

Issue of long term incentives

The board of Neuren Pharmaceuticals resolved today to issue long term incentives to Clive Blower, in accordance with his contract of employment with Neuren. Clive joined the leadership team as Vice President, Product Development and Technical Affairs on 25 August 2014.

The incentives consist of shares under Neuren's Loan Funded Share Scheme and Equity Performance Rights (EPRs). Loan Funded Shares are held in trust and may not be dealt with by the recipient until 3 years after the date of issue, provided that the recipient remains employed by Neuren and provided that performance hurdles have been met. EPRs become exercisable for ordinary shares at nil cost after the recipient has been employed by Neuren for 3 years. Each of these incentive plans has been designed to support the achievement of Neuren's business strategy by linking executive reward to improvements in shareholder value and providing strong alignment between the interests of executives and shareholders.

An Appendix 3B has been filed today for the issue of 1,308,901 unquoted EPRs. The board also resolved to issue 20 million Loan Funded Shares at today's closing share price, being 8.2 cents per share, subject to obtaining shareholder approval of the financial assistance being provided in the form of the loan to acquire the shares. Approval of the loan, which is required under the New Zealand Companies Act, will be sought at the next Annual Shareholders' Meeting. An Appendix 3B for the issue of the Loan Funded Shares will be filed after that meeting.