



MEDIBIO LIMITED
ACN 008 130 336

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Monday, 21 January 2019

Time of Meeting:
10:00AM (AEDT)

Place of Meeting
Chartered Accountants Australia and New Zealand
Level 18 Bourke Place
600 Bourke Street
Melbourne VIC 3000

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

MEDIBIO LIMITED

ACN 008 130 336

Registered office: Level 4, 100 Albert Road, South Melbourne, VIC 3205

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of shareholders of Medibio Limited (the "Company") will be held at the offices of Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne, Victoria, 3000 at 10:00am on Monday, 21 January 2019.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Resolution 1: Ratification of Prior Issue of Convertible Notes

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 18 December 2018 of 30,394,240 Convertible Notes in the Company with a face value of \$0.02 (2 cents) per Convertible Note on the terms and conditions set out in the Explanatory Statement in the Notice of Meeting."

Resolution 2: Issue of Convertible Notes

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

"That, in accordance with ASX Listing Rules 7.1 and 7.3 and for all other purposes, approval is given to issue 107,272,280 Convertible Notes in the Company with a face value of \$0.02 (2 cents) per Convertible Note on the terms and conditions set out in the Explanatory Statement in the Notice of Meeting."

By the order of the Board



Melanie Leydin
Company Secretary

Dated: 13 December 2018

Notes

1. **Record Date:** The Company has determined that for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7pm on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
2. **Proxies**
 - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act 2001 (Cth) (**Corporations Act**).
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
 - h. To be effective, proxy forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the General Meeting, this is no later than 10.00am (AEDT) on Saturday, 19 January 2019. Any proxy received after that time will not be valid for the scheduled meeting.

3. Corporate Representative

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

4. Voting Exclusion Statements:

Resolution 1

The Company will disregard any votes cast in favour of the resolution by or behalf of the following persons that participated in the issue:

- (a) each person listed below;
 - i. Hoperidge Enterprises ATF Jones Family Trust;
 - ii. Denlin Nominees Pty Ltd;
 - iii. Cabletime Pty Ltd ATF Ingodwe Trust;
 - iv. Oaktone Nominees Pty Ltd;
 - v. Tisia Nominees Pty Ltd;
 - vi. Merrill Lynch (Australia) Nominees Pty Ltd <Regal Emerging Companies Fund II> ;
 - vii. Brown Bricks Pty Ltd;
 - viii. CY Capital Pty Ltd; and
 - ix. Mr Claude Solitario.

and

- (b) associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

Resolution 2

The Company will disregard any votes cast in favour of the resolution by or behalf of the following persons or any other person who may obtain a benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities):

- (a) each person listed below;
 - i. Hoperidge Enterprises ATF Jones Family Trust;
 - ii. Denlin Nominees Pty Ltd;
 - iii. Cabletime Pty Ltd ATF Ingodwe Trust;
 - iv. Oaktone Nominees Pty Ltd;

- v. Tisia Nominees Pty Ltd;
- vi. Merrill Lynch (Australia) Nominees Pty Ltd <Regal Emerging Companies Fund II>;
- vii. Brown Bricks Pty Ltd;
- viii. CY Capital Pty Ltd;
- ix. TIGA Trading Pty Ltd; and
- x. Mr Claude Solitario.

and

- (b) associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

5. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Background

As announced by the Company on 10 December 2018, the Company received commitments from professional and sophisticated investors to participate in the issue of convertible notes at \$0.02 per note (**Convertible Note**). The total consideration from the issue of Convertible Notes will be approximately \$2.75 million.

A convertible note deed poll (**Deed Poll**) has been executed which provides for two tranches of funding by the following investors subscribing for various numbers of Convertible Notes per tranche:

Table 1

Investor	Tranche 1	Tranche 2
Hoperidge Enterprises ATF Jones Family Trust	4,880,000	15,120,000
Denlin Nominees Pty Ltd	1,220,000	3,780,000
Cabletime Pty Ltd ATF Ingodwe Trust	2,440,000	7,560,000
Oaktone Nominees Pty Ltd	1,220,000	3,780,000
Tisia Nominees Pty Ltd	2,440,000	7,560,000
Merrill Lynch (Australia) Nominees Pty Ltd <Regal Emerging Companies Fund II>	13,815,564	36,184,436
Brown Bricks Pty Ltd	2,072,335	5,427,665
CY Capital Pty Ltd	690,778	1,809,222
TIGA Trading Pty Ltd	Nil	12,500,000
Claude Solitario ATF Solitario Family Trust	1,615,563	13,550,957
TOTAL NOTES	30,394,240	107,272,280
TOTAL VALUE	\$607,884.80	\$2,145,445.60

Tranche 1

Funds have been received by the Company from each of the Investors for the Convertible Notes in Tranche 1, and those Convertible Notes were issued under the Company's Listing Rule 7.1 placement capacity.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Resolution 1 seeks Shareholder approval to ratify the issue of the 30,394,240 Convertible Notes in Tranche 1 to investors for consideration of approximately \$607,884.80 to the Company as part of the Company's capital raising announced on 10 December 2018.

ASX Listing Rule 7.4 provides that 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.

The effect of approving Resolution 1 will be to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity as set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Tranche 2

Under the terms of the Deed Poll, the Investors will only provide subscription funds for the Convertible Notes in Tranche 2 subject to shareholders approval at the Meeting.

Resolution 2 seeks Shareholder approval to issue 107,272,280 Convertible Notes in Tranche 2 for consideration of approximately \$2,145,445.60. Approving Resolution 2 will also allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity as set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Use of funds

The consideration from the issue of Convertible Notes under both Tranches 1 and 2 will be used for the following:

- (i) Advance the Company's 510(k) regulatory approval;
- (ii) Progress the Company's De Novo submission;
- (iii) Technology development;
- (iv) Product commercialisation; and
- (v) For working capital requirements.

Terms of Convertible Notes

Other than the dates of issue, the Convertible Notes in Tranches 1 and 2 are the same and are governed by the Deed Poll. A summary of the terms of the Deed Poll (including other ancillary documents) is provided in Annexure A.

Information required by ASX Listing Rules

Resolution 1: Ratification of Prior Issue of Convertible Notes

ASX Listing Rule 7.5 lists the information to be included in a Notice of Meeting seeking permission to ratify previous issue of securities made pursuant to ASX Listing Rule 7.1:

- (a) The number of securities issued – 30,394,240 Convertible Notes
- (b) The price at which the securities were issued – \$0.02 per Convertible Note
- (c) The terms of the securities – the terms of the Convertible Notes are summarised in Annexure A. The shares issued upon conversion of the Convertible Notes will be issued fully paid and will rank equally in all respects with the Company's other fully paid ordinary shares on issue.
- (d) The names of the persons to whom the entity issued the securities (if known) or the basis upon which those persons were determined – the Convertible Notes were issued to professional and sophisticated investors (as these terms are defined in section 708 of the Corporations Act 2001(Cth)(**Corporations Act**)) and whom are identified in Table 1.
- (e) The use (or intended use) of the funds raised – Please refer to the subheading "Use of funds" above.
- (f) A voting exclusion statement – Please refer to the Voting Exclusion Statements section in the Notice.

Resolution 2: Approval to Issue Convertible Notes

ASX Listing Rule 7.3 lists the information to be included in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. For the purposes of Listing Rule 7.3, the following information is provided:

- (a) The maximum number of securities to be issued – 107,272,280
- (b) The date by which the securities will be issued – the securities will be issued within 3 months of the date of this meeting.
- (c) The issue price of the securities - \$0.02 per Convertible Note.
- (d) The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified – the Convertible Notes will be issued to professional and

sophisticated investors (as these terms are defined in section 708 of the Corporations Act) and whom are identified in Table 1.

- (e) The terms of the securities – the terms of the Convertible Notes are summarised in Annexure A. The shares issued upon conversion of the Convertible Notes will be issued fully paid and will rank equally in all respects with the Company's fully paid other ordinary shares on issue.
- (f) The intended use of the funds raised – Please refer to the subheading "Use of funds" above.
- (g) The issue date – if members approve this Resolution, the Convertible Notes will be issued progressively upon payment of subscription monies by investors.
- (h) A voting exclusion statement – Please refer to the Voting Exclusion Statements section in the Notice.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of both Resolutions 1 and 2. The Chairman of the Meeting intends to vote undirected proxies in favour of both Resolutions 1 and 2.

ANNEXURE A

TERMS AND CONDITIONS OF CONVERTIBLE NOTES

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the holders of Convertible Notes (**Noteholders**).

Governing documents		<p>The Convertible Notes are subject to the provisions of the convertible note deed poll given by the Company on 18 December 2018 in favour of persons who are Noteholders from time to time. (Deed Poll).</p> <p>Melbourne Securities Corporation Limited has been appointed under a security trust deed (Security Trust Deed) to act as security trustee for the Noteholders (Security Trustee).</p> <p>The Convertible Notes are secured pursuant to a general security deed (General Security Deed) between the Company and the Security Trustee.</p>
Term		The Convertible Notes expire 18 months after their issue date (Maturity Date) unless converted earlier.
Face Value		Each Convertible Notes has a face value of A\$0.02
Security		Under the General Security Deed, the Company grants a charge and security interest to the Security Trustee in the whole of the undertaking property and assets of the Company both present and after acquired property, in order to secure repayment of the Face Value of the Convertible Notes.
Interest		No interest accrues on the Convertible Notes
Rights of Noteholder		<p>The rights of a Noteholder against the Company for the Convertible Notes held by the Noteholder:</p> <ul style="list-style-type: none"> (a) The Convertible Notes rank equally among themselves. (b) The Convertible Notes carry no right to participate in any offering of securities by the Company. (c) Except as required for in the Corporations Act, a Noteholder does not have any right to vote at general meetings of the Company. (d) Subject to the Corporations Act and the ASX Listing Rules, a Noteholder is entitled to request and receive copies of all notices of general meetings and all other documents (including annual reports and financial statement) given the Company to the Shareholders. (e) In the event of a winding up of the Company, Noteholders will be entitled to receive a repayment of the Face Value before any distributions are made to preference or ordinary Shareholders. The obligations of the Company rank in priority (by virtue of the security under the General Security Deed) ahead of all its unsecured and unsubordinated payment obligations other than claims

		mandatorily preferred by law.
Enforcement		<p>Only the Security Trustee may enforce the Deed Poll and the General Security Deed against the Company where Noteholders holding at least 50% of the Convertible Notes then on issue have resolved that the Company has breached its obligations under the Deed Poll and approved the enforcement of the terms and conditions against the Company.</p> <p>Noteholders may not individually enforce the Deed Poll or the General Security Deed without the express written authority of the Security Trustee.</p>
Conversions		<p>Conversions at election of Noteholder</p> <p>The Convertible Notes will be convertible at the option of each Noteholder only on the last business day at the end of each quarter commencing 31 March 2019 (each a Conversion Date).</p> <p>A Noteholder may elect in its discretion to convert some or all of its Convertible Notes by providing the Company with notice not less than 10 business days before the requested Conversion Date (Conversion Notice). The Conversion Notice must contain the information required under the Deed Poll for conversion notices.</p> <p>Automatic conversions upon Maturity</p> <p>All Convertible Notes held by each Noteholder will automatically convert on the Maturity Date if they have not been converted earlier.</p> <p>Shares issued on conversion</p> <p>Shares issued on conversion of the Convertible Notes will rank equally with all fully paid ordinary shares on issue as at the Conversion Date.</p> <p>Chapter 6 Limitations</p> <p>Subject to certain notification requirements in the Deed Poll, if a conversion of Convertible Notes will result in a breach of section 606 of the Corporations Act, then the conversion of the relevant number of Convertible Notes shall be deferred until such time that the conversion would not result in a contravention of section 606 of the Corporations Act and the Company will as soon as reasonably practical convene a meeting of Shareholders to seek approval in accordance with Item 7, Section 611 of the Corporations Act, for the allotment and issue of Shares pursuant to the Conversion.</p> <p>If Shareholder approval is not obtained for the conversion, then the Company will pay to the Noteholder an amount equal to the aggregate Face Value of the Convertible Notes the conversion of which would result in the Noteholder being in contravention of Section 606(1) of the Corporations Act (upon such payment such Convertible Notes will be cancelled).</p>
Conversion Price		<p>The conversion price of the Convertible Notes will be the lower of:</p> <p>(a) \$0.02 per Share; or</p> <p>(b) the issue price of any subsequent equity capital raising undertaken by the Company during the term of the Convertible Note.</p>
Conversion Ratio		<p>The number of Shares to be issued to a Noteholder upon conversion of their Convertible Notes shall be calculated as follows:</p>

		$N = \frac{FVN}{\text{Conversion Price}}$ <p>Where:</p> <p><i>N</i> = the number of Shares rounded up to the nearest whole number.</p> <p><i>FVN</i> = the Face Value of the Notes that are being converted by a Noteholder (as specified on the relevant Conversion Notice).</p>
Redemption		Unless converted in accordance with the Deed Poll, the Company must immediately redeem all outstanding Convertible Notes following an insolvency event.
Representations and Warranties		<p>Other than market standard representations and warranties, the Company must provide prior to the settlement of the Tranche 2 Notes an "Acceptable Budget." A budget will be an "Acceptable Budget" if:</p> <ul style="list-style-type: none"> (i) at least 12 days prior to the settlement of the Tranche 2 Notes the Company issues to each of the Noteholders and the Security Trustee an updated budget which demonstrates that expenditure will be reduced to below \$500,000 per month, targeting \$400,000 per month (Draft Budget); and (ii) prior to the settlement of the Tranche 2 Notes the Security Trustee and the Company have not received objections from Noteholders, acting reasonably, holding more than 50% of the Notes on issue in relation to the Draft Budget. <p>In addition, prior to the Maturity Date of Convertible Notes, the Company must not announce the payment of, or make any distribution to Shareholders (in the capacity as holder of Shares), or buy-back any ordinary shares.</p>
Adjustments upon Reorganisation		<p>If there is a reorganisation by the Company of its share capital, the rights of a Noteholder in relation to conversion will be changed to the extent necessary to comply with the ASX Listing Rules, as if the right of conversion was an option granted by the Company.</p> <p>If the Company makes a bonus issue of Shares or other securities, then each Noteholder upon conversion of outstanding Convertible Notes held by it will be entitled to receive such number of further Shares or securities which the Noteholder would have received if those outstanding Convertible Notes had been converted before the record date for the bonus issue.</p> <p>Any adjustment to the conversion of Convertible Notes must comply with the ASX Listing Rules.</p>
Transferability		<p>The Convertible Notes are not transferrable without the prior written approval of the Company, which approval must not be unreasonably withheld, except that:</p> <p>except that:</p> <ul style="list-style-type: none"> (a) the trustees of a trust may, on any change of trustees, transfer all of the Convertible Notes held by them in that capacity to the new trustees of that trust; and (b) a Noteholder may transfer any or all of its Convertible Notes to a related body corporate of that Noteholder.



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

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

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote and view the Notice of Meeting 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 PIN: 99999

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 10:00am (AEDT) on Saturday, 19 January 2019**

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.



I 9999999999

I ND

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 General Meeting of Medibio Limited to be held at the offices of Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne, Victoria, 3000 on Monday, 21 January 2019 at 10:00am (AEDT) and at any adjournment or postponement of that Meeting.

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
1 Ratification of Prior Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Convertible Notes	<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 / / _____

MEB

999999A

Computershare +