

MEDIBIO LIMITED

ABN 68 008 130 336

NOTICE OF ANNUAL GENERAL MEETING

to be held at

Date: Monday 30 November 2015

Time: 10:30am

Place: PKF Lawler, Level 8, No.1 O'Connell Street, Sydney NSW 2000

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisors without delay.*

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Medibio Limited ACN 008 130 336 (**Company**) will be held at PKF Lawler, Level 8, No.1 O'Connell Street, Sydney NSW 2000 on Monday 30 November 2015 at 10:30am.

AGENDA

To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 30 June 2015 and to discuss Company performance and prospects

To receive and consider the Financial Report, Director's Report and Independent Audit Report for the Company for the financial year ended 30 June 2015 and to receive information from the Executive Directors about the Company's performance and future prospects.

Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2015

To consider and if thought fit, to pass the following resolution as a **non-binding ordinary resolution** under section 250R(2) of the Corporations Act 2001:

“That the Remuneration Report for the year ended 30 June 2014 is hereby adopted.”

- Notes:
- (1) *This resolution is advisory only and does not bind the Company or the directors.*
 - (2) *If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.*

Resolution 2 – Re-election of James Campbell as a director

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

“That James Campbell, who retires in accordance with clause 3.3 of the Company's Constitution, and being eligible to stand for re-election as a director of the Company, be re-elected as a director of the Company.”

Resolution 3 – Approval of additional placement under ASX Listing Rule 7.1A

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

“That in accordance with ASX Listing Rule 7.1A, and for all other purposes, approval be given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Resolution 4 – Ratification of prior issue of Shares to professional and sophisticated investors

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 583,333 Shares in the Company to various professional and sophisticated investors on the terms and conditions as detailed in this Notice of Meeting, be and is hereby ratified and approved.”

Resolution 5 – Ratification of prior issue of Shares under employment agreements

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 2,093,100 Shares in the Company to various contractors under employment agreements on the terms and conditions as detailed in this Notice of Meeting, be and is hereby ratified and approved.”

Resolution 6 – Ratification of prior issue to various Convertible Note Holders

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 113,388 Shares in the Company to various convertible note holders as payment of interest on the terms and conditions as detailed in this Notice of Meeting, be and is hereby ratified and approved.”

Resolution 7 – Ratification of prior issue of Shares to professional and sophisticated investors

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 7,730,087 Shares in the Company to various professional and sophisticated investors on the terms and conditions as detailed in this Notice of Meeting, be and is hereby ratified and approved.”

Resolution 8 – Ratification of prior issue of Options under employment agreements

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 1,250,000 Options in the Company to various professional and sophisticated investors on the terms and conditions as detailed in this Notice of Meeting, be and is hereby ratified and approved.”

Resolution 9 – Approve the issue of Options to Professional Advisor

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

“That, for the purposes of ASX Listing Rule 7.3 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Options in the Company to a

Professional Advisor on the terms and conditions as detailed in this Notice of Meeting, be and is hereby ratified and approved.”

Resolution 10 – Approve the issue of Shares to Mr Claude Solitario

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

“That, for the purposes of ASX Listing Rule 7.3 and for all other purposes, approval is given for the Company to issue up to 200,000 Shares to Mr Claude Solitario at an issue price of \$0.40 as remuneration under his employment contract on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 11 – Approve the issue of Shares to Dr Franklyn Prendergast

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

“That, for the purposes of ASX Listing Rule 7.3 and for all other purposes, approval is given for the Company to issue up to 166,667 Shares to Dr Franklyn Prendergast at an issue price of \$0.30 as remuneration under his employment contract on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 12 – Approve the issue of Shares to various contractors

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

“That, for the purposes of ASX Listing Rule 7.3 and for all other purposes, approval is given for the Company to issue up to 322,461 Shares to various contractors at an issue price of \$0.40 as remuneration under their employment contracts on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 13 – Approve the issue of Shares to Mr Christopher Charles Indermaur

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

“That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue 41,667 Shares in the Company at an issue price of \$0.40 to Mr Christopher Charles Indermaur on the terms and conditions described in the Explanatory Memorandum.”

Please refer to the Explanatory Statement for details of these resolutions.

VOTING EXCLUSIONS

In accordance with Listing Rules 14.11, the Company will disregard any votes cast on each Resolution (as applicable) by:

Resolution 1 – Remuneration Report	A member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report and a Closely Related Party of such a member
Resolution 3 – Approval of Additional 10% placement under ASX LR7.1A	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that person's associates.
Resolution 4 – Ratification of prior issue of shares to professional and sophisticated investors	A person participated in the issue and any of that person's associates.
Resolution 5 – Ratification of prior issue of shares under employment agreements	A person who participated in the issue and any of that person's associates.
Resolution 6 – Ratification of prior issue of shares to various Convertible Note holders	A person who participated in the issue and any of that person's associates.
Resolution 7 – Ratification of prior issue of shares to professional and sophisticated investors	A person who participated in the issue and any of that person's associates.
Resolution 8 – Ratification of prior issue of Options under employment agreements	A person who participated in the issue and any of that person's associates.
Resolution 9 – Approve the issue of Options to Professional Advisor	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that person's associates.
Resolution 10 – Approve the issue of Shares to Mr Claude Solitario	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that person's associates.
Resolution 11 – Approve the issue of Shares to Dr Franklyn Prendergast	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that person's associates.
Resolution 12 – Approve the issue of Shares to various contractors	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that person's associates.
Resolution 13 – Approve the issue of Shares to Mr Christopher Indermaur	Mr Christopher Indermaur and any of that person's associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the Meeting 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.

Under section 224 of the Corporations Act, a vote must not be cast by or on behalf of a related party of the public company to whom the resolution would permit a financial benefit to be given, or an associate of such a related party.

PROXY INSTRUCTIONS

A member who is entitled to vote at a meeting may appoint:

- One proxy if the member is only entitled to one vote; or
- One or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at or sent by facsimile transmission (Fax # +61 2 9299 9580) to the Company's office at Level 6, 50 Clarence Street, Sydney NSW 2000 or by email to the Company Secretary – robert@coysec.com.au - not less than 48 hours before the time for holding the Annual General Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed (or otherwise authenticated in a manner prescribed by the Corporations Regulations) by the member or their attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. Proxies given by foreign companies must be executed in accordance with the laws of their place of incorporation. The proxy may, but need not, be a member of the Company. A proxy form is attached to this Notice.

VOTING INSTRUCTIONS

Medibio Limited (as convener of the Meeting) has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at 5:00 pm (Sydney time) on 28 November 2015.

VOTING INTENTIONS

In respect of undirected proxies, subject to any voting exclusions as listed above, the Chairman intends to vote in favour of all resolutions on the agenda.

Amendments to the Corporations Act applying to proxy voting for this Meeting mean that:

- If proxy holders vote, they must cast all directed proxies as directed; and
- Any directed proxies which are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

The new section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chairman of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chairman of the Meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

The new section 250BC provides that;

- if an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chairman of the Meeting; and
- at the Meeting, a poll is duly demanded on the resolution; and
- either the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

Dated: 29 October 2015

By order of the Board



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Robert Lees
Company Secretary

EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held at 10:30am on Monday 30 November 2015. This explanatory memorandum should be read with, and form part of, the accompanying Notice of Annual General Meeting.

To receive and consider the financial report and the reports of the directors and of the auditor for the financial year ended 30 June 2015

The Medibio Limited Annual Report 2015 (which includes the financial report, the directors' report and the auditor's report) will be presented to the meeting.

There is no requirement for shareholders to approve these reports. However, the chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company. Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

A copy of the Annual Report has been sent to shareholders (where requested) and is also available on the Company's website at www.Medibio.com.au.

Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2015

The Remuneration Report of the Company for the financial year ended 30 June 2015 is set out in the Company's 2015 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for directors, including the Managing Director, and the Company's staff. The chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. In addition, shareholders will be asked to vote on the Remuneration Report.

The resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

No member of the key management personnel or closely related party of the key management personnel may vote on Resolution 1.

Any undirected proxies held by the other directors or any other key management personnel or their closely related parties will not be voted on Resolution 1.

Any undirected proxies held by the chairman may only be voted by the chairman in the event that the proxy form does not direct the chairman how to vote, but expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

The Company encourages all other shareholders to cast their votes on Resolution 1.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of Remuneration Report) by marking either "**For**", "**Against**" or "**Abstain**" on the Voting Form for that item of business. Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairperson of the meeting as your proxy.

Under the Corporations Act 2001, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election. At the last AGM, the Remuneration Report was adopted and did not receive 25% or more votes cast against its adoption.

The directors unanimously recommend that you vote in favour of this resolution.

Resolution 2 – Re-election of James Campbell as a director

Dr Campbell was appointed to the Board on 7 September 2014 and re-elected 24 November 2014. He is a senior biotechnology executive with more than 20 years international experience in scientific research, management consulting and venture capital. Dr Campbell has held research positions at the CNRS and the CSIRO. Dr Campbell was a founding executive at ChemGenex Pharmaceuticals where for over 9 years he assisted the growth of the company's market capitalization from \$10 million to the final \$230 million divestment in 2011.

Dr Campbell is Managing Director of Patrys Limited (ASX: PAB) (from November 2014) and Non-executive director of the ASX-listed biotechnology companies Invion Limited (ASX: IVX) from 2012, and Prescient Therapeutics Limited (ASX: PTX) from 2014. Dr Campbell brings a wealth of experience to the Board.

The directors (with James Campbell abstaining) unanimously recommend that you vote in favour of this resolution.

Resolution 3 – Additional 10% Placement Capacity

General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("**Additional Placement Capacity**").

Requirements of Listing Rule 7.1A

1. Eligible entities

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

2. Shareholder approval

Shareholders must approve the Additional Placement Capacity by **special resolution** at the annual general meeting. As a **Special Resolution** it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

3. Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Listed Securities:

- fully paid ordinary Shares – 74,291,368 on issue and quoted on ASX; and

There are also the following unlisted securities:

- fully paid ordinary Shares – 23,929,979 on issue and subject to ASX escrow until 2 April 2016;
- options - 6,666,667 on issue – (exercise price \$0.30 and expiry date 1 April 2017) and 23,929,979 on issue – (exercise price \$0.10 and expiry date 1 April 2018) ;

4. Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none">• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;• plus the number of partly paid shares that became fully paid in the 12 months;• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;• less the number of fully paid shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

5. Interaction between Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 98,221,347 Shares on issue as at the date of this Notice

The Company will be permitted to issue (as at the date of this Notice):

- 14,733,202 Equity Securities under Listing Rule 7.1; and
- 9,822,135 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 3 will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

Information for Shareholders as required by Listing Rule 7.3A

6. Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Business Days of the date above, the date on which the Equity Securities are issued.

7. Risk of economic and voting dilution

If Resolution 7 is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.205 50% decrease in Issue Price	\$0.41 Issue Price	\$0.82 100% increase in Issue Price
Current Variable A 98,221,347 Shares	10% Voting Dilution	9,822,135 Shares	9,822,135 Shares	9,822,135 Shares
	Funds raised	\$2,013,538	\$4,027,075	\$8,054,150
50% increase in current Variable A 147,332,021 Shares	10% Voting Dilution	14,733,202 Shares	14,733,202 Shares	14,733,202 Shares
	Funds raised	\$3,020,306	\$6,040,613	\$12,081,226
100% increase in current Variable A 196,442,694 Shares	10% Voting Dilution	19,644,269 Shares	19,644,269 Shares	19,644,269 Shares
	Funds raised	\$4,027,075	\$8,054,150	\$16,108,301

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- No Options (including any quoted Options issued under the Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the Additional Placement Capacity consists only of quoted Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.41, being the last sale price of the Shares on ASX on 16 October 2015.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under listing rule 7.1.

8. Placement Period

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 30 November 2015 (the date of this Meeting) and expires on the earlier of:

- 30 November 2016, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking),

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

9. Purposes for which the new Equity Securities may be issued

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

10. Allocation policy

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisors (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) and 3.10.5A on the issue of any new securities.

11. Details of Equity Securities issued under earlier placement capacity approval

The Company previously obtained approval under Listing Rule 7.1A at its Annual General Meeting held 15 November 2013. It did not seek approval at the November 2014 Annual General Meeting.

Equity Securities issued by the Company since 30 November 2014 are as follows:

- 11.1 Placement of 8,256,668 shares on 2 April 2015 to sophisticated and professional investors raising \$2,477,000.
- 11.2 The issue of 25,537,500 shares on 8 April 2015 at a value of \$7,661,250 to acquire Invatec Health Pty Ltd.
- 11.3 Conversion of Series A Convertible Notes by the issue of 15,000,000 shares at a value of \$1,500,000 and Conversion of Series B Convertible Notes by the issue of 3,516,665 shares on 8 April 2015 at a value of \$1,055,000.
- 11.4 Payments to consultants by the issue of 643,100 shares at a value of \$192,930 on 8 April 2015.
- 11.5 The issue of 1,450,000 shares on 8 April 2015 at a value of \$435,000 to acquire Annapanna Pty Ltd.
- 11.6 The issue of 113,388 shares on 8 April 2015 as payment of \$34,016 of Convertible Note interest.
- 11.7 The issue of 136,658 shares on 8 April 2015 on exercise of option by payment of \$13,666.
- 11.8 Placement of 7,730,087 shares on 8 September 2015 to sophisticated and professional investors raising \$3,092,035.

12. Voting exclusion

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Resolution 4 – Ratification of prior issue of Shares to various professional and sophisticated investors

Under Resolution 4, the Company now seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 583,333 Shares at an issue price of \$0.30 per Share to various investors on 8 April 2015 to raise \$175,000.

ASX Listing Rule 7.1 prohibits a company from issuing shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. Under ASX Listing Rule 7.4 where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach 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 the Prior Issue, the securities issued under the Prior Issue will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further equity securities within the next 12 months up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Information required under ASX Listing Rules

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Prior Issue of Shares:

Allottees	The Shares were allotted to the following parties in the following amounts:	
	Bernard Laverty Pty Ltd	333,333
	Mr Edward Sugar	83,333
	Mr Jeremy Dunkel	166,667
Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	The total number of Shares issued was 583,333	
Price at which the securities were issued:	The issue price of the shares was \$0.30 per Share	
Terms of the securities:	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.	
Use of the funds raised:	The funds raised from the placement have be used to fund the: <ul style="list-style-type: none">• ongoing research and development of bio-technologies and products; and• working capital of the business of the Company.	

Resolution 5 – Ratification of prior issue of Shares under employment agreements

Under Resolution 5, the Company now seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 2,093,100 Shares at an issue price of \$0.30 per Share to various contractors on 7 April 2015.

ASX Listing Rule 7.1 prohibits a company from issuing shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. Under ASX Listing Rule 7.4 where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach 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 the Prior Issue, the securities issued under the Prior Issue will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further equity securities within the next 12 months up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Information required under ASX Listing Rules

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Prior Issue of Shares:

Allottees	The Shares were allotted to the following parties in the following amounts:	
	Dr Matthew Flax	43,100
	Samma-Vayama Pty Ltd	2,050,000
Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	The total number of Shares issued was 2,093,100	
Price at which the securities were issued:	The issue price of the shares was \$0.30 per Share	
Terms of the securities:	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.	
Use of the funds raised:	No funds were raised from the placement. The shares were issued under researchers employment contracts.	

Resolution 6 – Ratification of prior issue of Shares to various Convertible Note Holders

Under Resolution 6, the Company now seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 113,388 Shares at an issue price of \$0.30 per Share to various investors on 7 April 2015 in payment of \$34,016 of Series A and B Convertible Note interest due.

ASX Listing Rule 7.1 prohibits a company from issuing shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. Under ASX Listing Rule 7.4 where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach 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 the Prior Issue, the securities issued under the Prior Issue will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further equity securities within the next 12 months up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Information required under ASX Listing Rules

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Prior Issue of Shares:

Allottees	The Shares were allotted to the following parties in the following amounts:	
	Roundup Solutions Pty Ltd	21,516
	Silverinch Pty Limited	21,516
	Hawthorn Grove Investments Pty Ltd	21,443
	LQ Super Pty Ltd	45,589
	Mr Michael James Obeid	3,324
Maximum number of securities to be issued or the formula for		

calculating the number of securities to be issued:	The total number of Shares issued was 113,388
Price at which the securities were issued:	The issue price of the shares was \$0.30 per Share
Terms of the securities:	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
Use of the funds raised:	No funds were raised from the placement. The shares were issued as payment for Accrued interest due on Series A and Series B Convertible Notes.

Resolution 7 – Ratification of prior issue of Shares to various professional and sophisticated investors

Under Resolution 7, the Company now seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 7,730,087 Shares at an issue price of \$0.40 per Share to various investors on 8 September 2015 to raise \$3,092,035.

ASX Listing Rule 7.1 prohibits a company from issuing shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. Under ASX Listing Rule 7.4 where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach 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 the Prior Issue, the securities issued under the Prior Issue will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further equity securities within the next 12 months up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Information required under ASX Listing Rules

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Prior Issue of Shares:

Allottees	The Shares were allotted to the following parties in the following amounts:	
	Sparta Nominees Pty Ltd	250,000
	Hixon Pty Ltd	75,000
	Chess Capital Partners Pty Ltd	100,000
	PJS Marketing Pty Ltd	75,000
	Basscott Pty Ltd	62,500
	BNP Paribas Nominees Pty Ltd	125,000
	Cossack Holdings (Aust.) Pty Ltd	187,500
	Cs Fourth Nominees Pty Ltd	558,800
	Domaevo Pty Ltd	340,000
	El Pronto Pty Ltd	62,500
	Mr Christopher Francis	100,000
	Mr Faris Qumail Habib	25,000
	Mr Desmond John Hinsley & Mrs Irene Veronica Hinsley	100,000

	HSBC Custody Nominees (Australia) Limited - A/C 3	316,200
	Mr Robert Jesse Hunt	125,000
	Mr Marcus Antonius Hendrikus Kennis	2,000
	Mr Haris Khaliqi	178,087
	L & M Webb Nominees Pty Ltd	25,000
	Magna Equities II LLC	125,000
	Marjack Holdings Pty Ltd	125,000
	Martech International Pty Ltd	125,000
	Merrill Lynch (Australia) Nominees Pty Limited	500,000
	MGL Corp Pty Ltd	50,000
	Mountain High Holdings Pty Ltd	150,000
	National Nominees Limited	1,062,500
	Mrs Franca Panatteri	50,000
	Miss Belinda Perri	5,000
	Robbie Hunt Pty Ltd	50,000
	Mrs Claire Alexis Shelvey	62,500
	Starbuck Group Pty Ltd	230,000
	Twilight Enterprises Pty Ltd	62,500
	UBS Nominees Pty Ltd	2,200,000
	Mr Matthew Webb & Mrs Lisa Webb	25,000
	Siena Nominees Pty Ltd	200,000
Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	The total number of Shares issued was 7,730,087	
Price at which the securities were issued:	The issue price of the shares was \$0.40 per Share	
Terms of the securities:	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.	
Use of the funds raised:	<p>It is currently intended that the funds raised from the placement will be used to fund the:</p> <ul style="list-style-type: none"> • clinical trials in relation to the Heart Rate Variable technology; • ongoing research and development of the Company's biotechnologies and products, including the "app" product(s) suitable for the consumer sector; and • working capital of the business of the Company. 	

Resolution 8 – Ratification of prior issue of Options under employment agreements

Under Resolution 8, the Company now seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 1,250,000 Options (expiring on the second anniversary of their issue date on 7 April 2015 and exercisable on the payment of \$0.30 per share) under employment agreements.

ASX Listing Rule 7.1 prohibits a company from issuing shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. Under ASX Listing Rule 7.4 where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach 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 the Prior Issue, the securities issued under the Prior Issue will not diminish the 15% annual placement capacity of the Company. This will provide the Company with flexibility to issue further equity securities within the next 12 months up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Information required under ASX Listing Rules

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Prior Issue of Shares:

Allottees	The Options were allotted to the following parties in the following amounts:	
	Denise Mary Mathieson	250,000
	Ausepen Pty Ltd	1,000,000
Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	The total number of Options issued was 1,250,000	
Price at which the securities were issued:	The issue price of the options was nil.	
Terms of the securities:	Options carry no voting rights until exercised. Refer to Schedule 1	
Use of the funds raised:	No funds were raised from the issue of the options.	

Resolution 9 – Issue of Options to Professional Advisor

Under Resolution 9, the Company seeks Shareholder authorisation pursuant to ASX Listing Rule 7.3 for the issue of 6,000,000 Options that expire 3 years after issue with the following exercise prices and vesting dates.

- 3,000,000 options with an exercise price of \$0.40 per share, vesting 28 August 2016
- 1,500,000 options with an exercise price of \$0.60 per share, vesting on 28 February 2017
- 1,500,000 options with an exercise price of \$0.80 per share, vesting on 28 August 2017

ASX Listing Rule 7.1 prohibits a company from issuing shares or options representing more than 15% of its issued capital in any 12 month period without shareholder approval. The effect of MEB Shareholder approval will be that the Placement Shares issued will not be counted in calculating the number of securities which the Company can issue in the next 12 months under the 15% limit imposed by ASX Listing Rule 7.1.

Information required under ASX Listing Rules

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Options:

Allottees	The Options were allotted to the following parties in the following amounts:	
	Fosters Stockbroking Limited	6,000,000
Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	The total number of Options to be issued is 6,000,000	
Price at which the securities were issued:	The issue price of the options is nil.	
Terms of the securities:	Options carry no voting rights until exercises. Refer to Schedule 1	
Use of the funds raised:	No funds were raised from the issue of the options. They were issued as part of the payment to Fosters Stockbroking Limited for the September 2015 capital raising.	

Resolution 10 - Issue of Shares to Mr Claude Solitario

Introduction

Resolution 10 proposes the allotment and issue of up to 200,000 Shares to Mr Claude Solitario or his nominee under his employment agreements as part of his remuneration, at an issue price of \$0.40 per Share. The Shares will not be issued to any related parties of the Company.

ASX Listing Rule 7.1

The effect of MEB Shareholder approval will be that the Shares issued will not be counted in calculating the number of securities which the Company can issue in the next 12 months under the 15% limit imposed by ASX Listing Rule 7.1.

Information required under ASX Listing Rules

In accordance with ASX Listing Rules 7.3, the following information is provided in relation to the issue of the Placement Shares:

Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	200,000 fully paid ordinary Shares in the Company
The date by which the entity will issue the securities:	The Shares will be issued on 7 December 2015 and in any event no later than 3 months after the date of the General Meeting or such later date as permitted by the ASX.
Price at which the securities will be issued:	The minimum issue price will be \$0.40 per Placement Share.
Terms of the securities:	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
Use (or intended use) of the funds raised:	No funds raised will be raised by the issue of these shares.

Resolution 11 - Issue of Shares to Dr Franklyn Prendergast

Introduction

Resolution 11 proposes the allotment and issue of up to 166,667 Shares to Dr Franklyn Prendergast or his nominees under his employment agreement as part of his remuneration, at a deemed issue price of \$0.30 per Share. The Shares will not be issued to any related parties of the Company.

ASX Listing Rule 7.1

The effect of MEB Shareholder approval will be that the Shares issued will not be counted in calculating the number of securities which the Company can issue in the next 12 months under the 15% limit imposed by ASX Listing Rule 7.1.

Information required under ASX Listing Rules

In accordance with ASX Listing Rules 7.3, the following information is provided in relation to the issue of the Placement Shares:

Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	166,667 fully paid ordinary Shares in the Company
The date by which the entity will issue the securities:	The Shares will be issued on 7 December 2015 and in any event no later than 3 months after the date of the General Meeting or such later date as permitted by the ASX.
Price at which the securities will be issued:	The minimum issue price will be \$0.30 per Placement Share.
Terms of the securities:	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
Use (or intended use) of the funds raised:	No funds raised will be raised by the issue of these shares.

Resolution 12 - Issue of Shares to various contractors

Introduction

Resolution 12 proposes the allotment and issue of up to 322,461 Shares to various contractors or their nominees under their employment agreements as part of their remuneration, at an issue price of \$0.40 per Share. The Shares will not be issued to any related parties of the Company.

ASX Listing Rule 7.1

The effect of MEB Shareholder approval will be that the Shares issued will not be counted in calculating the number of securities which the Company can issue in the next 12 months under the 15% limit imposed by ASX Listing Rule 7.1.

Information required under ASX Listing Rules

In accordance with ASX Listing Rules 7.3, the following information is provided in relation to the issue of the Placement Shares:

Maximum number of securities to be issued or the formula for calculating the number of securities to be issued:	322,461 fully paid ordinary Shares in the Company
The date by which the entity will issue the securities:	The Shares will be issued on 7 December 2015 and in any event no later than 3 months after the date of the General Meeting or such later date as permitted by the ASX.
Price at which the securities will be issued:	The minimum issue price will be \$0.40 per Placement Share.
Terms of the securities:	Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
Use (or intended use) of the funds raised:	No funds raised will be raised by the issue of these shares.

Resolution 13 - Issue of Securities to Mr Christopher Charles Indermaur

Introduction

The proposed issue of Shares to Mr Christopher Charles Indermaur (**Indermaur**) will be considered an issue of securities to a related party under ASX Listing Rule 10.11. The issue of Shares arises as a result of Indermaur agreeing to forego remuneration payable to him for services provided to the Company.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 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 Company or a related party, is in the ASX's opinion, such that approval should be obtained from the Shareholders of the company, unless an exception in ASX Listing Rule 10.12 applies. As described above, Indermaur is a director and a related party of the Company at the time of the proposed issue of Shares and as such the exceptions set out in ASX Listing Rule 10.12 would not apply.

Shareholder approval under ASX Listing Rule 7.1 not sought

ASX Listing Rule 7.2 provides that Shareholder approval under ASX Listing Rules 7.1 is not required for the issue of securities to related parties which are approved under ASX Listing Rules 10.11 (exception 14).

Accordingly, the issue of the Shares will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rules 7.1.

Shareholder approval under Chapter 2E of the Corporations Act

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

- (i) obtain the approval of the public company's members in the manner set out in sections 221 to 227 of the Corporations Act; and
- (ii) 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 apply. Indermaur is a director, the issue of Shares to him will fall within the definition of a "financial benefit" for the purposes of the Corporations Act, as he is be considered a related party of the Company.

Consequently, the issue of the Shares to Indermaur, will for the purposes of Chapter 2E of the Corporations Act, constitute giving a financial benefit to related parties of the Company.

The financial benefit being given to Indermaur as a related party of the Company will be given in lieu of remuneration to Indermaur and the Company is of the opinion it is reasonable in the Company's circumstances. Therefore, it falls within the exception set out in section 211 of the Corporations Act.

Accordingly, Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not being sought.

Information required by ASX Listing Rule 10.13

The information required by ASX Listing Rule 10.13 in respect of the Director Share to be issued to the Director is set out below:

The name of the related party

Christopher Charles Indermaur.

The number of Shares to be issued to and equivalent remuneration

41,667 Shares will be issued to Indermaur in lieu of remuneration equal to \$16,667.

The date on which the Shares will be issued to Indermaur

The Shares will be issued to Indermaur within 1 month of the date of the Meeting (or such later date as approved by ASX).

The issue price of the Shares and terms of the issue

The issue price of each Share will be \$0.40 per Share.

The Shares will be issued as fully paid shares in the capital of the Company and on the same terms as the Company's existing shares.

Intended use of the funds raised from the issue

The Shares are to be issued to Indermaur in lieu of cash payment. As such, the Shares will be granted for nil consideration and no funds will be raised as a result.

A Proxy Form is enclosed

Schedule 1 – Option Terms

(a) Exercise Price

The exercise price of each Option is \$0.30.

(b) Entitlement

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

(c) Option Period

The Options will expire at 5.00pm Sydney time on the second (2nd) anniversary of their issue date. Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.

(d) Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects equally with the existing Shares.

(e) Voting

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a MEB Shareholder.

(f) Transfer of an Option

Options are transferable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

(g) Method of Exercise of an Option

- (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
- (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of \$0.30 per Share.
- (iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- (v) The Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any

inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

(h) Quotation

The Company will not apply for quotation of the Options on the ASX.

(i) Reconstruction

In the event of a reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

(j) Participation in new Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least nine (9) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(k) No Change of Options Exercise Price or Number of Underlying Shares

There are no rights to change the exercise price of the Options or the number of underlying Shares.

Schedule 2 – Option Terms – Issue to Professional Advisor

(a) Exercise Price

The exercise price of each Option is

3,000,000 options vesting on 28 August 2016 - \$0.40.

1,500,000 options vesting on 28 February 2017 - \$0.60

1,500,000 options vesting on 28 August 2017 - \$0.80

(b) Entitlement

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

(c) Option Period

The Options will expire at 5.00pm Sydney time on the third (3rd) anniversary of their issue date. Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.

(d) Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects equally with the existing Shares.

(e) Voting

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a MEB Shareholder.

(f) Transfer of an Option

Options are transferable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

(g) Method of Exercise of an Option

(i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 10,000 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 10,000, then the total of all Options held by that Option Holder must be exercised.


(ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed.

(iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.

(iv) Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.

- (v) The Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
 - (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
- (h) Quotation
- The Company will not apply for quotation of the Options on the ASX.
- (i) Reconstruction
- In the event of a reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- (j) Participation in new Share Issues
- There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least nine (9) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- (k) No Change of Options Exercise Price or Number of Underlying Shares
- There are no rights to change the exercise price of the Options or the number of underlying Shares.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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(within Australia) 1300 850 505
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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

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

 **For your vote to be effective it must be received by 10.30am (Sydney time) Saturday 28 November 2015**

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 for Postal Forms

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.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

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.



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IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Medibio 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 Annual General Meeting of Medibio Limited to be held at the offices of PKF Lawler, Level 8, No 1 O'Connell Street, Sydney NSW 2000 on Monday 30 November 2015 at 10:30am 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 1 and 13** (except where I/we have indicated a different voting intention below) even though **Items 1 and 13** 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 1 and 13** 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		For	Against	Abstain
1. Adoption of the Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Ratification of prior issue of Options under employment agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of James Campbell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approve the issue of Options to Professional Adviser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approve the issue of Shares to Mr Claude Solitario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of prior issue of shares to professional & sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approve the issue of Shares to Dr Franklyn Prendergast	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of prior issue of shares under employment agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Approve the issue of Shares to various contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of prior issue to various Convertible Note holders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Approve the issue of Shares to Mr Christopher Charles Indermaur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification of prior issue of Shares to professional and sophisticated investors	<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

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