



MEDIBIO LIMITED

ACN 008 130 336

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:

Friday, 16 November 2018

Time of Meeting:

2.00pm (AEDT)

Place of Meeting

Chartered Accountants Australia and New Zealand

Level 18 Bourke Place

600 Bourke Street

Melbourne VIC 3000

IMPORTANT NOTE

Resolutions 1 – 5 have been requested by certain Shareholders of the Company in notices stated to have been given pursuant to sections 203D(2), 249D, 249N and 249P of the Corporations Act.

Your Board considers that Resolutions 1- 5 are not in the best interests of the Company and recommends that you vote against the proposed resolutions.

Shareholders are urged to read the Explanatory Statement carefully prior to voting or submitting their Proxy Form

Statement by the Board of Medibio Limited

Dear Shareholders,

The Company received notice under sections 203D(2), 249D, 249N and 249P of the Corporations Act 2001 (Cth) to put to a shareholders' vote resolutions to remove Chris Indermaur and Andrew Maxwell as directors and appoint Elias (Leo) Khouri, Peta Slocombe and Benjamin Richardson.

All Directors of the Company, Patrick Kennedy, Michael Phelps, Dr Frank Prendergast, Peter Carlisle, Chris Indermaur and Andrew Maxwell urge you to vote **against** these resolutions. The board is united and has made all decisions collectively and in the best interests of shareholders. We believe that the proposed resolutions have little support and in the event that these resolutions were passed we would all immediately resign. We suggest that the appointment of the alternative board of Mr. Khouri, Ms. Slocombe and Mr. Richardson would not be in the interests of shareholders or the Company.

The Company's mission and strategy remain to bring objective measurement to mental health. Our primary integrated health product is in the FDA De Novo process and we expect it to be approved in the first quarter of 2019. We have recently released our ilumen™ product for corporate customers in Australia.

We are developing innovative products and technologies that we are confident will change the way mental health is diagnosed and monitored. This is no small undertaking. We have validated the technology with regulatory approvals, peer-reviewed publications, completed clinical trials, and product launches. Now is not the time to overturn the board by handing control of the Company to Mr Khouri and Ms Slocombe.

Addressing the specific points raised;

1) Circumstances Surrounding the Departures of Mr Jack Cosentino and Ms Peta Slocombe

While we understand the curiosity of shareholders, those who have been involved in dealing with personnel issues will appreciate that it is not helpful nor appropriate to make public comment.

These departures were given careful consideration by the full Board, and directors were unanimous in their views. The Board afforded due process to all and gave serious and proper consideration to these matters, as one would expect of a listed company.

2) Decision Making

The sudden departure of Mr Cosentino and Ms Slocombe required immediate steps to be taken to stabilise the Company. The board took those steps expeditiously.

Brian Mower accepted the role and responsibility of interim CEO immediately as the need arose. He is by far the best qualified to fill the urgent requirement and has done a commendable job stabilising a difficult situation. An executive search for a permanent CEO is underway.

Jennifer Solitario stepped in to lead the corporate health team following Ms Slocombe's departure at short notice. Jennifer has excellent qualifications, is a former executive of HBF with extensive experience in contracting with health providers and managing health care workforces. It is unlikely that an extensive executive search would produce a better candidate.

The fact that Jennifer and her husband are major shareholders in the Company should be viewed positively, as they have invested in the technology for many years and have "skin in the game".

3) Clinical Trial Results

The recent clinical trial results were announced in detail via an ASX release. Following the ASX release, the company hosted a detailed follow up conference call to provide responses to investor questions by our internal and external experts to investor questions. The results of the clinical trial are being used to support the FDA De Novo application. This is the only Company study with a trial design capable of being used to support the application. All prior proof-of-concept studies and retrospective data analysis provided foundational learnings designed to develop the most recent clinical study.

4) Funding

The Company has incurred costs of over \$1 million per month to fund its operations, including clinical studies necessary to obtain FDA approval. Our cost structure is being critically examined to minimise expenditure while not sacrificing the Company's structure now in place to achieve our intended goals of bringing objectivity to mental health.

The Company is reliant on anticipated grant funding and on new investment in the coming months. The board intends for new investment funding to be structured in a way that is most equitable for existing shareholders.

5) Proposed Debt Facility

Interests associated with Mr Khouri made a preliminary loan proposal. It was not an offer of a loan. It was conditional and subject to involvement in the Company by another entity associated with Mr Khouri.

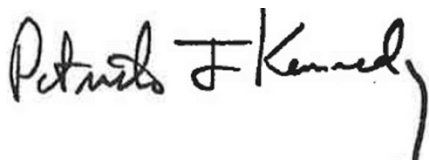
The proposal was preliminary and included conditions that were viewed by the Directors as onerous and not in the best interests of shareholders. In general the Company does not intend to incur debt until there is clear path to its repayment.

6) Partly Paid Shares

An additional complication is that Carakho Holdings Pty Ltd, a party associated with Mr. Khouri, is the largest holder of partly paid shares. These partly paid shares have an outstanding payment of 29c due on each, significantly more than the current share price. The company will be taking action to recover the outstanding balance in coming months.

In summary, the directors believe they have acted appropriately in difficult circumstances. The sudden departure of Mr. Cosentino and Ms. Slocombe was unfortunate and regrettable. The fall in share price seems partly in response to those exits and partly on the expectation of an unavoidable equity raise. That equity raise will be managed professionally with the interests of existing shareholders in mind.

We strongly urge you to reject the resolutions proposed by parties associated with Mr. Khouri and Ms. Slocombe, which would result in their taking control of the company.



Patrick Kennedy



Michael Phelps



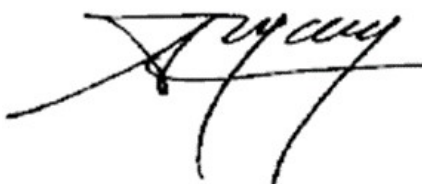
Peter Carlisle



Dr Frank Prendergast



Chris Indermaur



Andrew Maxwell

MEDIBIO LIMITED

ACN 008 130 336

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual 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 2.00pm (AEDT) on Friday 16 November 2018.

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

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2018.

Note: Except for as set out in Resolution 6, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

THE DIRECTORS UNANIMOUSLY (OTHER THAN MR INDERMAUR AND MR MAXWELL ABSTAINING) RECOMMEND THAT YOU VOTE AGAINST RESOLUTIONS 1 TO 5. THESE RESOLUTIONS HAVE NOT BEEN PROPOSED OR SUPPORTED BY THE BOARD. SHOULD ANY OF RESOLUTIONS 1 TO 5 BE PASSED, ALL REMAINING DIRECTORS WILL IMMEDIATELY RESIGN.

Resolution 1: Removal of Mr Christopher Indermaur as a Director of the Company

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

“That, pursuant to section 203D(1) of the Corporations Act 2001 (Cth), Mr Christopher Charles Indermaur be removed from office as a director of the Company effective immediately on passing of this resolution.”

Resolution 2: Election of Ms Peta Slocombe as a Director of the Company

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

“That Ms Peta Slocombe, having consented to act as a director of the Company, be appointed as a director of the Company effective immediately on the passing of this resolution.”

Resolution 3: Removal of Mr Andrew Maxwell as a Director of the Company

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

“That, pursuant to section 203D(1) of the Corporations Act 2001 (Cth), Mr Andrew Thomas Maxwell be removed from as a director of the Company effective immediately on the passing of this resolution.”

Resolution 4: Election of Mr Elias Khouri as a Director of the Company

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

“That Mr Elias Khouri, having consented to act as a director of the Company, be appointed as a director of the Company effective immediately on the passing of this resolution.”

Resolution 5: Election of Mr Benjamin Richardson as a Director of the Company

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

"That Mr Benjamin Grant Richardson, having consented to act as a director of the Company, be appointed as a director of the Company effective immediately on the passing of this resolution."

Resolution 6: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2018 be adopted."

Resolution 7: Election of Mr Peter Carlisle as a Director of the Company

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

"That for the purpose rule 3.4 of the Constitution and for all other purposes, Mr Peter Carlisle, having been appointed as a Director during the year, vacates office in accordance with the Constitution of the Company and being eligible, offers himself for election, be elected as a director of the Company."

Resolution 8: Re-election of Mr Patrick Kennedy as a Director of the Company

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

"That for the purpose rule 3.6 of the Constitution and for all other purposes, Mr Patrick Kennedy, who retires by rotation pursuant to the Constitution of the Company and being eligible, offers himself for re-election, re-elected as a Director of the Company."

Resolution 9: Re-election of Dr Franklyn Prendergast as a Director of the Company

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

"That for the purpose rule 3.6 of the Constitution and for all other purposes, Dr Franklyn Prendergast, who retires by rotation pursuant to the Constitution of the Company and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 10: Ratification of previous issue of Options

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

Resolution 10(a)

"That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, approval is sought for the previous issue of 12,225,000 Options to eligible Australian and US employees as long term incentives."

Resolution 10(b)

"That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, approval is sought for the previous issue of 3,000,000 options to Union Square Capital Advisors pursuant to the provision of corporate advisory services."

SPECIAL BUSINESS

Resolution 11: Approval of 10% additional placement capacity

To consider and, if thought fit, pass the following Resolution as a special resolution:

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the additional capacity to issue Equity Securities totalling up to 10% of the capital (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

By the order of the Board



Melanie Leydin
Company Secretary
Dated: 10 October 2018

IMPORTANT NOTE

Resolutions 1 to 5 have been requested by certain Shareholders of the Company in notices stated to have been given pursuant to sections 203D(2), 249D, 249N and 249P of the Corporations Act.

Your Board considers that Resolutions 1- 5 are not in the best interests of the Company and recommends that you vote against the proposed resolutions.

Shareholders are urged to read the Explanatory Statement carefully prior to voting or submitting their Proxy Form

Notes

1. **Record Date:** The Company has determined that for the purposes of the Annual 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 Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

2. Proxies

- a. Votes at the Annual 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.
- 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 Annual General Meeting, this is no later than 2.00pm (AEDT) on Wednesday, 14 November 2018. 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 Statement:

Resolution 1 - 5

There are no voting exclusions on these Resolutions.

Resolution 6

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote:

- (a) in accordance with a direction on the proxy form; or
- (b) by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 7 - 9

There are no voting exclusions on these Resolution.

Resolution 10

Resolution 10(a) and 10(b)

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) the persons in the table below being a person who participated in the issue; or
- (b) any associate of any person in the table below being a person that participated in the issue.

12,225,000 Options issued to:	Eligible Australian or US employees who participated in the issue
3,000,000 Options issued to:	Union Square Capital Advisors

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form; or
- if it is cast by the Chairman of the Meeting as proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 11

The Company will disregard any votes cast in favour of Resolution 11 by any person who may participate in the proposed issue or any person who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary shares, or any associate of such person.

However, the Company need not disregard a vote on this Resolution if:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) 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.

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

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2018 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditor's report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the Annual Report at the Company's website: www.medibio.com.au or via the Companies announcement platform on ASX. Except as set out in Resolution 6, no resolution is required on these reports.

Notice received from Requisitioning Shareholders

On 28 and 29 September 2018, the Company received notice under sections 203D(2), 249D, 249N and 249P of the Corporations Act from Carakho Holdings Pty Ltd, SEK Investments Limited, Bejjol Pty Limited, Mining Investments Limited, Gun Capital Management Pty Ltd, Joshua Khouri, Benjamin Khouri and Peta Slocombe (collectively the "Requisitioning Shareholders") proposing resolutions for the removal of Mr Christopher Indermaur and Mr Andrew Maxwell as Directors of the Company, and for the election of Ms Peta Slocombe, Mr Elias Khouri and Mr Benjamin Richardson as Directors of the Company. These are Resolutions 1 to 5 in this Notice of Annual General Meeting.

At the time of lodging the notices and according to a Notice of Initial Substantial Holder dated 27 September 2018, the Requisitioning Shareholders together held 12,751,814 Shares, or approximately 6.29% of the voting power in the Company.

Any shareholder (or group of shareholders) holding more than 5% of the votes that may be cast at an annual general meeting is entitled to requisition the Directors to call a general meeting pursuant to section 249D of the Corporations Act and requisition pursuant to section 249N of the Corporations Act certain resolutions to be moved at a general meeting and to have their statements distributed to all members under section 249P of the Corporations Act.

THE DIRECTORS UNANIMOUSLY (OTHER THAN MR INDERMAUR AND MR MAXWELL ABSTAINING) RECOMMEND THAT YOU VOTE AGAINST RESOLUTIONS 1 TO 5. THESE RESOLUTIONS HAVE NOT BEEN PROPOSED OR SUPPORTED BY THE BOARD. SHOULD ANY OF RESOLUTIONS 1 TO 5 BE PASSED, ALL REMAINING DIRECTORS WILL IMMEDIATELY RESIGN.

Resolution 1: Removal of Mr Christopher Indermaur as a Director of the Company

Resolution 1 relates to the removal of Mr Christopher Indermaur as a Director. This resolution has been proposed by the Requisitioning Shareholders.

Mr Indermaur was appointed as a Non-Executive Director on 7 April 2015.

Mr Indermaur holds a Bachelor of Engineering (Mechanical) and a Graduate Diploma of Engineering (Chemical). He also holds a Bachelor of Laws, a Master of Laws and a Graduate Diploma in Legal Practice. He is admitted as a Barrister and Solicitor of the Supreme Court of Western Australia.

Mr. Indermaur has over 30 years of experience in large Australian companies in Engineering or Commercial roles. Amongst these roles he was the engineering and Contracts Manager for the QNI Nickel Refinery at Yabulu, Company Secretary for QAL and General Manager for Strategy and Development at Alinta Ltd.

Mr. Indermaur is currently a director of Austin Engineering Ltd (ASX: ANG) and Centrex Metals (ASX: CXM).

Directors Recommendation

The Board (with Mr Indermaur abstaining), recommends that shareholders vote **AGAINST** the removal of Mr Indermaur. The Chairman of the meeting intends to vote undirected proxies **AGAINST** Mr Indermaur's removal.

Resolution 2: Election of Ms Peta Slocombe as a Director of the Company

Resolution 2 relates to the election of Ms Peta Slocombe as a Director. This resolution has been proposed by the Requisitioning Shareholders.

Ms Slocombe has consented to act as a director. At the date of this Notice, she held 327,567 Shares in the Company.

The Company has not received any other information concerning Ms Slocombe's credentials and experience, or her plans for the Company. As such, the Board has not been able to apply the processes set out in the Board Charter.

The Board is unable to comment on the suitability of Ms Slocombe to act as a Director, nor the skills she would bring to the Board.

Board Recommendation

The Board recommends that shareholders vote **AGAINST** the election of Ms Slocombe. The Chairman of the meeting intends to vote undirected proxies **AGAINST** Ms Slocombe's election.

Resolution 3: Removal of Mr Andrew Maxwell as a Director of the Company

Resolution 3 relates to the removal of Mr Andrew Maxwell as a Director. This resolution has been proposed by the Requisitioning Shareholders.

Mr Maxwell was appointed as a Non-Executive Director on 1 February 2017.

Mr. Maxwell is the chair of TMS Australia, which owns a network of out-patient clinics treating depression using transcranial magnetic stimulation. He is Chair of Agersens the global market leader in virtual fencing technology for beef and dairy cattle, a director of BioMelbourne Network and a member of the Bond University School of Health, Science and Medicine advisory board.

For 10 years, Mr. Maxwell led the global growth of Global Kinetics Corporation Ltd (GKC) as Managing Director and Chief Executive Officer. GKC commercialised research emanating from the Florey Institute of Neuroscience and Mental Health and created a global company with a market-leading product for the remote measurement and reporting of the movement disorder symptoms of Parkinson's disease. GKC gained FDA clearance in the USA, Class 1 and Class 2a CE mark in Europe and TGA registration in Australia for its Parkinson's KinetiGraph (PKG) and PKG Watch, a wearable medical device and a mobile health IT software system. GKC's direct sales and marketing team implemented the PKG in over 140 hospitals in 16 countries providing people with Parkinson's access to a clinical test that makes a difference to the management of their condition.

Prior to GKC, as CEO of ESCOR Private Equity (a Smorgon Family Company), Mr. Maxwell established and managed a \$40m investment fund focused on investing in the IT, Internet, Biotech, and Healthcare sectors in Australia, the USA and Europe.

Directors Recommendation

The Board (with Mr Maxwell abstaining), recommends that shareholders vote **AGAINST** the removal of Mr Maxwell. The Chairman of the meeting intends to vote undirected proxies **AGAINST** Mr Maxwell's removal.

Resolution 4: Election of Mr Elias Khouri as a Director of the Company

Resolution 4 relates to the election of Mr Elias Khouri as a Director. This resolution has been proposed by the Requisitioning Shareholders.

Mr Khouri has consented to act as a director. At the date of this Notice, Mr Khorui is the shareholder and director of Mining Investments Limited and Gun Capital Management Pty Ltd. At the date of this Notice, both entities held 6,954,545 Shares in the Company collectively.

The Company has not received any other information concerning Mr Khouri's credentials and experience, or his plans for the Company. As such, the Board has not been able to apply the processes set out in the Board Charter.

The Board is unable to comment on the suitability of Mr Khouri's to act as a Director, nor the skills he would bring to the Board.

Board Recommendation

The Board recommends that shareholders vote **AGAINST** the election of Mr Khouri. The Chairman of the meeting intends to vote undirected proxies **AGAINST** Mr Khouri's election.

Resolution 5: Election of Mr Benjamin Richardson as a Director of the Company

Resolution 5 relates to the election of Mr Benjamin Richardson as a Director. This resolution has been proposed by the Requisitioning Shareholders.

Mr Richardson has consented to act as a director. At the date of this Notice, he held Nil Shares in the Company.

The Company has not received any other information concerning Mr Richardson's credentials and experience, or his plans for the Company. As such, the Board has not been able to apply the processes set out in the Board Charter.

The Board is unable to comment on the suitability of Mr Richardson to act as a Director, nor the skills he would bring to the Board.

Board Recommendation

The Board recommends that shareholders vote **AGAINST** the election of Mr Richardson. The Chairman of the meeting intends to vote undirected proxies **AGAINST** Mr Richardson's election.

Resolution 6: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2018 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report represented less than twenty-five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors 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.

Board Recommendation

The Board encourages all eligible Shareholders to cast their votes in favour of Resolution 6 (Remuneration Report). The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 6.

Resolution 7: Election of Mr Peter Carlisle as a Director of the Company

Mr Peter Carlisle was appointed as a Non-Executive Director on 22 January 2018 as a casual vacancy and is eligible for election under the Company's Constitution.

Peter Carlisle serves as Managing Director of Olympics and Action Sports at the global sports marketing agency, Octagon. Mr. Carlisle oversees an international business focused on athlete brand-building through commercial, public relations, and cause-related activities. He has served on numerous non-profit boards and has worked to develop and promote programs focused on a variety of mental health issues. He has more than 20 years of experience in the sports marketing industry, and has received numerous awards and recognitions, including being one of only two sports agents named in SportsBusiness Journal's "Forty Under 40" Hall of Fame and its 20 most influential people in action sports. Sporting News included him in its Power 100 list and Sports Illustrated named him as one of the top 15 most-influential sports agents. Mr. Carlisle has been named one of the best lawyers in America in sports law on several occasions, and was recognized as Sports Law Lawyer of the Year in 2012. He has also served as Adjunct Professor of Sports Law at the University of New Hampshire and Maine School of Law, as an attorney at Preti Flaherty, and earned his Juris Doctor from the University of Maine School of Law and Bachelor of Arts from Bates College.

Mr. Carlisle has dedicated his career to advocating for athletes and has witnessed firsthand the prevalence of mental health issues among elite athletes, the extent to which those issues are overlooked, and the profound need for increased awareness and education and improved treatment and support.

Directors Recommendation

The Board (with Mr Carlisle abstaining), recommends that shareholders vote in favour of the election of Mr Carlisle. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Carlisle's election.

Resolution 8: Re-election of Mr Patrick Kennedy as a Director of the Company

The Constitution of the Company requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Patrick Kennedy being eligible, offers himself for re-election.

Mr Patrick Kennedy was appointed as a Non-Executive Director of the Company on 4 July 2017.

The Honourable Patrick J. Kennedy was appointed to the Board on 4 July 2017. He is a former member of the U.S. House of Representatives and a leading U.S. political voice on mental illness, addiction, and other brain diseases. During his 16-year career representing Rhode Island in Congress, he fought a national battle to end medical and societal discrimination against these illnesses, highlighted by his lead sponsorship of the Mental Health Parity and Addiction Equity Act of 2008. Mr. Kennedy was a chief sponsor of one of the major pieces of legislation of 2008, the Mental Health Parity Act, a bill requiring most group health plans to provide coverage for the treatment of mental illnesses that is comparable to what they provide for physical illnesses. Mr. Kennedy was also appointed to President Trump's Commission on Combating Drug Addiction and the Opioid Crisis.

Following his 8th term serving in the U.S. Congress, Mr. Kennedy has become a leading advocate for increased Mental Health & Addiction treatment coverage in the United States. He is a co-founder of One Mind for Research, which seeks to increase resources and collaboration in brain research, and founder of the Kennedy Forum, which advances a roadmap to transform mental health and addiction care.

Mr. Kennedy served three terms in the Rhode Island State legislature before he was elected as a Democratic member of the United States House of Representatives from 1995 to 2011. Mr. Kennedy served on the Armed Services Committee and the Appropriations committee, where he served on the subcommittee on Veterans Affairs and the Subcommittee on Labor, Health and Human Services, Education, and the NIH. While in Congress, he was a vocal advocate for healthcare reform and the chief sponsor of the 2008 Mental Health Parity and Addiction Equity Act.

Board Recommendation

The Board (with Mr Kennedy abstaining), recommends that shareholders vote in favour of the re-election of Mr Kennedy. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Kennedy's re-election.

Resolution 9: Re-election of Dr Franklyn Prendergast as a Director of the Company

The Constitution of the Company requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. Dr Franklyn Prendergast being eligible, offers himself for re-election.

Dr Prendergast was appointed as a Non-Executive Director of the Company on 27 January 2016.

Dr Prendergast is the former Chair of the Department of Biochemistry and Molecular Biology and the former Director for Research at Mayo Clinic from 1989-1992. From 1989-1996, he was a member of the Board of Governors for Mayo Clinic, Rochester. From 1999-2007 inclusive, he was member of Mayo Clinic's Executive Committee, the most senior internal governance committee for the entire Mayo system. He served on Mayo Clinic's Board of Trustees continuously between 1992-2009. He was recognized as a Mayo Distinguished Investigator in 1988 and is the director emeritus, Mayo Clinic Cancer Center (1995-2006) and Director Emeritus for the Mayo Clinic Center for Individualized Medicine (2008-2012). Dr Prendergast retired from Mayo Clinic in December of 2014.

Dr Prendergast has been a member of the Eli Lilly Company Board of Directors since 1995. He served extensively for the National Institutes of Health (NIH) on numerous study section review groups; as a charter member of the Board of Advisors for the Division of Research Grants, now the Center for Scientific Review; the National Advisory General Medical Sciences Council; the Board of Scientific Advisors of the National Cancer Institute. He held a Presidential Commission for service on the National Cancer Advisory Board. Dr Prendergast also has served in numerous other advisory roles for the NIH. He was a member of the board of directors of the Translational Genomics Research Institute and the Infectious Disease Research Institute (IDRI).

Board Recommendation

The Board (with Dr Prendergast abstaining), recommends that shareholders vote in favour of the re-election of Dr Prendergast. The Chairman of the meeting intends to vote undirected proxies in favour of Dr Prendergast's re-election.

Resolution 10: Ratification of previous issue of Options

Resolution 10(a)

On 21 June 2018, the Company issued 12,225,000 unlisted Options to various Australian and US employees expiring 18 June 2023, exercisable at \$0.45 per Option subject to satisfaction of vesting conditions; and

These Options were issued without prior Shareholder approval under the Company's 15% annual placement capacity set out in ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that an entity must not, subject to specified exception, 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.

ASX Listing Rule 7.4 provides that where an entity in a 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.

Listing Rule Information

For the purposes of Listing Rule 7.5:

The number of securities issued:	12,225,000 Options
The price at which securities were issued:	The Options were issued at no cost
The terms of the securities:	The Options are unlisted and expire on 18 June 2023, exercisable at \$0.45 per Option subject to satisfaction of the following vesting conditions: All options within this class vest over a 5 year period, 20% after year one and then monthly thereafter
The basis on which the recipients of the securities were determined:	The Options were issued to various Australian and US employees as long term incentives under their employment contracts.
The use or intended use of the funds raised:	There were no funds raised in the issue of the Options. Funds raised from exercise of the Options will be used for working capital purposes.

Resolution 10(b)

On 21 June 2018, the Company issued 3,000,000 unlisted Options to Union Square Capital Advisors expiring 11 October 2020, exercisable at \$0.80 per Option vesting immediately.

These Options were issued without prior Shareholder approval under the Company's 15% annual placement capacity set out in ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that an entity must not, subject to specified exception, 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.

ASX Listing Rule 7.4 provides that where an entity in a 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.

Listing Rule Information

For the purposes of Listing Rule 7.5:

The number of securities issued:	3,000,000 Options
The price at which securities were issued:	The Options were issued at no cost
The terms of the securities:	The Options are unlisted and expire 11 October 2020, exercisable at \$0.80 per Option vesting immediately.
The basis on which the recipients of the securities were determined:	The Options were issued to Union Square Capital Advisors for the provision of corporate advisory services.
The use or intended use of the funds raised:	There were no funds raised in the issue of the Options. Funds raised from exercise of the Options will be used for working capital purposes.

Resolution 11: Approval of additional capacity to issue shares under Listing Rule 7.1A

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of Resolution 11 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 11, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

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

- A** is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the 12 months;
 - (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period)

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 5 October 2018 (**Current Share Price**) 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 on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.0325 50% decrease in Current Share Price	\$0.065 Current Share Price	\$0.13 100% increase in Current Share Price
Current Variable A 207,278,271 Shares	10% Voting Dilution	20,727,827 Shares	20,727,827 Shares	20,727,827 Shares
	Funds raised	\$673,654	\$1,347,309	\$2,694,618
50% increase in current Variable A 310,917,407 Shares	10% Voting Dilution	31,091,741 Shares	31,091,741 Shares	31,091,741 Shares
	Funds raised	\$1,010,482	\$2,020,963	\$4,041,926
100% increase in current Variable A 414,556,542 Shares	10% Voting Dilution	41,455,654 Shares	41,455,654 Shares	41,455,654 Shares
	Funds raised	\$1,347,309	\$2,694,618	\$5,389,235

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options (including any Options issued under the 10% Placement Facility) 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 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - 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.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The Current Share Price is **\$0.065** (6.5 cents), being the closing price of the Shares on ASX on **5 October 2018**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the 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; or

- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued expenditure on the Company's current business and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under listing rule 7.1A.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new businesses, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new businesses, assets or investments.

- (f) A voting exclusion statement is included in the Notice. 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 holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

Additional Disclosure under Listing Rule 7.3A.6

Information under Listing Rule 7.3A.6(a), the Company advises as follows:

Equity securities on issue at commencement of the 12-month period	224,083,198
Equity securities issued in the prior 12-month period	29,557,183
Percentage previous issues represent of total number of equity securities on issue at commencement of 12-month period	13.19%

* For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Appendix A. Included in this Appendix is a summary of the amount of funds raised as a result of the capital raisings during the previous 12 month period. Up to the date of this notice, excluding customer receipts during the period, the Company has spent all funds raised on acquisitions and working capital requirements raised.

Board Recommendation

The Board believes that Resolution 11 is in the best interests of the Company and unanimously recommends that shareholders vote in favour of this Resolution.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 11;

“**10% Placement Period**” has the meaning as defined in the Explanatory Statement for Resolution 11;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2018;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHES approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHES**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Medibio Limited ACN 008 130 336;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Convertible Security**” means a security of the Company which is convertible into shares;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of this Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2018 and which is set out in the 2018 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Section**” means a section of the Explanatory Statement;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

Appendix A Resolution 11 - Approval of 10% Placement Facility

CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
16 Jan 2018	500,000	FPO	FPO	Exercise of options	Option holder	\$0.10	N/A	\$50,000	Working capital purposes
Total									\$50,000

NON-CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
4 Dec 2017	1,974,294	FPO	FPO	Issue of shares to employees as approved at the Company 2017 Annual General Meeting	Employees	N/A	N/A	N/A	N/A
4 Dec 2017	3,000,000	OPT	Note 1	Issue of options to employees as approved at the Company 2017 Annual General Meeting	Employees and consultants	N/A	N/A	N/A	N/A
4 Dec 2017	3,000,000	OPT	Note 2	Issue of options to employees as approved at the Company 2017 Annual General Meeting	Employees and consultants	N/A	N/A	N/A	N/A
2 Mar 2018	1,836,512	FPO	FPO	Issue of shares to consultants for settlement of contractual obligations	Consultants	N/A	N/A	N/A	N/A
17 Apr 2018	384,264	FPO	FPO	Issued of shares as part of the acquisition consideration of Vital Conversations	Vendor	N/A	N/A	N/A	N/A
21 Jun 2018	12,225,000	OPT	Note 3	Issue of Options to eligible participants as a long term incentive to various U.S. employees under their employment contracts.	Employees	N/A	N/A	N/A	N/A
21 Jun 2018	3,637,113	OPT	Note 4	Issue of Options to Directors as approved by Shareholders	Directors	N/A	N/A	N/A	N/A
21 Jun 2018	3,000,000	OPT	Note 5	Issue of Options to Union Square Capital Advisors pursuant to the provision of corporate advisory services.	Consultants	N/A	N/A	N/A	N/A

Glossary

FPO Fully Paid Ordinary Shares

OPT Options

Notes

Note 1 Exercisable at \$0.40 (40 cents), expiring 30 November 2019

Note 2 Exercisable at \$0.40 (40 cents), expiring 30 November 2020

Note 3 Exercisable at \$0.45 (45 cents), expiring 18 June 2023

Note 4 Exercisable at \$0.44 (44 cents), expiring 18 June 2022

Note 5 Exercisable at \$0.80 (80 cents), expiring 11 October 2020

Appendix B

SET OUT BELOW IS THE LETTER FROM THE REQUISITIONING SHAREHOLDERS. THE BOARD DOES NOT ENDORSE THIS LETTER OR ITS CONTENTS. YOU SHOULD READ THE FOLLOWING IN CONJUNCTION WITH THE STATEMENT OF THE BOARD ON PAGE 1 OF THE NOTICE OF MEETING

28 September 2018

Motion to Remove Messrs Christopher Indermaur and Andrew Maxwell and Appointment of New Persons

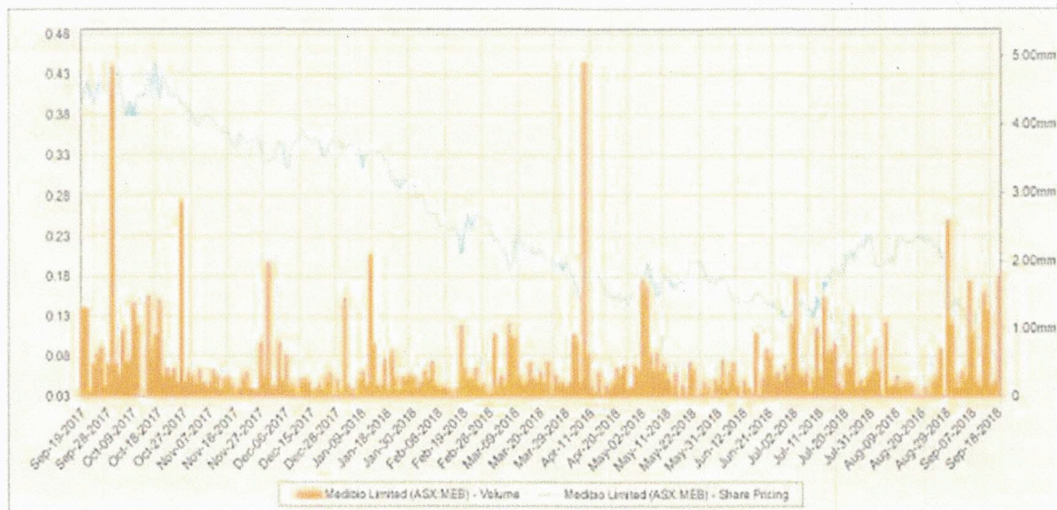
Dear Fellow Shareholders,

We are shareholders of Medibio Limited (MEB or Company) who collectively own 6.29% of the Company.

It is with regret that we are writing to you. However, the MEB share price is in a downward spiral and as concerned shareholders, we believe that action needs to be undertaken immediately, starting with the removal of Messrs Christopher Indermaur and Andrew Maxwell as directors and the appointment of Benjamin Grant Richardson, Peta Slocombe and Elias (Leo) Khouri to the Board. The collective skill matrix and background of these individuals are considered to be what MEB urgently requires.

In short, we believe, as evidenced from the large selling of MEB shares and sharp decline in the share price recently, that the market has lost confidence in Mr Indermaur's leadership. Secondly, Mr Maxwell has not, in our view, performed in his role as a person assisting the Board on corporate matters. We consider that this has contributed to Mr Indermaur's lack of performance.

The below graph demonstrates the sharp decline in MEB's share price over the past year:



We set out below our main reasons for moving for the removal of Messrs Indermaur and Maxwell:

1. Uncertain Circumstances Surrounding Mr Jack Cosentino and Resignation of Ms Peta Slocombe

As you are aware, MEB recently announced that Mr Jack Cosentino had "ceased to be Managing Director and CEO". The Company offered no reasons for this, and from the impressive key highlights listed in MEB's FY2018 annual report, we can only assume that Mr Cosentino's departure had nothing to do with his performance.

Ms Slocombe has now also resigned from as SVP, Corporate Health. Her departure means MEB has lost its only mental health professional and key person with medical device expertise. The poor handling of these key persons has, we believe, put at significant risk the company's commercialisation plans. The loss of such key persons without any explanation or appropriate succession plan, at such a critical phase for the Company, is unacceptable.

2. Lack of transparency in decision making, direction and poor judgement

As evidenced by the declining share price, the appointment of Mr Brian Mower as Acting CEO has not instilled confidence in shareholders. Under his leadership, there was a sudden departure of the Head of Quality and Regulatory which has not been announced. This person was the only MEB employee with FDA, quality and regulatory experience after Mr Cosentino's departure. In addition, the appointment of a major shareholder's wife in Ms Slocombe's place, suggests to us that band-aid solutions are being sought after

3. Lack of Transparency over the Clinical Trial Results

The announcement of MEB's clinical trial results on 6 September 2018 lacked clarity on a number of issues, including in particular, a lack of explanation as to the difference in the accuracy rate (now reported to be 70%) compared to previous market announcements of well over 80%. The Board's lack of transparency under the leadership of the Chairman is palpable from the Company's reluctance to provide shareholders with full information on such an important issue as MEB's clinical trial results.

4. Lack of Disclosure about Funding

As shareholders, we are extremely concerned over the Company's ability to trade as a going concern given its cash and burn rate position.

The Company's FY2018 preliminary financial report reveals cash less trade debtors and creditors as being a net \$2.8 million as at 30 June 2018 and the loss run rate as being well over \$1 million per month for the last financial year. Buried on page 32 of the preliminary report is also the following statement:

"The Group's ability to continue as a going concern is dependent upon the generation of cash from operations, the sufficiency of current cash reserves to meet existing obligations, the ability to reschedule planned research and development activity, raising of further equity and receipt of grant funding and research and development tax incentives."

With a rapidly falling share price and lack of confidence in the Board, the Company may, in our view, soon find itself forced into a position of having to issue shares at a price which is well below fair value, in order to raise the funds required to continue as a going concern. This would continue to adversely affect MEB's share price.

Certainly, this is not the time for the Board to be rejecting offers of finance, without serious consideration. A representative of an entity affiliated with Mr Elias Khouri recently provided the Board with a term sheet for a credit-only facility of up to \$10 million. The purpose of the proposed facility was to assist MEB in meeting its objectives, without the need to dilute shareholders. However, after following up with Mr Indermaur, Mr Khouri's representative was informed that his *"proposal hasn't been accepted or rejected"*, which in the current circumstances is unacceptable.

In our view, Mr Maxwell with his financial background should have taken an active involvement in any discussions with respect to funding. This does not appear to be the case.

5. Way Forward

In these circumstances, we are proposing that Messrs Indermaur and Maxwell be removed from the Board, and Messrs Richardson and Khouri and Ms Slocombe be appointed. The proposed nominees have different skill matrix:

- Mr Ben Richardson – he was most recently the Chief Technology Officer (CTO) of Innowell, one of the world's most progressive, mental health technology organisations backed by PwC and University of Sydney. He is the founder of numerous technology-based start-up companies, some of which have raised capital and/or been acquired.
- Ms Peta Slocombe – former SVC of MEB, who has a deep understanding of the technical needs of the business.
- Mr Elias (Leo) Khouri – an experienced company director in fundraising, M&A and corporate matters.

The proposed appointees, if appointed, propose to work with the MEB Board to:

- review leadership and executive positions;
- review strategy and direction; and
- formulate viable funding options.

We look forward to receiving your support.

Yours faithfully,

Members listed at Appendix 1

Shareholders at Appendix 1

Members giving Requisition to Call a General Meeting of Medibio Limited

Executed by Carakho Holdings Pty Ltd)
ACN 141 418 082 in accordance with Section)
127 of the Corporations Act 2001 (Cth))



Signature of director

Joshua Khouiri

Name of director

Signature of director/company secretary

Name of director/company secretary

Executed by SEK Investments Limited REG)
No. IC/3439/10 a company incorporated in)
U.A.E. in accordance with the laws of its)
jurisdiction of incorporation)



Signature of director

Silvi El Khouiri

Name of director

Signature of director/company secretary

Name of director/company secretary

Executed by Bejjol Pty Limited ACN 125 865)
830 in accordance with Section 127 of the)
Corporations Act 2001 (Cth))



Signature of director

Joshua Khouiri

Name of director



Signature of director/company secretary

Benjamin Khouiri

Name of director/company secretary

Executed by Mining Investments Limited)
REG No. IC/042/07 a company incorporated in)
U.A.E. in accordance with the laws of its)
jurisdiction of incorporation)



Signature of sole director

Elias Khouri

Name of director

Signature of director/company secretary

Name of director/company secretary

Executed by Gun Capital Management Pty)
Ltd ACN 091 221 546 in accordance with)
Section 127 of the Corporations Act 2001 (Cth))



Signature of director

Elias Khouri

Name of director



Signature of director/company secretary

Jacob Khouri

Name of director/company secretary

Executed by Joshua Khouri:


Joshua Khouri

Executed by Benjamin Khouri:

)
)



Benjamin Khouri

Executed by Peta Slocombe:

)
)



Peta Slocombe

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Proxy Form



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: 182209

SRN/HIN:

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 2:00pm (AEDT) Wednesday, 14 November 2018.**

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 →**



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.

Proxy Form

Please mark  to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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 Chartered Accountants Australia and New Zealand, Level 18, Bourke Place, 600 Bourke Street, Melbourne VIC 3000 on Friday, 16 November 2018 at 2:00pm (AEDT) 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 Item 6 (except where I/we have indicated a different voting intention below) even though Item 6 is 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 Item 6 by marking the appropriate box in step 2 below.

THE DIRECTORS UNANIMOUSLY (OTHER THAN MR INDERMAUR AND MR MAXWELL ABSTAINING) RECOMMEND THAT YOU VOTE AGAINST RESOLUTIONS 1 TO 5. THESE RESOLUTIONS HAVE NOT BEEN PROPOSED OR SUPPORTED BY THE BOARD. SHOULD ANY OF RESOLUTIONS 1 TO 5 BE PASSED, ALL REMAINING DIRECTORS WILL IMMEDIATELY RESIGN.

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.

Resolutions	Board Recommendation	For	Against	Abstain
1 Removal of Mr Christopher Indermaur as a Director of the Company	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Ms Peta Slocombe as a Director of the Company	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Removal of Mr Andrew Maxwell as a Director of the Company	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Mr Elias Khouri as a Director of the Company	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of Mr Benjamin Richardson as a Director of the Company	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Adoption of Remuneration Report	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Election of Mr Peter Carlisle as a Director of the Company	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Re-election of Mr Patrick Kennedy as a Director of the Company	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Re-election of Dr Franklyn Prendergast as a Director of the Company	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10(a) Ratification of previous issue of 12,225,000 Options	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10(b) Ratification of previous issue of 3,000,000 Options	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval of 10% additional placement capacity	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies against items of business 1 to 5 and in favour of items 6 to 11. 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

/ /