



MEDIBIO LIMITED
ACN 008 130 336

**Notice of Extraordinary General Meeting
Explanatory Statement and Proxy Form**

Date of Meeting:
Monday 19 August 2019

Time of Meeting:
11:00AM (AEST)

Place of Meeting:
**Gadens Lawyers
Level 25 Bourke Place
600 Bourke Street
Melbourne VIC 3000**

This Notice of Extraordinary 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of shareholders of Medibio Limited (“Medibio” or the “Company”) will be held at the offices of Gadens Lawyers, Level 25 Bourke Place, 600 Bourke Street, Melbourne, Victoria, 3000 at 11:00am (AEST) on Monday 19 August 2019 (“Extraordinary General Meeting or “Meeting”).

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

Resolutions 1 to 5 are "Inter-conditional Resolutions". If any one of Resolutions 1 to 5 is not passed, it will be deemed that none of Resolutions 1 to 5 are passed.

Resolution 1: Approval to Issue Placement Shares and Grant Free Attaching Options

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

“That, subject to each of Resolutions 2, 3, 4 and 5 being passed, for the purpose of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of up to 315,000,000 fully paid ordinary shares in the Company at an issue price of \$0.01 (1 cents) per share under a placement to professional and sophisticated investors together with 350,000,000 free attaching option exercisable at \$0.03 (3 cents) per option granted on the basis of one option for every fully paid ordinary share subscribed, pursuant to the terms and conditions described in the Explanatory Statement.”

Resolution 2: Approval to Grant Options to Holders of Convertible Notes

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

“That, subject to each of Resolutions 1, 3, 4 and 5 being passed, for the purpose of Listing Rules 7.1 and 10.11 and for all other purposes, shareholders approve the grant of up to 275,333,040 options in the Company with an exercise price of \$0.03 (3 cents) per option, to holders of all convertible notes on issue, pursuant to the terms and conditions described in the Explanatory Statement.”

Resolution 3: Approval to Grant Options to CPS Capital Group Pty Ltd or its nominee

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

“That, subject to each of Resolutions 1, 2, 4 and 5 being passed, for the purpose of Listing Rule 7.1 and for all other purposes, shareholders approves the grant of up to 90,000,000 options exercisable at \$0.03 (3 cents) per option to CPS Capital Group Pty Ltd or its nominee, pursuant to the terms and conditions described in the Explanatory Statement.”

Resolution 4: Approval to issue Shares and attaching Options to Shareholders in connection with Share Purchase Plan

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

*“That subject each of Resolutions 1, 2, 3, and 5 being passed, for the purpose of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of up to 52,000,000 fully paid ordinary shares in the Company at an issue price of \$0.01 (1 cents) per share (**SPP Shares**) to Eligible Shareholders under the Share Purchase Plan and up to 52,000,000 free attaching options exercisable at \$0.03 (3 cents) per option to Shareholders who subscribe for SPP Shares under the Share Purchase Plan on the basis of one option for every SPP Share subscribed and issued, details of which are set out in the Explanatory Statement.”*

Resolution 5: Approval to issue Shortfall Shares and attaching Options in connection with Share Purchase Plan

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

*“That subject to each of Resolutions 1, 2, 3, and 4 being passed, for the purpose of Listing Rule 7.1 and for all other purposes, shareholders approve the issue of up to 52,000,000 fully paid ordinary shares in the Company at an issue price of \$0.01 (1 cents) per share comprising the shortfall from the Share Purchase Plan (**Shortfall Shares**) to the SPP Underwriter, any sub-underwriter it appoints and any other investors that subscribe for Shortfall Shares, and up to 52,000,000 free attaching options exercisable at \$0.03 (3 cents) per option to persons who subscribe for Shortfall Shares on the basis of one option for every Shortfall Share subscribed and issued, details of which are set out in the Explanatory Statement.”*

Resolution 6: Approval to Grant Options to Mr David Kaysen

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

“That pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, approval be given to grant up to 15,000,000 unlisted options to Mr David Kaysen (Chair, Managing Director & CEO of the Company), or his nominee, pursuant to the terms and conditions described in the Explanatory Statement.”

Resolution 7: Approval to Grant Options to Ms Melanie Leydin

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

“That pursuant to and in accordance with Listing Rule 10.11, and for all other purposes, approval be given to grant up to 2,600,000 unlisted options to Ms Melanie Leydin (a Director of the Company), or her nominee, pursuant to the terms and conditions described in the Explanatory Statement.”

Resolution 8: Approval to Grant Options to Ms Jennifer Solitario

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

“That pursuant to and in accordance with Listing Rule 10.14, and for all other purposes, approval be given to grant up to 4,000,000 unlisted options to Ms Jennifer Solitario (an employee of the Company), or her nominee, pursuant to the terms and conditions described in the Explanatory Statement.”

Resolution 9: Ratification of Prior Issue of Shares under the Early Issue

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue of 35,000,000 fully paid ordinary shares in the Company at an issue price of \$0.01 (1 cents) per share on the terms and conditions described in the Explanatory Statement.”

By the order of the Board



Melanie Leydin
Company Secretary
Dated: 19 July 2019

Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Extraordinary 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 Extraordinary General Meeting. Only those persons will be entitled to vote at the Extraordinary General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.
3. **Proxies**
 - a. Votes at the Extraordinary 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 Extraordinary General Meeting, this is no later than 11.00am (AEST) on 17 August 2019. Any proxy received after that time will not be valid for the scheduled meeting.

4. 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.

5. How the Chairman will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chairman of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

6. Voting Exclusion Statements:

Resolution 1

The Company will disregard any votes cast in favour of the resolution by any persons who are 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 entity) including CPS Capital Group Pty Ltd (or its nominees) or any associate of those persons.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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:

- 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,

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), or an associate of those persons.

However the Company need not disregard a vote if:

- (a) 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
- (b) 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 3

The Company will disregard any votes cast in favour of the resolution by or on behalf of CPS Capital Group Pty Ltd, or any person(s) 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 entity), or an associate of that person.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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 4

The Company will disregard any votes cast in favour of the resolution by CPS Capital Group Pty Ltd, any sub-underwriter of the Share Purchase Plan, any investor who may receive securities under any Share Purchase Plan shortfall, and any person who might obtain a material benefit, except a benefit solely by reason of being a holder of ordinary securities in the entity, if this resolution is passed, or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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 5

The Company will disregard any votes cast in favour of the resolution by CPS Capital Group Pty Ltd and any other sophisticated or professional investors who may participate in the proposed issue of shortfall, including any proposed sub-underwriter of the Share Purchase Plan, and any person who might obtain a material benefit, except a benefit solely by reason of being a holder of ordinary securities in the entity, if this resolution is passed, or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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 6

Listing Rules

The Company will disregard any votes cast in favour of the resolution by or on behalf of David Kaysen, or any person(s) 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 entity), or an associate of that person.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

Corporations Act

In accordance with section 250BD of the Corporations Act, a vote on this resolution must not be cast by a person appointed as proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this resolution, but expressly authorises the Chairman to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 7

Listing Rules

The Company will disregard any votes cast in favour of the resolution by or on behalf of Melanie Leydin, or any person(s) 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 entity), or an associate of that person.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

Corporations Act

In accordance with section 250BD of the Corporations Act, a vote on this resolution must not be cast by a person appointed as proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this resolution, but expressly authorises the Chairman to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 8

Listing Rules

The Company will disregard any votes cast in favour of the resolution by or on behalf of Jennifer Solitario, or any person(s) 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 entity), or an associate of that person.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

Corporations Act

In accordance with section 250BD of the Corporations Act, a vote on this resolution must not be cast by a person appointed as proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this resolution, but expressly authorises the Chairman to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 9

The Company will disregard any votes cast in favour of the resolution by or behalf of the following persons that participated in the issue including CPS Capital Group Pty Ltd (or its nominees) or any associate of those persons

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

7. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on +61 3 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Background

The Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of each Resolution contained in this Notice of Extraordinary General Meeting. The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Resolution 1: Approval to Issue Placement Shares and Grant Free Attaching Options

Background

As announced by the Company on 10 July 2019, the Company is undertaking a capital raise in order to provide further working capital for the operations of the Company (**Capital Raise**). The Company has received commitments to raise up to \$3,500,000 by way of placements of securities (before costs) to professional and sophisticated investors (**Placement**) and seeks to raise up to a further \$520,000 under an underwritten share purchase plan which provides Eligible Shareholders the opportunity to subscribe up to \$15,000 worth of new fully paid ordinary shares and free attaching options (**Share Purchase Plan** or **SPP**).

CPS Capital Group Pty Ltd has been appointed as the lead manager for the Capital Raise (**Lead Manager**) pursuant to a mandate entered into with the Company. CPS Capital Group Pty Ltd has also been appointed to underwrite the Share Purchase Plan up to a shortfall amount of \$520,000 (**SPP Underwriter**).

Placement

The Company has now received commitments from professional and sophisticated investors (which include clients of the Lead Manager) to participate in the issue of up to 350,000,000 fully paid ordinary shares in the company (**Placement Share**) at an issue price of \$0.01 (1 cents) per Placement Share. The Company will also offer one free attaching option exercisable at \$0.03 (3 cents) for every Placement Share subscribed and issued (**Placement Option**). The Company intends to apply for quotation of the Placement Options subject to satisfaction of the quotation conditions under the Listing Rules. If the quotation conditions are not satisfied, the Placement Options will be unquoted.

The issue of Placement Shares and granting of Placement Options are conditional on the following:

- (a) Shareholders approve the issue of Placement Shares and grant of Placement Options; and
- (b) holders of all convertible notes issued by the Company (**Noteholders**) agreeing to convert all their outstanding notes into fully paid ordinary shares, with free attaching options on the same terms as the Placement Shares and Placement Options, so that there are no outstanding convertible notes on issue in the Company upon completion of the capital raise.

The issue of securities to Noteholders are described in more detail under Resolution 2.

Under the Lead Manager's mandate, the Lead Manager must use its best endeavours to procure places for the Placement Shares and Placement Options. In addition, the Lead Manager (or its nominee) will be offered up to 90,000,000 options the grant of which will be calculated on a pro-rata basis proportionate to the amount of Placement Shares and Placement Options issued and granted to places that are procured by the Lead Manager (**CPS Placement**). The options granted under the CPS Placement are described in more detail under Resolution 3.

Early issue of Placement Shares under existing placement capacity

In order to allow the Company to receive and utilise cash invested at the earliest opportunity, certain investors under the Capital Raise have been issued a total of 35,000,000 Placement Shares under the Company's existing Listing Rule 7.1 placement capacity. (**Early Issue**) Shareholders are asked to ratify the Early Issue under Resolution 9.

However, no Placement Options have yet been granted to those investors participating under the Early Issue. The granting of the 35,000,000 free attaching Placement Options will be conditional on the Company receiving Shareholder approval under this Resolution. If member approval is not obtained, and in order to

comply with terms of the Placement, the Company will seek to grant the Options to these investors on a progressive basis in accordance with its available placement capacity under Listing Rule 7.1.

Share Purchase Plan

The share purchase plan is proposed in order to provide Shareholders (insofar as they are an Eligible Shareholder under the SPP) the opportunity to subscribe up to \$15,000 worth of newly issued fully paid ordinary shares (**SPP Shares**) and free attaching options (**SPP Options**) in the Company under the same terms and conditions as the investors under the Capital Raise. The issue of the SPP Shares and grant of the SPP Options under the Share Purchase Plan to applicant Eligible Shareholders, and the issue of shortfall to the SPP Underwriter will require member approvals which are sought under Resolutions 4 and 5 respectively.

The offer of SPP Shares and SPP Options under the Share Purchase Plan will be made under a disclosure document pursuant to Chapter 6D of the Corporations Act, which will be announced on the ASX and distributed to Shareholders shortly after the date of this Notice of Meeting.

More details about the SPP is provided in the Explanatory Statement to those Resolutions.

Please note that each of Resolutions 1 to 5 are inter-conditional in nature. This means if any of Resolutions 1 to 5 are not approved by Shareholders, none of the Resolutions will be passed and the Capital Raise will not proceed.

ASX Listing Rules

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued in that 12 month period under an exception contained in Listing Rule 7.2 or with shareholders' approval.

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 total number of securities which may be issued under Resolution 1 is a maximum of:
 - a. 315,000,000 fully paid ordinary shares (**Placement Shares**); and
 - b. 350,000,000 options (the quotation of which will be subject to satisfying the quotation conditions in the Listing Rules) (**Placement Options**).
- (b) the Placement Shares will be issued at an issue price of \$0.01 (1 cents) per share to raise up to \$3,150,000 before costs of the Placement;
- (c) The Placement Options will be granted for nil consideration. The Placement Options will be exercisable at \$0.03 (3 cents), expiring on 1 December 2021 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The full terms of the Placement Options are detailed in Annexure A of this Explanatory Statement;
- (d) the recipients of the Placement Shares and Placement Options will be a mix of new and existing sophisticated and professional investors, none of whom are related parties of the Company, and will include investors who were identified by the Lead Managers in accordance with its mandate;
- (e) the Placement Shares and Placement Options may be allotted and/or issued progressively but in any event no later than three (3) months after the date of the Meeting;
- (f) the Placement Shares will rank pari passu with the Company's existing fully paid ordinary shares on issue. Upon exercise of the Placement Options, the optionholder will be issued a fully paid ordinary share which will rank pari passu with existing fully paid ordinary shares on issue;
- (g) the funds raised by the Company will be used to file its new De Novo application with the FDA, progress commercialising its ilumen™ product into different markets, finalise its revised CE mark,

and to meet costs of the Capital Raise. The additional working capital will enable the continued growth of the Company's current products alongside its future products; and

- (h) a voting exclusion statement is included in the Notice.

Board Recommendation

The Board unanimously recommends that the shareholders vote in favour of Resolution 1.

Resolution 2: Approval to Grant Options to Holders of Convertible Notes

Background

The Company currently has a total of 137,666,520 convertible notes on issue with a face value of \$0.02 (2 cents) per note (**Note**). The Notes have a maturity terms of 18 months from the date of issue however under the terms of a deed poll entered into by each Noteholder made in favour of the Company and the security trustee Melbourne Securities Corporation Limited (**Deed Poll**), each Noteholder has agreed to an early conversion of their Notes (**Conversion**).

Under their terms, the Notes convert to ordinary shares at the lessor of \$0.02 and the issue price under any subsequent capital raising by the Company prior to conversion. All Noteholders have agreed for early conversion of their Notes into fully paid ordinary shares at a conversion price equal to the issue price of the Placement Shares, being \$0.01 per share (**Conversion Share**). For every Conversion Share issued, the Noteholder will be offered one free attaching option exercisable at \$0.03 (3 cents) (**Conversion Option**). The terms of each Conversion Option will be the same as that of the Placement Option.

The Conversion is subject to and conditional upon satisfaction of a number of conditions on or before 5:00pm on 31 December 2019, which include necessary Shareholder approvals and the Company achieving a minimum raise amount under the Placement. As at the date of this Notice of Meeting, Shareholder approval is the last outstanding condition.

Upon Conversion, the Notes will be automatically cancelled. The effect of Conversion of all the Notes will be reduction of the Company's contingent liability to third parties by approximately \$2.75 million.

As the issue of the Notes have been approved by Shareholders on 21 January 2019, the Company is not seeking Shareholder approval for the issue of up to 275,333,040 Conversion Shares to the Noteholders listed in Table 1 below.

However the Company is seeking the approval of Shareholders for the granting of up to 275,333,040 Conversion Options to the Noteholders listed in Table 1 below. As with the Placement Options, the Company intends to apply for quotation of the Conversion Options subject to satisfaction of the quotation conditions under the Listing Rules. If the quotation conditions are not satisfied, the Conversion Options will be unquoted.

Table 1

Convertible Noteholder	Conversion Shares	Conversion Options
Hoperidge Enterprises ATF Jones Family Trust	40,000,000	40,000,000
Denlin Nominees Pty Ltd	10,000,000	10,000,000
Cabletime Pty Ltd ATF Ingodwe Trust	20,000,000	20,000,000
Oaktone Nominees Pty Ltd	10,000,000	10,000,000
Tisia Nominees Pty Ltd	20,000,000	20,000,000
Merrill Lynch (Australia) Nominees Pty Ltd <Regal Emerging Companies Fund II>	100,000,000	100,000,000
Brown Bricks Pty Ltd	15,000,000	15,000,000
CY Capital Pty Ltd	5,000,000	5,000,000
TIGA Trading Pty Ltd	25,000,000	25,000,000
Claude Solitario ATF Solitario Family Trust	30,333,040	30,333,040
Total	275,333,040	275,333,040

Please note that each of Resolutions 1 to 5 are inter-conditional in nature. This means if any of Resolutions 1 to 5 are not approved by Shareholders, none of the Resolutions will be passed and the Capital Raise will not proceed.

ASX Listing Rule 7.1

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued in that 12 month period under an exception contained in Listing Rule 7.2 or with shareholders' approval.

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 total number of securities which may be issued under Resolution 2 is a maximum of 275,333,040 options (the quotation of which will be subject to satisfying the quotation conditions in the ASX Listing Rules) (**Conversion Options**);
- (b) the Conversion Options will be granted in accordance with the Deed Polls and for nil cash consideration;
- (c) the Conversion Options will be exercisable at \$0.03 (3 cents), expiring on 1 December 2021 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The full terms of the Conversion Options are detailed in Annexure A of this Explanatory Statement;
- (d) upon exercise of the Conversion Options, the optionholder will be issued a fully paid ordinary share which will rank pari passu with existing fully paid ordinary shares on issue;
- (e) the recipients of the Conversion Options are detailed in the Table 1 above;
- (f) the Conversion Options may be granted progressively but in any event no later than three (3) months after the date of the Meeting;
- (g) the Conversion Options will be granted for nil cash consideration and thus no funds will be raised. However, the effect of Conversion of all the Notes mean that the Company's contingent liability to third parties is reduced by approximately \$2.75 million. Funds raised upon exercise of the Conversion Options will be applied to the working capital requirements of the Company at the time of exercise; and
- (h) a voting exclusion statement is included in the Notice.

ASX Listing Rule 10.11 and Corporations Act

The Company is also seeking Shareholder approval to grant Conversion Options to Noteholder Claude Solitario. Mr Solitario is a non-executive Director of the Company and therefore is a related party under Listing Rules and the Corporations Act.

The Board has formed the view that the grant of Conversion Options to Mr Solitario does not require Shareholder approval under section 208 of the Corporations Act as the grants are made on "arm's length terms" in accordance with section 210 of the Corporations Act. Accordingly, the Board is not seeking Shareholder approval under section 208 of the Corporations Act.

In reaching this view, the Board considers the proposed grant of Conversion Options to Mr Solitario will be made on the same terms and conditions as for all Noteholders in accordance with the Deed Polls, which were entered into by the Noteholders dealing on arm's length terms with the Company.

However, the Company is required to seek approval under Listing Rule 10.11 for the grant of Conversion Options to Mr Solitario.

Listing Rule 10.11 requires approval of Shareholders before securities can be issued to a related party. If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1.

The following information is given under Listing Rule 10.13 in relation to the Conversion Options that are proposed to be granted to Mr Claude Solitario:

- (a) 30,333,040 Conversion Options will be issued to Mr Claude Solitario in his capacity as trustee for the Solitario Family Trust;
- (b) the Conversion Options will be granted for nil consideration;
- (c) the Conversion Options will be exercisable at \$0.03 (3 cents), expiring on 1 December 2021 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The full terms of the Conversion Options are detailed in Annexure A of this Explanatory Statement;
- (d) upon exercise of the Conversion Options, the optionholder will be issued a fully paid ordinary share which will rank pari passu with existing fully paid ordinary shares on issue;
- (e) the Conversion Options will be granted no later than one month after the Meeting;
- (f) the Conversion Options will be granted for nil cash consideration, and thus no funds will be raised. However, the effect of Conversion of the Notes held by Claude Mr Solitario means that the Company's contingent liability to Mr Solitario (in his capacity as trustee of the Solitario Family Trust) is reduced by approximately \$303,330.40. Funds raised upon exercise of the Conversion Options will be applied to the working capital requirements of the Company at the time of exercise; and
- (g) a voting exclusion statement is contained within this Notice.

Board Recommendation

The Board (with Mr Solitario abstaining) recommends that the shareholders vote in favour of Resolution 2.

Resolution 3: Approval to Grant Options to CPS Capital Group Pty Ltd or its nominee

Background

As described above in Resolution 1, under the mandate agreement entered into between the Lead Manager and the Company for the Capital Raise, the Lead Manager must use its best endeavours to procure places for the Placement Shares and Placement Options. In addition, the Lead Manager (or its nominee) will be offered to subscribe for up to 90,000,000 options the grant of which will be calculated on a pro-rata basis proportionate to the amount of Placement Shares and Placement Options issued and granted to those investors that are procured by the Lead Manager (**CPS Placement**).

The consideration payable for each option granted under the CPS Placement (**CPS Option**) will be \$0.00001 (for a total of \$900). Under the Lead Manager's mandate, the grant of the CPS Options is subject to Shareholder approval, for which the Company must use its reasonable endeavours to procure. Otherwise, the CPS Options will be granted under the Company's placement capacity as available from time to time.

The CPS Options will be granted on the same terms as the Placement Options and Conversion Options. As with the Placement Options and Conversion Options, the Company intends to apply for quotation of the CPS Options subject to satisfaction of the quotation conditions under the Listing Rules. If the quotation conditions are not satisfied, the CPS Options will be unquoted.

Please note that each of Resolutions 1 to 5 are inter-conditional in nature. This means if any of Resolutions 1 to 5 are not approved by Shareholders, none of the Resolutions will be passed and the Capital Raise will not proceed.

ASX Listing Rules

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number

of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued in that 12 month period under an exception contained in Listing Rule 7.2 or with shareholders' approval.

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 total number of securities which may be issued under Resolution 3 is a maximum of 90,000,000 options (the quotation of which will be subject to satisfying the quotation conditions in the ASX Listing Rules) (**CPS Options**). The CPS Options will be granted on a pro-rata basis proportionate to the investors procured by the Lead Manager for the Capital Raise;
- (b) consideration payable for each CPS Option granted will be \$0.00001 (0.001 cent), which will raise up to a maximum of \$900;
- (c) the CPS Options will be exercisable at \$0.03 (3 cents), expiring on 1 December 2021 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The full terms of the CPS Options are detailed in Annexure A of this Explanatory Statement;
- (d) the CPS Options will be granted to CPS Capital Group Pty Ltd (or its nominee);
- (e) the CPS Options may be granted progressively but in any event no later than three (3) months after the date of the Meeting;
- (f) upon exercise of the CPS Options, the optionholder will be issued a fully paid ordinary share which will rank pari passu with existing fully paid ordinary shares on issue;
- (g) the funds raised from the CPS Options will be used for ongoing working capital purposes; and
- (h) a voting exclusion statement is included in the Notice.

Board Recommendation

The Board unanimously recommends that the shareholders vote in favour of Resolution 3.

Resolution 4: Approval to issue SPP Shares and attaching SPP Options to Shareholders in connection with Share Purchase Plan

Background

Under the Share Purchase Plan, eligible Shareholders (i.e. Shareholders with an address in Australia or New Zealand who are on the register as at 7pm on the record date of 9 July 2019) will be entitled to acquire up to \$15,000 worth of new fully paid ordinary shares at \$0.01 per share (**SPP Share**). For every SPP Share subscribed and issued under the Share Purchase Plan, the Company will offer one free attaching option (**SPP Option**) on the same terms and conditions as the Placement Options. The Company is seeking to raise \$520,000 under the SPP before costs.

The Share Purchase Plan is underwritten by the SPP Underwriter to acquire up to a maximum amount of \$520,000 in shortfall SPP Shares (**Shortfall Shares**). In accordance with the terms of the Share Purchase Plan, for every Shortfall Share subscribed and issued under the Share Purchase Plan the Company will offer one free attaching SPP Option. The Company intends to apply for quotation of the SPP Options subject to satisfaction of the quotation conditions under the Listing Rules. If the quotation conditions are not satisfied, the SPP Options will be unquoted.

The offer of SPP Shares and SPP Options under the Share Purchase Plan will be made under a disclosure document lodged with ASIC pursuant to Chapter 6D of the Corporations Act, which will be announced on the ASX and distributed to Shareholders shortly after the date of this Notice of Meeting.

Accordingly, Resolution 4 seeks Shareholder approval to issue up to the maximum of \$520,000 worth of SPP Shares (up to 52,000,000 new SPP Shares) and the grant of up to 52,000,000 SPP Options to Eligible Shareholders who apply under the Share Purchase Plan.

The Company has been granted an ASX waiver from the requirement to include a voting exclusion statement under Listing Rule 7.3.8. Without the ASX waiver, Eligible Shareholders who intended to participate in the Share Purchase Plan would be prohibited from voting on Resolution 4.

Please note that each of Resolutions 1 to 5 are inter-conditional in nature. This means if any of Resolutions 1 to 5 are not approved by Shareholders, none of the Resolutions will be passed and the Capital Raise will not proceed.

ASX Listing Rules

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued in that 12 month period under an exception contained in Listing Rule 7.2 or with shareholders' approval.

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:
 - a. SPP Shares to be issued is 52,000,000 fully paid ordinary shares; and
 - b. SPP Options to be granted is 52,000,000 options.
- (b) the SPP Shares will be issued at an issue price of \$0.01 (1 cents) per share to raise up to \$520,000 before costs of the Share Purchase Plan;
- (c) The SPP Options will be granted for nil consideration. The SPP Options will be exercisable at \$0.03 (3 cents), expiring on 1 December 2021 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The full terms of the SPP Options are detailed in Annexure A of this Explanatory Statement;
- (d) The SPP Shares and SPP Options will be issued to eligible Shareholders who participate in the Share Purchase Plan. The SPP Options will be offered and granted on the basis of an entitlement to one SPP Option for every one SPP Share subscribed for and issued.
- (e) the SPP Shares and SPP Options may be allotted and/or issued progressively but in any event no later than three (3) months after the date of the Meeting;
- (f) the SPP Shares will rank pari passu with the Company's existing fully paid ordinary shares on issue. Upon exercise of the SPP Options, the optionholder will be issued a fully paid ordinary share which will rank pari passu with existing fully paid ordinary shares on issue;
- (g) the funds raised by the Company will be used to file its new De Novo with the FDA, progress commercialising its ilumen™ product into different markets, and finalise its revised CE mark. The additional working capital will enable the continued growth of the Company's current products alongside its future products; and
- (h) a voting exclusion statement is included in the Notice.

Board Recommendation

The Board unanimously recommends that the shareholders vote in favour of Resolution 4.

Resolution 5: Approval to issue Shortfall Shares and attaching SPP Options in connection with Share Purchase Plan

Background

Under the Share Purchase Plan, eligible Shareholders (i.e. Shareholders with an address in Australia or New Zealand who are on the register as at 7pm on the record date of 9 July 2019) will be entitled to acquire up to \$15,000 worth of new fully paid ordinary shares at \$0.01 per share (**SPP Share**). For every SPP Share subscribed and issued under the Share Purchase Plan, the Company will offer one free attaching option (**SPP Option**) on the same terms and conditions as the Placement Options. The Company is seeking to raise \$520,000 under the SPP before costs.

The Share Purchase Plan is underwritten by the SPP Underwriter to acquire up to a maximum amount of \$520,000 in shortfall SPP Shares (**Shortfall Shares**).

Accordingly, if no subscriptions are received for SPP Shares under the Share Purchase Plan, the SPP Underwriter will be required to subscribe for \$520,000 worth of Shortfall Shares. Likewise, if subscriptions are received for \$520,000 worth of SPP Shares under the Share Purchase Plan, the SPP Underwriter will not have any obligation to subscribe for Shortfall Shares. In accordance with the terms of the Share Purchase Plan, for every Shortfall Share subscribed and issued to the SPP Underwriter under the Share Purchase Plan the Company will offer the SPP Underwriter one free attaching SPP Option (**Shortfall Option**). The Company intends to apply for quotation of the Shortfall Options subject to satisfaction of the quotation conditions under the Listing Rules. If the quotation conditions are not satisfied, the Shortfall Options will be unquoted.

The Directors have reserved the right to place all of the Shortfall Shares under the Share Purchase Plan and grant all corresponding SPP Options, to the SPP Underwriter, any sub-underwriter appointed by the SPP Underwriter, and any other sophisticated or professional investors (to the extent that the Shortfall Shares are not underwritten) as a separate placement.

Accordingly, Resolution 5 seeks Shareholder approval to issue up to the maximum of \$520,000 worth of Shortfall Shares (up to 52,000,000 new Shortfall Shares) and the grant of up to 52,000,000 Shortfall Options, to the SPP Underwriter, any sub-underwriter appointed by the SPP Underwriter and any other sophisticated or professional investors (to the extent that the Shortfall Shares are not underwritten). This assumes that no Shareholders subscribe for SPP Shares under the Share Purchase Plan.

As indicated in the Explanatory Statement to Resolution 4, the Company has been granted an ASX waiver from the operation of the voting exclusion statement in Listing Rule 7.3.8 to allow Shareholders to vote on Resolution 4, including those Eligible Shareholders who intend to participate in the Share Purchase Plan.

Please note that each of Resolutions 1 to 5 are inter-conditional in nature. This means if any of Resolution 1 to 5 are not approved by Shareholders, none of the Resolutions will be passed and the Capital Raise will not proceed.

ASX Listing Rules

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued in that 12 month period under an exception contained in Listing Rule 7.2 or with shareholders' approval.

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:
 - a. Shortfall Shares to be issued is 52,000,000 fully paid ordinary shares; and
 - b. Shortfall Options to be granted is 52,000,000 options.

- (b) the Shortfall Shares will be issued at an issue price of \$0.01 (1 cents) per share to raise up to \$520,000 before costs of the Share Purchase Plan;
- (c) The Shortfall Options will be granted for nil consideration. The Shortfall Options will be exercisable at \$0.03 (3 cents), expiring on 1 December 2021 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The full terms of the Shortfall Options are detailed in Annexure A of this Explanatory Statement;
- (d) The Shortfall Shares and Shortfall Options will be issued to the SPP Underwriter, any sub-underwriter appointed by the SPP Underwriter and any other sophisticated or professional investors (to the extent that the Shortfall Shares are not underwritten). The Shortfall Options will be offered and granted on the basis of an entitlement to one Shortfall Option for every one Shortfall Share subscribed for and issued.
- (e) the Shortfall Shares and Shortfall Options may be allotted and/or issued progressively but in any event no later than three (3) months after the date of the Meeting;
- (f) the Shortfall Shares will rank pari passu with the Company's existing fully paid ordinary shares on issue. Upon exercise of the Shortfall Options, the optionholder will be issued a fully paid ordinary share which will rank pari passu with existing fully paid ordinary shares on issue;
- (g) the funds raised by the Company will be used to file its new De Novo with the FDA, progress commercialising its ilumen™ product into different markets, and finalise its revised CE mark. The additional working capital will enable the continued growth of the Company's current products alongside its future products; and
- (h) a voting exclusion statement is included in the Notice.

Board Recommendation

The Board unanimously recommends that the shareholders vote in favour of Resolution 5.

Resolution 6: Approval to Grant Options to Mr David Kaysen

Background

Resolution 6 seeks Shareholder approval for the Company to grant up to 15,000,000 unlisted options (**Kaysen Options**) to Mr David Kaysen (Chair, Managing Director and CEO of the Company) on the terms as outlined below.

The grant of the Kaysen Options (and the subsequent issue of fully paid ordinary shares if the options are exercised) to Mr Kaysen is intended to act as a performance incentive and to align the interests of Mr Kaysen with that of the long-term interest of the Company.

Corporations Act

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include a director of the public company. A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party. Mr Kaysen is a Director of the Company and thus a related party for the purposes of Chapter 2E of the Corporations Act.

The Board has formed the view that the grant of Kaysen Options to Mr Kaysen (or his respective nominee) do not require Shareholder approval under section 208 of the Corporations Act as the grant constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act. Accordingly, the Board is not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

In reaching this view, the Board considers the proposed grant of Kaysen Options aligns the interests of Mr Kaysen with the interests of Shareholders. The grant of Kaysen Options to Mr Kaysen is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Company believes it is appropriate to grant the Kaysen Options to Mr Kaysen. Smaller entities with limited cash resources often elect to use equity instruments to remunerate directors to attract and retain high calibre individuals while minimising the cash cost of engaging those people.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate Mr Kaysen in line with current market practices, the Kaysen Options provide an appropriate and meaningful remuneration component to the Director that is aligned with Shareholder interests.

ASX Listing Rule 10.11

Listing Rule 10.11 requires approval of shareholders before securities can be issued to a related party. If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1.

The following information is given under Listing Rule 10.13 in relation to the Kaysen Options that are proposed to be granted to Mr Kaysen:

- (a) the Kaysen Options will be granted to Mr Kaysen (or his nominee);
- (b) the maximum number of Kaysen Options to be granted is 15,000,000 options;
- (c) each Kaysen Option will have an exercise price equal to the closing share price at the grant date, expire five (5) years from the date of grant and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company;
- (d) full terms of the Kaysen Options are set out in Annexure B of this Explanatory Statement;
- (e) Kaysen Options will be granted no later than one month after the Meeting;
- (f) the Kaysen Options will be granted for nil consideration, as such no cash will be raised from grant of the options. Funds raised upon exercise of the Kaysen Options will be applied to the working capital requirements of the Company at the time of exercise; and
- (g) a voting exclusion statement is contained within this Notice.

Board Recommendation

The Board unanimously (with Mr Kaysen abstaining) recommends that the shareholders vote in favour of Resolution 6.

Resolution 7: Approval to Grant Options to Ms Melanie Leydin

Background

Resolution 7 seeks Shareholder approval for the Company to grant up to 2,600,000 unlisted options (**Leydin Options**) to Ms Melanie Leydin (or her nominee). Ms Leydin is a Director of the Company.

The Company proposes to grant the Leydin Options to Ms Leydin in consideration for her services provided to the Company as a Director effective from her appointment date of 22 February 2019.

Corporations Act

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include a director of the public company. A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party. Ms Leydin is a Director of the Company and thus a related party for the purposes of Chapter 2E of the Corporations Act.

The Board has formed the view that the grant of Leydin Options to Ms Leydin (or her respective nominees) do not require Shareholder approval under section 208 of the Corporations Act as the grant constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act. Accordingly, the Board is not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to Listing Rule 10.11.

In reaching this view, the Board considers the proposed grant of Leydin Options aligns the interests of Ms Leydin with the interests of Shareholders. The grant of Leydin Options to Ms Leydin is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Company believes it is appropriate to grant the Leydin Options to Ms Leydin. Smaller entities with limited cash resources often elect to use equity instruments to remunerate directors to attract and retain high calibre individuals while minimising the cash cost of engaging those people.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate Ms Leydin in line with current market practices, the Leydin Options provide an appropriate and meaningful remuneration component to the Director that is aligned with Shareholder interests.

ASX Listing Rule 10.11

Listing Rule 10.11 requires approval of shareholders before securities can be issued to a related party. If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1.

The following information is given under Listing Rule 10.13 in relation to the Leydin Options that are proposed to be granted to Ms Leydin:

- (a) the Leydin Options will be granted to Ms Leydin (or her nominee);
- (b) the maximum number of Leydin Options to be granted is 2,600,000;
- (c) each Leydin Option will have an exercise price equal to the 30 day VWAP prior to the grant date, expire four (4) years from the date of grant and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company;
- (d) full terms of the Leydin Options are set out in Annexure B of this Explanatory Statement;
- (e) the Leydin Options will be granted no later than one month after the Meeting;
- (f) the Leydin Options will be granted for nil consideration, as such no cash will be raised from issue of the Leydin Options. Funds raised upon exercise of the Leydin Options will be applied to the working capital requirements of the Company at the time of exercise; and
- (g) a voting exclusion statement is contained within this Notice.

Board Recommendation

The Board unanimously (with Ms Leydin abstaining) recommends that the shareholders vote in favour of Resolution 7.

Resolution 8: Approval to Grant Options to Ms Jennifer Solitario

Background

Resolution 8 seeks Shareholder approval for the Company to grant up to 4,000,000 unlisted options to Senior Vice President Corporate Health, Ms Jennifer Solitario (**Solitario Options**) under the Company's Employee Incentive Option Plan (**ESOP**). The Company seeks approval under Listing Rule 10.14 given Ms Solitario is an associate (as defined in the Listing Rules) of a Director of the Company.

The Company advises that under the terms of the ESOP Directors are not considered eligible participants under the plan.

Corporations Act

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include the spouse of a director of the public company. A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party. Ms Solitario is a spouse of Director Mr Claude Solitario and thus a related party for the purposes of Chapter 2E of the Corporations Act.

The Board has formed the view that the grant of Solitario Options to Ms Solitario (or her respective nominees) do not require Shareholder approval under section 208 of the Corporations Act as the grant constitutes "reasonable remuneration" in accordance with section 211 of the Corporations Act.

In reaching this view, the Board considers the proposed grant of Solitario Options aligns the interests of Ms Solitario with the interests of Shareholders. The grant of Solitario Options to Ms Solitario is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Company believes it is appropriate to grant the Solitario Options to Ms Solitario. Smaller entities with limited cash resources often elect to use equity instruments to remunerate employees to attract and retain high calibre individuals while minimising the cash cost of engaging those people.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate Ms Solitario in line with current market practices, the Solitario Options provide an appropriate and meaningful remuneration component to Ms Solitario that is aligned with Shareholder interests.

ASX Listing Rule

Listing Rule 10.14 provides that a listed company must not permit an "associate" (as defined in the Listing Rules) of a director to acquire securities under an employee incentive scheme without shareholder approval. As Ms Solitario is an "associate" (as defined in the Listing Rules) of Director Mr Claude Solitario, Shareholder approval for the participation of Ms Solitario under the ESOP is required under Listing Rule 10.14.

Ordinarily, Shareholder approval under Listing Rule 10.11 would be required for the granting of the Solitario Options as Ms Solitario is a related party of the Company. However pursuant to exception 4 of Listing Rule 10.12, Shareholder approval under Listing Rule 10.11 is not required if approval under Rule 10.14 is obtained.

Accordingly, the Board is not seeking Shareholder approval under section 208 of the Corporations Act or Listing Rule 10.11, instead Shareholder approval is being obtained pursuant to Listing Rule 10.14.

ASX Listing Rule 10.14

The following information is given under Listing Rule 10.15 in relation to the Solitario Options that are proposed to be granted to Ms Solitario:

- (a) Ms Solitario is a spouse of Director Mr Claude Solitario and thus is an "associate" as defined in the ASX Listing Rules due to the spousal relationship being a "related party" relationship as defined in the ASX Listing Rules;
- (b) the maximum number of Solitario Options to be granted is 4,000,000;
- (c) the Solitario Options will be granted for nil consideration, as such no cash will be raised from the grant of the Solitario Options. Funds raised upon exercise of the Solitario Options will be applied to the working capital requirements of the Company at the time of exercise;
- (d) each Solitario Option will have an exercise price equal to the closing share price at the grant date, expire five (5) years from the date of grant and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. Full terms of the Solitario Options are set out in Annexure B of this Explanatory Statement;
- (e) the Company's Employee Incentive Option Plan was approved by shareholders on 15 May 2019 however there have been no securities issued or granted under the ESOP plan approved under Listing Rule 10.14;
- (f) Ms Jennifer Solitario is entitled to participate in the Company's ESOP;
- (g) a voting exclusion statement is contained within this Notice;

- (h) the acquisition price is Nil for the Solitario Options and as such there are no loans terms applicable; and
- (i) the Solitario Options will be granted no later than 12 months after the Meeting.

Board Recommendation

The Board unanimously (with Mr Solitario abstaining) recommends that the shareholders vote in favour of Resolution 8.

Resolution 9: Ratification of Shares issued under the Early Issue

Background

As described under Resolution 1 in this Explanatory Statement, in order to allow the Company to receive and utilise cash invested at the earliest opportunity, certain investors under the Capital Raise have been issued a total of 35,000,000 Placement Shares under the Company's existing Listing Rule 7.1 placement capacity. **(Early Issue)**

Resolution 9 seeks Shareholders approval to ratify the previous issue of Placement Shares under the Early Issue **(Ratification Shares)**.

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued in that 12 month period under an exception contained in Listing Rule 7.2 or with shareholders' approval.

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 Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of approving Resolution 9 will be to retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity as set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The following information is given under Listing Rule 7.5 in relation to the Ratification Shares:

- (a) The number of securities issued – 35,000,000 fully paid ordinary shares;
- (b) The price at which the securities were issued – \$0.01 per share;
- (c) The terms of the securities – the Ratification Shares are fully paid and rank equally in all respects with the Company's other fully paid ordinary shares on issue;
- (d) The securities were issued to CPS Capital Group Pty Ltd (or its nominees);
- (e) The funds raised by the Company will be used to file its new De Novo application with the FDA, progress commercialising its ilumen™ product into different markets, and finalise its revised CE mark. The additional working capital will enable the continued growth of the Company's current products alongside its future products; and
- (f) a voting exclusion statement is contained within this Notice.

GLOSSARY

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

“\$” means Australian Dollars;

“**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 CHESS approved securities;

“**AEST**” means Australian Eastern Standard Time.

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

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Capital Raise**” means a capital raise undertaken by the Company to raise up to \$3,500,000 by way of placements and \$520,000 under an underwritten share purchase plan;

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

“**CHESS**” 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;

“**Conversion**” has the meaning in the Explanatory Statement for Resolution 2;

“**Conversion Option**” has the meaning in the Explanatory Statement for Resolution 2;

“**Conversion Share**” has the meaning in the Explanatory Statement for Resolution 2;

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

“**CPS Option**” has the meaning in the Explanatory Statement for Resolution 3;

“**CPS Placement**” has the meaning in the Explanatory Statement for Resolution 3;

“**Deed Poll**” has the meaning in the Explanatory Statement for Resolution 2;

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

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

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

“**Kaysen Option**” has the meaning in the Explanatory Statement for Resolution 6;

“**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;

“**Lead Manager**” means CPS Capital Group Pty Ltd;

“**Leydin Option**” has the meaning in the Explanatory Statement for Resolution 7;

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

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

“**Note**” has the meaning in the Explanatory Statement for Resolution 2;

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

“**Placement Option**” has the meaning in the Explanatory Statement for Resolution 1;

“**Placement Share**” has the meaning in the Explanatory Statement for Resolution 1;

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

“**Ratification Share**” has the meaning the Explanatory Statement for Resolution 9;

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

“**Schedule**” means schedule to 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;

“**Share Purchase Plan**” or “**SPP**” means the underwritten share purchase plan to raise up to \$520,000 which will provide Eligible Shareholders the opportunity to subscribe up to \$15,000 worth of new fully paid ordinary shares and free attaching options;

“**Shortfall Option**” means a free attaching option offered to the subscriber of a Shortfall Share;

“**Shortfall Share**” means any SPP Share not subscribed for under the Share Purchase Plan;

“**Solitario Option**” has the meaning in the Explanatory Statement for Resolution 8;

“**SPP Option**” means a free attaching option offered to the subscriber of a SPP Share;

“**SPP Share**” means a fully paid ordinary share in the Company at an issue price of \$0.01 per share offered under the Share Purchase Plan;

“**SPP Underwriter**” means CPS Capital Group Pty Ltd as the underwriter to the Share Purchase Plan;

“**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.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Placement Options, Conversion Options, CPS Options, SPP Options and Shortfall Options to be granted pursuant to Resolutions 1, 2, 3, 4 and 5 (together the "Options") are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one fully paid ordinary share (**Share**) in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the issue date.
- (ii) The final date and time for exercise of the Options is 5pm (AEDT) on 1 December 2021. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) The exercise price per option will be \$0.03 (3 cents).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- (vi) Remittances must be made payable to 'Medibio Limited' and cheques should be crossed 'Not Negotiable'.
- (vii) All Options will lapse on the earlier of the
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) Subject to meeting the requirements of the ASX Listing Rules and the Corporations Act, the Company may apply to ASX for Official Quotation of the Options but makes no guarantee that it will make any such application, or that if an application for Official Quotation is made that it will be successful.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the ASX Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the ASX Listing Rules applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
 - (a) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (b) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (c) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (d) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (e) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (f) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.

- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

ANNEXURE B

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Kaysen Options, Leydin Options and Solitario Options to be granted pursuant to Resolutions 6, 7 and 8 (when referred to collectively, the "**Options**") are as follows:

Terms of Options

Resolution	Party	Exercise Price	Expiry Date	Vesting Conditions
6 – Kaysen Options	Mr David Kaysen	Closing price at grant date	5 years from the date of grant	1. 25% on date of grant 2. 25% on 1st anniversary of grant 3. 25% on 2nd anniversary of grant 4. 25% on 3rd anniversary of grant
7 – Leydin Options	Ms Melanie Leydin	30 day VWAP up to and including the date of grant	4 years from the date of grant	Vest immediately
8 – Solitario Options	Ms Jennifer Solitario	Closing price at grant date	5 years from the date of grant	1. 25% on date of grant 2. 25% on 1st anniversary of grant 3. 25% on 2nd anniversary of grant 4. 25% on 3rd anniversary of grant

Other general terms of the options are set out below.

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one fully paid ordinary share (**Share**) in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (ii) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- (iii) Remittances must be made payable to 'Medibio Limited' and cheques should be crossed 'Not Negotiable'.
- (iv) All Options will lapse on the earlier of the
 - A. receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - B. expiry of the final date and time for exercise of the Option.
- (v) Vested Options will expire 1 month following cessation of employment unless otherwise determined by the Board (excluding the Leydin Options granted under Resolution 7).
- (vi) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(d) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the ASX Listing Rules applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
 - (a) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (b) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (c) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (d) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (e) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (f) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(e) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:


- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.

- S = the subscription price for a security under the pro-rata issue.
D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

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

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

Proxy Form

XX



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 11:00am (AEST) on Saturday, 17 August 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

XX

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 Extraordinary General Meeting of Medibio Limited to be held at Gadens Lawyers, Level 25 Bourke Place, 600 Bourke Street, Melbourne VIC 3000 on Monday, 19 August 2019 at 11:00am (AEST) 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 Approval to Issue Placement Shares and Grant Free Attaching Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to Grant Options to Holders of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Grant Options to CPS Capital Group Pty Ltd or its nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Shares and attaching Options to Shareholders in connection with Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to issue Shortfall Shares and attaching Options in connection with Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to Grant Options to Mr David Kaysen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to Grant Options to Ms Melanie Leydin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to Grant Options to Ms Jennifer Solitario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Ratification of Prior Issue of Shares under the Early Issue	<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 / /