how many (if any) of that Participant's Options will be deemed to have vested and will be exercisable by that Participant's estate or legal representative.

SCHEDULE 3

1. SUMMARY OF TERMS OF TAX EXEMPT PLAN

1.1 Operation

Eligible Employees who satisfy the requirements of sections 83A-35 and 83-45 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 97**) (**Exemption Conditions**) who receive an Offer by the Company to apply for Shares under the Company's Tax Exempt Plan (**Share Plan**) will be able to acquire up to \$1,000 worth of Shares for \$Nil consideration on a tax exempt basis (subject to satisfying a personal income test). The Share Plan will be operated on a non-discriminatory basis within the meaning of the ITAA 97.

1.2 Restrictions on dealing with Shares

A holding lock will be applied to all Shares issued under the Share Plan. The holding lock will commence on the date the Shares are issued to the Participant and until the earlier of:

- (a) the date required so as to satisfy the Exemption Conditions; or
- (b) the date the Participant ceases to be an employee.

A Participant will not be permitted to dispose of or encumber any Shares it acquires under the Share Plan while those Shares are subject to a holding lock.

As soon as reasonably practicable after any restriction on disposal of the Shares no longer applies, the Company must procure that any restriction on dealing with the Shares no longer applies and will procure that any holding lock on those Shares is removed.

1.3 Rights attaching to Shares issued under Share Plan

- (a) Shares issued under the Share Plan will rank equally in all respects with the Shares on issue on the date of issue. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of issue.
- (b) A Participant will have all rights of a Shareholder in respect of the Shares after they are issued to the Participant, subject to the disposal restrictions under the Share Plan.
- (c) The Company shall apply to the ASX for official quotation of any Shares issued under or for the purposes of the Share Plan.
- (d) A Participant is entitled to receive any dividends paid on Shares registered in the Participant's name.
- (e) A Participant may exercise any voting rights attaching to those Shares, or may appoint a proxy to represent and vote for him or her, at any meeting of the members of the Company.

1.4 Overriding restrictions

No issue or allocation of Shares under the Share Plan will be made to the extent that it would contravene the Constitution, the ITAA 97, Listing Rules, the Corporations Act or any other applicable law.



ONLINE VOTE

www.advancedshare.com.au/investor-login



MOBILE DEVICE VOTE

Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

ANNUAL GENERAL MEETING - VOTING/PROXY FORM

I/We being a Shareholder/s of Suda Ltd and entitled to attend and vote hereby appoint

APPOINT A PROXY

The Chairman
of the Meeting
(mark with an 'X')

OR

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Chairman sees fit) at the General Meeting of Suda Ltd to be held in Perth on 28 November 2017 at The Boulevard Centre, 99 The Boulevard, Floreat, commencing at 10.30am (WST) and at any adjournment of that Annual General Meeting.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting by marking the appropriate box in step 2 below. The Chairman of the Annual General Meeting intends to vote all available proxies in favour of all Resolutions.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of issue of 200,000 Convertible Notes to Zerrin Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director: Mr Joseph Ohayon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of issue of 50,000 Convertible Notes to Pearlcove Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue of 75,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of issue of 20,000 Convertible Notes to Mr Joseph Ohayon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of 10,000,000 Options to RM Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Adoption of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of repricing of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Adoption of Tax Exempt Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of prior issue of 2017 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval of issue of Options to Mr Stephen Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of prior issue of Shares in payment of interest on 2017 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval of issue of Options to Mr Joseph Ohayon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of issue of 150,000 Convertible Notes to Kamala Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Approval of Issue of Options to Mr Michael Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of issue of 150,000 Convertible Notes to Chelsea Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Change Name of the Company From Suda Ltd to Suda Pharmaceuticals Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐ Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

Your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting, who is required to vote the proxies as directed.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in 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 a given item, your proxy may vote as they choose to the extent they are able. If you mark more than one box on an item, your vote on that item will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Item 1.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), you will be expressly authorising the Chairman to vote as they see fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

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

LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:30am (WST) on Sunday, 26 November 2017, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE VOTE

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033