

February 5, 2016

Market Announcements
ASX Limited

Notice of Extraordinary General Meeting of Opthea Limited (Company)

Pursuant to Listing Rule 3.17 we enclose the notice of extraordinary general meeting of the Company to be held on March 7, 2016, together with the proxy form.



Mike Tonroe
Company Secretary

For personal use only

Notice of extraordinary general meeting and explanatory notes

Opthea Limited
ACN 006 340 567

Date: 7 March 2016
Time: 11.00 am (Melbourne time)
Location: Computershare Conference Centre
Yarra Falls
452 Johnston Street
Abbotsford, Melbourne, Victoria

In this document you will find:

- a notice of extraordinary general meeting (EGM)
- explanatory notes which have an explanation of and information about, the resolutions set out in the notice of EGM.

Enclosed separately is a proxy form with attendance and registration details.

Notice of extraordinary general meeting

An extraordinary general meeting of Opthea Limited (**Opthea** or **the Company**) will be held at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne, Victoria on Monday, 7 March 2016 at 11.00 am (Melbourne time).

This notice of meeting (**Notice**) should be read in conjunction with the accompanying notes (including in relation to the required voting majorities, Directors' recommendations and voting, voting exclusion statements, appointing the Chair as your proxy, how to vote and proxies), explanatory notes accompanying the resolutions to be put to Shareholders and the accompanying proxy form, all of which are incorporated in, and comprise part of, this Notice.

Resolutions

1. Election of director – Geoffrey Kempler

To consider and, if thought fit, to pass a resolution electing as a Director of the Company Geoffrey Kempler, who was previously appointed by the Board of Directors and who retires in accordance with article 57.2 of the Company's constitution.

2. Election of director – Michael Sistenich

To consider and, if thought fit, to pass a resolution electing as a Director of the Company Michael Sistenich, who was previously appointed by the Board of Directors and who retires in accordance with article 57.2 of the Company's constitution.

3. Long Term Incentive Plan

To consider and, if thought fit, pass the following resolution:

That the terms of the Company's Long Term Incentive Plan (**LTIP**), which are summarised in the explanatory notes which accompany this Notice, are approved for all purposes, including for the purpose of ASX Listing Rule 7.1 and Exception 9 in ASX Listing Rule 7.2.

4. Issue of options to Megan Baldwin under the LTIP

To consider and, if thought fit, to pass the following resolution:

That approval is given for all purposes, including for the purpose of ASX Listing Rule 10.14, to the issue of 4 million options to Megan Baldwin, to acquire by way of issue upon exercise of the options, a like number of fully paid ordinary shares in the Company, pursuant to the Company's LTIP, on the terms set out in the explanatory notes which accompany this Notice.

***Note:** If approval is given under ASX Listing Rule 10.14 (which will be an effect of passing the above Resolution), approval is not required under ASX Listing Rules 7.1 and 10.11.*

5. Issue of options to Geoffrey Kempler under the non-executive director share and option plan

To consider and, if thought fit, to pass the following resolution:

That approval is given for all purposes, including for the purpose of ASX Listing Rule 10.14, to the issue of two million options to Geoffrey Kempler, to acquire by way of issue upon exercise of the options, a like number of fully paid ordinary shares in the Company, pursuant to the Company's non-executive Director share and option plan (**NED Plan**), on the terms set out in the explanatory notes which accompany this Notice.

Note: If approval is given under ASX Listing Rule 10.14 (which will be an effect of passing the above Resolution), approval is not required under ASX Listing Rules 7.1 and 10.11.

6. Issue of options to Michael Sistenich under the non-executive director share and option plan

To consider and, if thought fit, to pass the following resolution:

That approval is given for all purposes, including for the purpose of ASX Listing Rule 10.14, to the issue of one million options to Michael Sistenich, to acquire by way of issue upon exercise of the options, a like number of fully paid ordinary shares in the Company, pursuant to the Company's NED plan, on the terms set out in the explanatory notes which accompany this Notice.

Note: If approval is given under ASX Listing Rule 10.14 (which will be an effect of passing the above Resolution), approval is not required under ASX Listing Rules 7.1 and 10.11.

By order of the Board

5 February 2016

A handwritten signature in black ink, appearing to read 'MT', followed by a horizontal line extending to the right.

Mike Tonroe
Company Secretary

Notes

Required voting majorities

Each of Resolutions 1 to 6 require a simple majority of the eligible votes cast by Shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative, to be cast in favour of the relevant Resolution.

Directors' recommendations and voting

Resolution 1 – Election of Director – Geoffrey Kempler

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 1.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of this Resolution.

Resolution 2 – Election of Director – Michael Sistenich

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 2.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of this Resolution.

Resolution 3 – Long Term Incentive Plan

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 3.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's KMP and their Closely Related Parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

Resolution 4 – Issue of options to Megan Baldwin under the LTIP

The Board of Directors (excluding Megan Baldwin) unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 4.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's KMP and their Closely Related Parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

Resolutions 5 and 6 – Issue of options to Geoffrey Kempler and Michael Sistenich under the non-executive Director share and option plan

Geoffrey Kempler and Michael Sistenich decline to make a recommendation to Shareholders in relation to Resolutions 5 and 6 so as to avoid any perceived conflict of interest in making a recommendation on the issue of options to non-executive Directors pursuant to the NED Plan. Megan Baldwin (being the only Director not eligible to participate in the NED Plan), considers the issue of options to Geoffrey Kempler and Michael Sistenich in these circumstances to be appropriate and reasonable and recommends you **vote in favour** of Resolutions 5 and 6.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's KMP and their Closely Related Parties voting as proxies on Resolutions 5 and 6. See the section below headed 'Voting Exclusion Statements' for further details.

Voting Exclusion Statements

Resolution 3 – Long Term Incentive Plan

Opthea will disregard any votes cast on Resolution 3 by:

- (a) any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- (b) an associate of any such Director.

However, Opthea need not disregard a vote if:

- (c) 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
- (d) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Resolution 4 – Issue of options to Megan Baldwin under the LTIP

Opthea will disregard any votes cast on Resolution 4 by:

- (a) Megan Baldwin; and
- (b) an associate of Megan Baldwin.

However, Opthea need not disregard a vote if:

- (c) 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
- (d) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Resolution 5 – Issue of options to Geoffrey Kempler under the non-executive Director share and option plan

Opthea will disregard any votes cast on Resolution 5 by:

- (a) any Director (except one who is ineligible to participate in the NED Plan); and
- (b) an associate of any such Director.

However, Opthea need not disregard a vote if:

- (c) 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
- (d) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Resolution 6 – Issue of options to Michael Sistenich under the non-executive Director share and option plan

Opthea will disregard any votes cast on Resolution 6 by:

- (a) any Director (except one who is ineligible to participate in the NED Plan); and
- (b) an associate of any such Director.

However, Opthea need not disregard a vote if:

- (c) 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
- (d) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Resolutions 3, 4, 5 and 6 – restrictions on KMP proxy voting

In addition to the voting restrictions specified above, a member of the KMP of the Company and any of their Closely Related Parties must not vote as a proxy on Resolutions 3, 4, 5 or 6 unless the proxy appointment specifies the way the proxy is to vote on the Resolution.

However, the restriction outlined in the previous paragraph does not apply if:

- (a) the proxy is the Chair of the meeting; and
- (b) the proxy appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

Appointing the Chair as your proxy

If you appoint the Chair of the meeting as your proxy and you do not specify how the Chair is to vote on a Resolution, the proxy appointment expressly authorises the Chair to exercise the proxy even if the Resolution may be connected directly or indirectly with the remuneration of a member of the KMP of the Company.

The Chair intends to vote all available and undirected proxies in favour of all Resolutions, subject to the above voting exclusions. In exceptional circumstances the Chair's intentions may change subsequently. If there is a change to how the Chair intends to vote undirected proxies, the Company will make an immediate announcement to ASX stating that fact and explaining the reasons for the change.

How to Vote

Voting entitlements

Opthea has determined that for the purposes of voting at the extraordinary general meeting or at any adjourned meeting, Shares will be taken to be held by those persons recorded on the register of members at the Voting Entitlement Time.

Voting Entitlement Time

In accordance with Regulation 7.11.37 of the Corporations Regulations, all securities of the Company that are quoted on ASX at 11.00am Melbourne time on Saturday, 5 March 2016 being the Voting Entitlement Time, are taken, for the purposes of the above meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the EGM on 7 March 2016.

Joint Holders

When joint holders are named in the register of members only one joint holder may vote. If more than one of the joint holders is present at the meeting, only the person whose name appears first in the register of members will be entitled to vote.

Voting in person or by attorney

Shareholders or their attorneys wishing to vote in person should attend the meeting. Attendees are asked to arrive at least 15 minutes prior to the time the meeting is to commence, so that their shareholding may be checked against the register of members and their attendance noted. Shareholders should bring their bar coded proxy form with them to assist in Shareholder identification and registration. Attorneys should bring the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by corporate representative

Corporate Shareholders or proxies wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from Computershare Investor Services Pty Limited;
- (b) complete and sign the form in accordance with the instructions on the form; and
- (c) bring the completed and signed form with them to the meeting.

Proxies

1. A Shareholder entitled to attend and vote at the meeting has a right to appoint a proxy to attend and vote in the Shareholder's place.
2. The proxy need not be a Shareholder of the Company. A proxy may be an individual or a body corporate.
3. A Shareholder who is entitled to cast two or more votes may appoint up to two proxies to attend and vote at the meeting and, in the case of such an appointment, should specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion or number is specified, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
4. Where a Shareholder appoints two proxies, on a show of hands neither proxy may vote if more than one proxy attends and on a poll each proxy may only exercise votes in respect of those Shares or voting rights the proxy represents.

- For personal use only
5. A proxy may decide whether to vote on an item of business, except where the proxy is required by law or the constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may only vote on the item as directed. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
 6. If the abstention box on the proxy form for any item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant Shares will not be counted in calculating the required majority on a poll.
 7. Shareholders who intend to appoint the Company's Chair as proxy (including an appointment by default) should have regard to the information above under the heading 'Appointing the Chair as your proxy'.
 8. The proxy form included in this Notice must be signed by the Shareholder or the Shareholder's attorney and, in the case of a joint holding, by each of the joint holders.
 9. If the proxy form is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the meeting, the Chair may either act as proxy or complete the proxy form by inserting the name of a Director or the Company Secretary of Opthea.
 10. The appointment of one or more duly appointed proxies will not preclude a Shareholder from attending this meeting and voting personally. If the member votes on a Resolution, the proxy must not vote as the member's proxy on that Resolution.
 11. In the case of joint holders of Shares, if more than one holder votes at any meeting, only the vote of the first named of the joint holders in the register of members will be counted.
 12. To be valid, a proxy form signed under a power of attorney or other authority (if any) must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
 13. Proxies given by a corporation must be signed either under seal or under the hand of a duly authorised attorney. In addition, should the constitution of a corporation permit the execution of documents without using a common seal, the documents must be signed by two directors or a director and a company secretary, or for a proprietary company that has a sole director who is also a company secretary, that director.
 14. If a body corporate is appointed as proxy, please write the full name of that body corporate (e.g. Company X Pty Ltd). Do not use abbreviations. The body corporate will need to ensure that it:
 - (a) appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act; and
 - (b) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If no such evidence is received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

15. Shareholders wishing to vote by proxy must complete, sign, and deliver the enclosed personalised proxy form in accordance with the instructions on the form so that it is received prior to 11.00am Melbourne time on Saturday, 5 March 2016 by:
 - (a) post in the reply paid envelope provided, to:

Opthea Limited
C/- Computershare Investor Services Pty Limited
PO Box Reply Paid 242
Melbourne, Victoria, 3001;

(b) hand delivered, to:

Opthea Limited
C/- Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria, 3067;

(c) fax, to:

Opthea Limited
C/- Computershare Investor Services Pty Limited
on 1800 783 447 (within Australia) or;
+61 3 9473 2555 (outside Australia).

Recording devices

In the absence of special permission, the Chair will require that any recording or broadcasting device (including tape recorders, mobile telephones, still cameras and video cameras) and any article which may be dangerous, offensive or liable to cause disruption, be turned off or deposited outside the meeting.

Questions and comments by Shareholders at the meeting

1. In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders as a whole to ask questions about or to make comments upon the management of the Company the Resolutions at the meeting.
2. Shareholders may also provide written questions to the Company to be submitted no later than 5.00pm on Friday, 4 March 2016, and should be addressed as follows:

The Company Secretary
Opthea Limited
Level 0403, 650 Chapel Street
South Yarra VIC 3141

Definitions

Words that are defined in the Glossary have the same meaning when used in this Notice unless the context requires, or the definitions in the Glossary provide, otherwise.

Explanatory notes

These explanatory notes accompany and form part of the notice of meeting.

1. Election of director – Geoffrey Kempler

Geoffrey Kempler was appointed as a Director of Opthea on 30 November 2015 after the Company's 2015 annual general meeting.

Pursuant to article 57.2 of Opthea's constitution, a Director appointed by the Board under clause 57.1 must retire at the next annual general meeting, and will then be eligible for election. Accordingly, Geoffrey Kempler offers himself for election as a Director of Opthea.

Biography

Geoffrey Kempler was appointed Chairman and non-executive director of Opthea in December 2015. He has extensive experience in the global biopharmaceutical industry having led Prana Biotechnology, a company he founded, for nearly 20 years. His investment markets experience includes a strong domestic and international network of specialist and sophisticated investors. He was responsible for the listing of Prana Biotechnology on both the ASX and NASDAQ and has raised approximately \$150 million in capital via traditional equity transactions and value accretive alternative financing models.

He founded Prana in 1997 and has been responsible for setting the operational and commercial objectives which has included the conduct of multiple global patient trials. Geoffrey is a qualified psychologist and holds a B.Sc degree in science from Monash University and Grad. Dip. App. Soc. Psych. degree from Swinburne University.

Other current Directorships

Geoffrey Kempler is currently a Director of the following companies:

Prana Biotechnology Limited
Sadarajak Pty Ltd

Independence

Geoffrey Kempler is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders. Accordingly, the Board considers that Geoffrey Kempler is an independent director.

Recommendation

The Board supports the election of Mr Kempler to the Opthea Board. The Directors unanimously recommend that all Shareholders *vote in favour* of Resolution 1.

2. Election of director – Michael Sistenich

Michael Sistenich was appointed as a Director of Opthea on 30 November 2015 after the Company's 2015 annual general meeting.

Pursuant to article 57.2 of Opthea's constitution, a Director appointed by the Board under clause 57.1 must retire at the next annual general meeting, and will then be eligible for election. Accordingly, Michael Sistenich offers himself for election as a Director of Opthea.

Biography

Mr Michael Sistenich has over 18 years of experience as a healthcare specialist in international investment management and investment banking. He has advised numerous global institutional investors, high net worth individuals and companies on healthcare investments in both the public and private markets. He is currently Chief Business Officer at Nohla Therapeutics Inc., a Seattle based biotechnology company and his previous roles include Director of Corporate Finance at Bell Potter Securities and Director of International Equities and Head of Global Healthcare Investments at DWS Investments, Deutsche Bank. Mr Sistenich has a global network of investor connections and extensive experience in the global healthcare industry and investment banking.

Other current Directorships

Michael Sistenich does not currently hold any other director positions.

Independence

Michael Sistenich is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders. Accordingly, the Board considers that Michael Sistenich is an independent director.

Recommendation

The Board supports the election of Mr Sistenich to the Opthea Board. The Directors unanimously recommend that all Shareholders *vote in favour* of Resolution 2.

3. Long term incentive plan

Background

At the Company's 2014 Annual General Meeting the Shareholders approved the implementation of a long term incentive plan (**LTIP**). The purpose of the LTIP is to attract, retain and motivate eligible employees essential to the continued growth and development of the Company. The Company proposes to increase the limit of the number of options that can be offered under the LTIP from 5% to 10% of total number of Shares on issue at the time of the offer.

ASX Listing Rule 7.2 exception 9

ASX Listing Rule 7.2 exception 9 provides that ASX Listing Rule 7.1 does not apply in respect of the issue of securities by the Company under an employee incentive scheme if the issue of securities under the scheme has been approved by Shareholders as an exception to ASX Listing Rule 7.1, within 3 years before the date of issue of the relevant securities. Accordingly, Shareholder approval of the Company's LTIP is sought to ensure that securities issued under the LTIP do not count towards the 15% limit.

A summary of the terms of the LTIP is as follows:

Eligibility

The Board may offer options to acquire shares in the Company (**Options**) or rights to acquire shares in the Company (**Rights**), to full or part-time employees (including executive Directors) of the Company or any associated body corporate of the Company (**Employees**).

Subject to Opthea's constitution, the Board is also able to determine the terms of issue that will apply to any offers, including the issue price (if any), exercise price, exercise period and the restrictions (if any) on the exercise of the Options or Rights.

Entitlement

Each Option or Right will, upon vesting and exercise or conversion, entitle the holder to subscribe for and be issued one fully paid ordinary Share in the capital of the Company. When issued, each Share will rank equally with all other Shares then on issue.

Issue of Options or Rights

Unless otherwise determined by the Board, there is no issue price for the Options or Rights.

Vesting

The Board will set the conditions (if any) under which the Options and Rights issued under the LTIP will vest.

Transfer of Options or Rights

Options or Rights may not be transferred except in the following circumstances:

- (a) following an acceptance of an offer made under an off-market bid relating to the Options or Rights;
- (b) to a bidder on the sale of the Options or Rights under Division 3 of Part 6A.1 of the Corporations Act;
- (c) to a 100% holder on the sale of the Options or Rights under Division 2 of Part 6A.2 of the Corporations Act;
- (d) a transfer under Part 6A.3 of the Corporations Act to a person entitled to acquire the Options or Rights under section 661A or 664A of the Corporations Act; or
- (e) as approved by the Board in those circumstances as may be determined by the Board.

Conditions

Subject to the discretion of the Board, conditions may be imposed on the exercise of Options.

Term

The Option term will be fixed by the Board at the time of issue but if the offer does not specify a fixed date as the last date on which the Option may be exercised, the Option will expire five years from the date of issue.

Lapse of Options or Rights

The Board may provide that the Options or Rights will lapse on the occurrence any of the following circumstances:

- (a) a determination of the Board that the vesting conditions (if any) applicable have not been satisfied or are not capable of being satisfied in accordance with the terms of the Options or Rights;
- (b) the Employee ceases to be employed within the Group for any reason or in any circumstances (including as a result of his or her termination for cause or resignation or will cease or ceases to be employed because of poor or inadequate performance);
- (c) a determination of the Board that the Option or Rights should lapse because the Employee, in the Board's opinion:
 - (i) has been, or could be, dismissed or removed from office for a reason which entitles a Group Company to dismiss the Employee without notice;
 - (ii) has committed an act of fraud, misappropriation or serious misconduct in relation to the affairs of the Group or any Group Company (whether or not charged with an offence); or
 - (iii) has done an act which brings the Group or any Group Company into disrepute or causes material damage to any Group Company;
 - (iv) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of the Company or any Group Company;

- (v) has had a judgement entered against him or her in civil proceedings in respect of the contravention by the Employee of his or her duties at law, in equity or under statute in his or her capacity as an executive or Director of the Company or any other Group Company;
- (vi) has materially breached his or her obligations to any Group Company;
- (vii) has performed below expectations or requirements (whether or not any performance-based vesting conditions have been or are likely to be met);
- (viii) has materially breached any policy of the Company (including, without limitation, the trading policy or the Company's policy (if any) on the hedging of long term incentives) or of any Group Company; or
- (ix) has dealt with the Options or Rights in breach of the rules of the LTIP;
- (d) on the happening of any other circumstance determined by the Board and specified in the offer as a circumstance that will cause an Option or Right (vested or unvested) to lapse; and
- (e) in the opinion of the Board, the Options or Rights are liable to clawback under any clawback policy of the Company.

In addition, in relation to unvested Options or Rights, the Board may determine that the Options or Rights will lapse in the event of a corporate control event (as defined in the rules of the LTIP).

If an Employee fails to exercise any vested Options by the last exercise date, those Options will lapse.

Exercise Price

The exercise price for an Option (if any) will be the amount determined by the Board at the time of the issue of the Option. The exercise price will be set out in the offer. If an Employee elects to exercise a partial amount of the Options issued to him or her, the number must be in multiples of 100 (unless otherwise determined by the Board).

New issue of Securities

An Employee may only participate in new issues of securities in the Company offered to Shareholders if:

- (a) in the case of Options, his or her Options have vested and been exercised, and Shares have been issued in respect of the Options; and
- (b) in the case of Rights, his or her Rights have vested and been converted, and Shares have been issued in respect of the Rights.

Rights issues

If the Company makes a pro rata rights issue of Shares for cash to Shareholders, there is a provision for adjustment of the Option entitlement and the exercise price of unexercised Options in accordance with the ASX Listing Rules to reflect the diluted effect of the issue.

In respect of Rights, the Board may determine whether any adjustment will be made to the terms of the Rights (including whether or not there will be any resulting increase in the number of Shares to which the Employee will be entitled on vesting of the Right and the manner in which any such increase will be calculated).

Capital Reorganisations

If there is a reorganisation of the Share capital of the Company, then the rights of the Option or Right holder (including the number of Options or Rights to which each Option or Right holder is entitled to and in the case of Options the exercise price) will be amended to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. In the case of Rights, the amendment will be made on the same basis as required by the ASX Listing Rules applying to Options.

Corporate control events

The Board may determine that where a corporate control event (as defined in the rules of the LTIP, which includes a takeover offer) has occurred or occurs in the future, all of a specified portion of any unvested Options or Rights will be taken to be vested and any first or last exercise dates applicable to Options or any share allocation date or period applicable to Rights, will be brought forward to an earlier date or period determined by the Board.

Limit of LTIP

The number of Shares to be received on exercise of an Option or conversion of a Right which is the subject of an offer when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer with respect to Shares, units of Shares and options or rights to acquire unissued Shares, under an employee share scheme of the Company, to be accepted, exercised or converted (as the case maybe); and
- (b) the number of Shares in the same class issued during the previous five years pursuant to the LTIP or any other employee share scheme extended only to eligible employees of the Company;

but disregarding any offer made, or option or right acquired or Share or unit of Share issued by way of or as a result of an offer:

- (c) to a person situated at the time of receipt of the offer outside Australia; or
- (d) that was an excluded offer or invitation within the meaning of the Corporations Act as in force before the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act 1999; or
- (e) that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (f) that did not require the giving of a product disclosure statement because of section 1012D of the Corporations Act; or
- (g) made under a disclosure document or product disclosure statement,

must not exceed 10% of the total number of issued Shares in that class as at the time of the offer.

Right to attend or vote at general meetings

Subject to the Corporations Act and Opthea's constitution, holders of Options or Rights will not have any right to attend or vote at general meetings of holders of Shares.

Amendment

The rules of the LTIP may be amended by the Board at any time in accordance with the ASX Listing Rules. Subject to certain exceptions specified in the rules of the LTIP, if in the opinion of the Board the proposed amendment would materially adversely affect the existing rights of Employees in respect of any Options or Rights then held by them, the Board must before making the amendment obtain the consent of holders or Options or Rights (as the case maybe) who between them hold not less than 75% of the total number of the Options or Rights in respect of which the holders rights would be adversely affected by the proposed amendment.

No quotation

The Company will not apply to the ASX for official quotation of Options or Rights under the LTIP.

Recommendation

The Directors unanimously recommend that all Shareholders ***vote in favour*** of Resolution 3, approving the issue of the Options or Rights under the LTIP.

4. Issue of options to Megan Baldwin under the LTIP

Background

The Board approved, subject to receipt of necessary Shareholder approval, to grant Megan Baldwin 4 million options under the LTIP. The Board considers the proposed number options to be granted is appropriate to:

- motivate Dr Baldwin to pursue the long term growth and success of the Company;
- align the interests of key leadership with long term interests of the Company's shareholders; and
- ensure a clear correlation between performance and remuneration.

The options are to be issued with an exercise price equivalent to 50% above the five day VWAP at 30 November 2015.

The granting of options is subject to the following vesting and exercise conditions:

- (a) the options will be granted on or around 31 March 2016;
- (b) the options will vest as follows:
 - i. 33% will vest on 30 June 2016;
 - ii. 33% will vest on the date 12 months after the EGM date;
 - iii. 34% will vest on the date 24 months after the EGM date; and
- (c) once vested, the options are exercisable any time during the three years after the date the options have vested.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that an entity must not permit a Director of the Company to acquire securities under an employee incentive scheme without the approval of its Shareholders.

The Board believes that the options to be issued to the CEO and Managing Director of Opthea are designed to provide a long term incentive to pursue the growth and success of Opthea. Accordingly, Resolution 4 is being put to Shareholders for the purpose of approving the issue of the options over fully paid ordinary shares pursuant to the LTIP to Dr Baldwin.

Outlined below is the additional information in relation to the options to be issued to Dr Baldwin required to be provided to Shareholders pursuant to ASX Listing Rule 10.15 for the purposes of obtaining Shareholder approval under ASX Listing Rule 10.14:

- (a) the maximum number of options that can be awarded to Dr Baldwin under this approval is 4 million options;
- (b) Megan Baldwin was previously granted 1,500,000 options for no consideration under the LTIP since approval was received at the Company's 2014 Annual General Meeting;
- (c) no other Director (excluding the Managing Director) is entitled to participate in the LTIP;
- (d) there is no loan proposed in relation to the proposed issue of options to Dr Baldwin; and
- (e) the options will be granted on or around 31 March 2016.

Termination benefits

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous 3 years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders.

In accordance with the terms of the LTIP, the Board has discretion as to whether the Options or Rights lapse in the circumstance where an Employee ceases to be employed within the Group for any reason. Shareholder approval is therefore sought under sections 200B and 200E of the Corporations Act to allow for the Board to exercise its discretion to allow vesting of the Options in the event of cessation of the engagement of Dr Baldwin (which would otherwise be deemed, and treated as, a termination benefit).

Recommendation

The Board (excluding Megan Baldwin) has agreed to approve the issue of options to Dr Baldwin to provide an incentive to improve the performance of the Company and, in turn, create Shareholder value. The Board (excluding Megan Baldwin) considers the issue of options to Dr Baldwin in these circumstances to be appropriate and reasonable and recommends you *vote in favour* of Resolution 4.

5. *Issue of options to Geoffrey Kempler and Michael Sistenich under the non-executive Director share and option plan (Resolutions 5 and 6)*

Background

At the 2014 Annual General Meeting, shareholders approved the implementation of a non-executive director share and option plan (**NED Plan**) under which present and future non-executive Directors may:

- (a) elect to receive newly issued Shares or options to acquire newly issued Shares in lieu of receiving some or all of their entitlement to their Director's existing cash remuneration (in accordance with article 61.8 of the Company's constitution) (**Securities Issued In Lieu**);
- (b) be awarded newly issued Shares or options to acquire newly issued Shares in lieu of additional cash remuneration in respect of services provided to the Company which in the opinion of the Board are outside the scope of the ordinary duties of the relevant Director (in accordance with article 61.5 of the Company's constitution); and/or
- (c) otherwise be awarded newly issued Shares or options to acquire newly issued Shares as part of the Directors' remuneration in addition to any existing cash remuneration paid to Directors (if any).

Advantages in approving the adoption of the NED Plan are that it:

- (a) assists the Company in preserving its cash for use towards advancing the Company's lead molecule, OPT-302, for wet AMD through Phase 1 and 2A clinical studies;
- (b) gives non-executive Directors an opportunity to demonstrate their commitment and support for the Company through sacrificing some or all of their Director's fees for Shares or options in Opthea; and
- (c) provides the Company with further flexibility in the design of the Directors' remuneration packages and in turn assists the Company with retaining existing Directors and attracting new additional Directors with the relevant experience and expertise, in both cases to further advance the prospects of the Company.

In the interests of retaining them as suitably qualified and experienced Directors, the Board approved, subject to receipt of necessary Shareholder approval, to grant Geoffrey Kempler 2 million options and Michael Sistenich 1 million options under the NED Plan subject to certain vesting conditions and exercise conditions. The options are to be issued with an exercise price equivalent to 50% above the five day VWAP at the date of their appointment as directors on 30 November 2015.

The vesting and exercise conditions are as follows:

- (a) the options will be granted on or around 31 March 2016;
- (b) the options will vest as follows:
 - i. 33% will vest on 30 June 2016;
 - ii. 33% will vest on the date 12 months after the EGM date;
 - iii. 34% will vest on the date 24 months after the EGM date; and
- (c) once vested, the options are exercisable any time during the three years after the date the options have vested.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that an entity must not permit a Director of the Company to acquire securities under an employee incentive scheme without the approval of its Shareholders. Accordingly, Resolutions 5 and 6 are being put to Shareholders for the purpose of approving the acquisition of options over fully paid ordinary shares, pursuant to the NED Plan, to non-executive Directors over the next 3 years from the date of this meeting.

Outlined below is the additional information in relation to the NED Plan and options to be acquired under the NED Plan required to be provided to Shareholders pursuant to ASX Listing Rule 10.15 for the purposes of obtaining Shareholder approval under ASX Listing Rule 10.14:

- (a) Shares and options will only be acquired by participating non-executive Directors pursuant to the NED Plan, as determined by the Board from time to time;
- (b) the maximum number of options that can be acquired by participating non-executive Directors under this approval is 3 million options (in aggregate), 2 million to be issued to Geoffrey Kempler and 1 million to be issued to Michael Sistenich;
- (c) no monetary consideration will be payable by non-executive Directors for the issue of the options issued under the NED Plan, however the number and deemed price (for the purposes of calculating the number) of options acquired under the NED Plan will be in accordance with the following formula:

A

B

where:

- (i) in the case of Securities Issued In Lieu, A is equal to the dollar value nominated by the participating non-executive Director;
- (ii) in all other cases, A is equal to the dollar value of the award to be granted to the participating non-executive Director (such dollar value to be determined by the Board in its absolute discretion); and
- (iii) B is the by reference to the volume weighted average price of ordinary shares quoted on the ASX on the 5 trading days preceding the date of determination of the award by the Board;

- For personal use only
- (d) neither Geoffrey Kempler or Michael Sistenich have previously received Shares or options under this NED Plan;
 - (e) current non-executive Directors (being Geoffrey Kempler and Michael Sistenich who are in office immediately prior to this extraordinary general meeting) may be entitled to participate in the NED Plan (at the absolute discretion of the Directors);
 - (f) the Company will not grant any loans in connection with the acquisition of options under the NED Plan; and
 - (g) the options will be granted to participating non-executive Directors on or around 31 March 2016.

Statement

Details of any Shares and options issued under the NED Plan will be published in each annual report of the Company relating to the period in which the Shares and options are issued and it will be noted that approval for the issue of the Shares and options was obtained under ASX Listing Rule 10.14. If any additional persons become entitled to participate in the NED Plan after this Resolution is approved and who were not named in the Notice, such person will not participate until approval is obtained under ASX Listing Rule 10.14.

Termination benefits

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous 3 years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders.

In accordance with the terms of the LTIP, the Board has discretion as to whether the Options or Rights lapse in the circumstance where an Employee ceases to be employed within the Group for any reason. Shareholder approval is therefore sought under sections 200B and 200E of the Corporations Act to allow for the Board to exercise its discretion to allow vesting of the Options in the event of cessation of any of the respective engagements of Mr Kempler and Mr Sistenich (which would otherwise be deemed, and treated as, a termination benefit).

Recommendation

Each of Geoffrey Kempler and Michael Sistenich decline to make a recommendation to Shareholders in relation to Resolutions 5 and 6 so as to avoid any perceived conflict of interest in making a recommendation on the approval of options by non-executive Directors pursuant to the NED Plan. Megan Baldwin (being the only Director not eligible to participate in the NED Plan), considers the approval of the issue options in these circumstances to be appropriate and reasonable and recommends you *vote in favour* of Resolutions 5 and 6.

6. Glossary

associate has the meaning given to it in the ASX Listing Rules.

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

ASX Listing Rules means the Listing Rules of the ASX.

Board means the Board of Directors.

Chair means the person appointed to chair the Company's extraordinary general meeting. The Company intends to appoint the Company's current non-executive Chair (Geoffrey Kempler) to act as chair at this meeting.

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

Company means Opthea Limited ACN 006 340 567.

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

Directors means the directors of the Company and **Director** means any of them.

EGM means the extraordinary general meeting of the Company to be held on Monday, 7 March 2016.

Glossary means this glossary.

Group means the Company and its associated bodies corporate.

Group Company means any body corporate within the Group.

KMP means key management personnel of the Company.

Notice means this notice of extraordinary general meeting.

Resolution means a resolution set out in this Notice.

Share means a fully paid ordinary share of the Company.

Shareholder means a holder of at least one Share.

If you have any questions about the EGM, the Resolutions to be put to Shareholders or the proposals being considered, please contact the Company Secretary on +61 3 9826 0399.

For personal use only

Lodge your vote:**By Mail:**Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 AustraliaAlternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com**For all enquiries call:**(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000F 000001 000 OPT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030**Proxy Form****XX** **For your vote to be effective it must be received by 11.00am (Melbourne time) Saturday 5th March 2016****How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

Appointment of Proxy**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.**A proxy need not be a securityholder of the Company.****Signing Instructions****Individual:** Where the holding is in one name, the securityholder must sign.**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.**Attending the Meeting**Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.**Turn over to complete the form** →

View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999

**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

This Document is printed on Greenhouse Friendly™ ENVI Laser Carbon Neutral Paper

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

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Opthea Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Opthea Limited to be held at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne, Victoria on Monday, 7th March 2016 at 11.00am (Melbourne time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Items 3, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4, 5 and 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

		For	Against	Abstain
Item 1	Election of director – Geoffrey Kempler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Election of director – Michael Sistenich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Issue of options to Megan Baldwin under the LTIP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Issue of options to Geoffrey Kempler under the non-executive director share and option plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Issue of options to Michael Sistenich under the non-executive director share and option plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

OPT

999999A