

**PharmAust Limited**  
**ABN 35 094 006 023**

**Share Purchase Plan**

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**ABN 35 094 006 023**

Terms and Conditions of the Share Purchase Plan;

**1. Definitions**

1.1 In this Plan unless the contrary intention appears:

“**Application Form**” means the form produced specific to an Offer under this Plan on which eligible Shareholders may apply for Shares.

“**ASIC**” means Australia Securities and Investments Commission;

“**ASX**” means Australian Stock Exchange Limited ABN 98 008 624 691;

“**Business Day**” means a day other than Saturday or Sunday on which Australian banks are open for business in Perth, Western Australia;

“**Closing Date**” means the date specified as such in the Offer, or such later date, as may be determined by the Directors as the closing date of the Offer;

“**Company**” means PharmAust Limited ABN 35 094 006 023

“**Directors**” means the Directors of the Company;

“**Individual Shareholder Application Maximum**” means the maximum contribution possible subject to the total amount of contributions to this and all other SPP contributions to the Company received from the Shareholder in the preceding 12 months not exceeding \$5,000;

“**Issue and Allotment Period**” means the period of 10 business days after the end of the Offer Period;

“**Market Price**” means the volume weighted average of the sale price per Share of Shares sold in the ordinary course of trading on the ASX during a specified period in the last 30 days prior to either the date of the Offer or the date of the Issue and Allotment Period;

“**Offer**” means an offer of Shares made to Shareholders under this Plan;

“**Offer Period**” means the period commencing on the date on which Offers under the Plan are made to Shareholders and ceasing on Closing Date;

“**Offer Price**” means the price determined by the Directors of the Company from time to time;

“**Plan**” means the PharmAust Limited Share Purchase Plan established in accordance with these Terms and Conditions and approved by the directors of PharmAust on 4 October 2006, as amended from time to time;

“**Record Date**” means the date for determining a person’s eligibility to participate in the Plan;

“**Share Registry**” means the Company’s share registry;

“**Shareholder**” means the person registered as the holder of Shares as at the Record Date;

“**Shares**” means fully paid ordinary shares in the Company;

“**SPP**” means a share purchase plan (including this Plan) in accordance with ASIC class order 02/831 and any relevant amendments; and

“**Terms and Conditions**” means these terms and conditions, as amended from time to time.

- 1.2 Words importing gender include the masculine, feminine and neuter genders, and the singular includes the plural and vice versa.
- 1.3 Headings are included for convenience only and will not affect the construction or interpretation of the Plan.
- 1.4 A reference to a person includes a reference to a body corporate and vice versa.
- 1.5 Terms defined in the Corporations Act have the same respective meanings in this Plan, unless the contrary intention appears.

## **2. The Plan**

- 2.1 The Plan is a method by which eligible Shareholders may elect to subscribe for additional Shares by making contributions, pursuant an Offer made by the Company.
- 2.2 Participation by eligible Shareholders in the Plan is optional and is non-renounceable.

## **3. Eligibility**

- 3.1 Subject to clauses 3.2, and 3.3 all Shareholders registered with an Australian or New Zealand address at the relevant Record Date are eligible to participate in Offers made under the Plan.
- 3.2 No Shareholder will be eligible to participate in the Plan until the Company accepts that Shareholder’s application form in accordance with clause 4.1.

- 3.3 The date for determining eligibility is the relevant Record Date.
- 3.4 Each Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to be eligible to participate in the Plan.
- 3.5 If an application form is rejected, the Company must notify the Shareholder of the rejection as soon as practicable thereafter and return to the Shareholder any contribution made by that Shareholder. No interest will be paid on any money returned.

#### **4. Application Forms**

- 4.1 The Company will not accept an Application Form from an eligible Shareholder unless:
  - (a) the Application Form is fully and correctly completed;
  - (b) it is received by the Company during the Offer Period; and
  - (c) the Shareholder attaches the contribution that is to be made pursuant to that Application Form.

#### **5. Operation Of The Plan**

- 5.1 Each contribution received by the Company from or on behalf of a Shareholder in response to an Offer and accompanied by an Application Form, will, subject to these Terms and Conditions, be applied to an application for additional Shares.
- 5.2 Shares issued under the Plan will be priced and issued by the Company, as determined by the Directors of the Company from time to time.
- 5.3 A Shareholder's contribution to the Plan in response to an Offer, must:
  - (a) be for such minimum Shares or contribution amount as determined by the Directors; and
  - (b) not exceed in total \$5,000 in any consecutive 12 month period.
- 5.4 In respect of each contribution received from a Shareholder, the Company will, subject to clause 6, within Issue and Allotment Period;
  - (a) credit the Participant with so much of the contribution as does not exceed the Individual Shareholder Application Maximum;
  - (b) determine the maximum number of additional Shares rounded up to the nearest whole number priced in accordance with clause 5.2 which may be acquired by the Shareholder using the amount of Individual Shareholder Application Maximum credited to the Shareholder;

- (c) allot the number of additional Shares to the Shareholder; and
- (d) return to the Shareholder so much of the contribution as exceeds the Individual Shareholder Application Maximum.

## **6. Shares Allotted Under The Plan**

- 6.1 Subject to Company's Constitution, all Shares issued under the Plan will rank equally in every respect with the existing issued Shares of the Company.
- 6.2 On each occasion Shares are allotted under the Plan to a Shareholder, the Company will procure the Share Registry to issue a holding statement to that Shareholder for the total number of Shares allotted to that Shareholder in accordance with the ASX Listing Rules.
- 6.3 Shares will be allotted and application will be made by the Company to officially quote the Shares issued under the Plan on the ASX within the relevant period specified in the ASX Listing Rules.
- 6.4 Shares will not be allotted under the Plan, unless and until all necessary shareholder approvals are obtained to ensure that the issue of the Shares does not contravene any laws or the ASX Listing Rules.
- 6.5 The Company reserves the right to allot fewer or no Shares than a Shareholder applies for pursuant to an Offer, if the necessary shareholder approval for the issue of Shares is not obtained, or if the Company believes that the allotment of those Shares would otherwise contravene any law or ASX Listing Rules. In the event the Company is not permitted to issue all the Shares offered as a result of any law or ASX Listing Rule, the directors of the Company will allocate Shares to Shareholders applying for Shares, subject to the requirements of any underwriting commitment the Company may enter, on any basis as determined by the Directors at their discretion.
- 6.6 The Company reserves the right to allot fewer or no Shares than a Shareholder applies for pursuant to an Offer, in the event that the total applications from eligible Shareholders is greater than the total number of Shares the directors wish to allot. In the event the total applications from eligible Shareholders is greater than the total number of Shares the directors wish to allot, the directors of the Company will allocate Shares to Shareholders applying for Shares, subject to the requirements of any underwriting commitment the Company may enter, on any basis as determined by the Directors at their discretion.

## **7. Plan Statements**

- 7.1 The Company will send to each Shareholder, with the notice of allotment for the additional Shares issued under the Plan, a statement detailing the following information:

- (a) the number of Shares held by that Shareholder as at the end of the relevant Issue and Allotment Period;
- (b) the amount of the contribution and the Individual Shareholder Application Maximum available to the Shareholder at the end of the relevant Issue and Allotment Period;
- (c) the number of additional Shares, priced under the Plan, issued to the Shareholder;
- (d) subject to any Share transactions in the intervening period, the total number of Shares of the Shareholder after the allotment of the Shares pursuant to the Plan;
- (e) the date of allotment of those Shares;
- (f) the allotment price of each Share allotted to the Shareholder under the Plan; and
- (g) such other information that the Directors may from time to time determine.

## **8. Duration, Modifications and Termination Of The Plan**

- 8.1 Subject to clause 8.2 the Plan will operate until terminated by the Directors.
- 8.2 The Directors may at any time resolve to:
- (a) vary the Plan and any agreement relating to the Plan in compliance with the Corporations Act;
  - (b) suspend the operation of the Plan; or
  - (c) terminate the Plan.
- 8.3 Any variation, suspension or termination of the Plan, made in accordance with clause 8.2:
- (a) subject only to clause 8.4, will be effective from the date of such resolution or otherwise from a date determined by the Directors; and
  - (b) will not give rise to any liability on the part of or right of action against the Company or the Directors.
- 8.4 The Directors may at any time prescribe the manner in which notice to Shareholders of any variation, suspension or termination of the Plan will be given or deemed to have been given to Shareholders, including, without limitation, by an announcement by the Company to ASX, which notice will

be effective immediately on the giving of that notice of variation, suspension or termination in the manner prescribed by the Directors.

8.5 The accidental omission to give notice of any variation, suspension or termination of the Plan to any Shareholder in the manner so prescribed by the Directors pursuant to clause 8.4 or, where applicable, the non-receipt of any such notice by any Shareholders will not invalidate the variation, suspension or termination of the Plan.

## **9. Disputes**

The Directors may resolve any dispute concerning the Plan in such manner as they see fit or adopt any administrative procedures in relation to the Plan as they deem appropriate. The decision of the Directors will be final and binding on the parties to the dispute or Shareholders or both, as the case may be.

## **10. Governing Law**

The Plan, the Terms and Conditions, and the operation of the Plan shall be governed by the law of the state of Western Australia.

## **11. Costs**

No brokerage, commission or other transaction costs and no stamp duties will be payable by Shareholders on allotments of Shares to Shareholders under the Plan.

## **12. Notices**

Notices to the Company will only be effective if in writing, and in such form as the Company directs from time to time, and sent to the Company at its Share Registry, or such other address as is notified by the Company from time to time.

Notices must be received by the Company during the Offer Period to be effective for the issue of Shares that relate to that period. Notices received after the Offer Period will not be effective.