

9 October 2020

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Medibio Limited (the “Company”) will be held virtually via a webinar conferencing facility at 11.00am (AEDT) on Thursday, 12 November 2020 (“Annual General Meeting” or “Meeting”).

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead the Notice of Meeting and accompanying explanatory statement (Meeting Materials) including Company’s 2020 Annual Report are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials and Medibio’s 2020 Annual Report online at the Company’s website <https://medibio.com.au/> or at the Company’s share registry’s voting website www.investorvote.com.au.
- A complete copy of the Meeting Materials and Medibio’s 2020 Annual Report has been posted to the Company’s ASX Market announcements page at www.asx.com.au under the Company’s ASX code “MEB”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.
- You can also download Medibio’s 2020 Annual Report from the link <https://www.asx.com.au/asxpdf/20200925/pdf/44n0cm2gv52gtl.pdf>

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.computershare.com/au>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Computershare on <https://www.computershare.com/au> or by phone on +61 (0)3 9415 4000 or 1300 850 505 (within Australia) between 8:30am and 7:00pm (AEST) Monday to Friday, to obtain a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Meeting will be held via a webinar conferencing facility. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,



Mathew Watkins
Joint Company Secretary
Medibio Limited

MEDIBIO LIMITED

ACN 008 130 336

Level 4 100 Albert Road
South Melbourne Victoria 3205 Australia
Tel +61 3 9692 7222



MEDIBIO LIMITED
ACN 008 130 336

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

Date of Meeting:
Thursday, 12 November 2020

Time of Meeting:
11.00am (AEDT)

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no.1) 2020, **no hard copy** of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website www.medibio.com.au

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

MEDIBIO LIMITED
ACN 008 130 336
Registered office: Level 4, 100 Albert Road, South Melbourne, VIC 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Medibio Limited (the “Company”) will be held virtually via a webinar conferencing facility at 11.00am (AEDT) on Thursday, 12 November 2020 (“Annual General Meeting” or “Meeting”).

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Company at the time of preparing the Notice of Annual General Meeting (“Notice”), the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolution. Shareholders who intend to join the AGM are asked to dial-in 30 minutes prior to the start of the meeting. The virtual meeting can be attended using the following details:

When: Thursday, 12 November 2020 at 11.00am (AEDT)
Topic: Medibio Limited Annual General Meeting

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_hUFJ2-DnS_aQMnKzPAleHw

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to mwatkins@leydinfreyer.com.au. Where a written question is raised in respect of the key management personnel of the Company or the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company’s website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: MEB) and on its website at www.medibio.com.au

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 2020.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.

Resolution 1: 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 2020 be adopted."

Resolution 2: Re-election of Ms Melanie Leydin 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, Ms Melanie Leydin, who retires by rotation and being eligible and offering herself for re-election, be re-elected as a Director of the Company."

Resolution 3: Ratification of prior issue of Shares and Options

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Shares and 7,500,000 Options on 2 June 2020 on the terms and conditions as set out in the Explanatory Statement."

Resolution 4: Ratification of prior issue of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,333,333 Shares on 2 June 2020 on the terms and conditions as set out in the Explanatory Statement."

Resolution 5: Ratification of prior issue of Options

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Options on 18 June 2020 on the terms and conditions as set out in the Explanatory Statement."

Resolution 6: Ratification of prior issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 83,333,333 Shares on 18 June 2020 on the terms and conditions as set out in the Explanatory Statement.”

Resolution 7: Issue of Options to Ms Jennifer Solitario

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

“That, for the purpose of Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to issue under the Company’s Employee Incentive Option Plan, a total of 2,900,000 Unlisted Options to Ms Jennifer Solitario (or her nominee(s)) on the terms and conditions as set out in the Explanatory Statement.”

Resolution 8: Issue of Options to Mr Claude Solitario

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to grant up to 11,250,000 unlisted options in the Company to Mr Claude Solitario or his nominee(s) (Managing Director of the Company), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

SPECIAL BUSINESS

Resolution 9: Approval of amendments to the Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given that the constitution of Medibio Limited is amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the meeting.”

Resolution 10: Approval of 10% additional placement capacity

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

By Order of Board



Mathew Watkins
Joint Company Secretary

Dated: 2 October 2020

Notes

1. **Entire Notice:** The details of the resolutions 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 Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm 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.
3. **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 form 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 11.00am (AEDT) on Tuesday, 10 November 2020. Any proxy form 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 Statement:**

Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is the Chair of the meeting and the appointment of the Chair as proxy:
 - a. does not specify the way the proxy is to vote on the resolution; and
 - b. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2

There is no voting exclusion on this Resolution.

Resolution 3-6

The Company will disregard any votes cast in favour on these Resolutions by any person who participated in the issue of securities or any associates of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is referred to under ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 and is eligible to participate in the Employee Incentive Plan.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 8

The Company will disregard any votes cast in favour of Resolutions 8 by or on behalf of Mr Claude 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 person referred to in the preceding paragraph.

However, this does not apply to a vote cast in favour of the resolution by:

- a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Furthermore, a vote must not be cast as proxy, on Resolution 7 and 8 by a member of the Key Management Personnel (as defined in the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a "Restricted Voter") may cast a vote on behalf of a person who is not a Restricted Voter on Resolution 7 and 8 as a proxy if:

- a) The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- b) The Restricted Voter is the Chairman and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) and expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 9 and 10

There is no voting exclusion on these Resolutions.

7. Enquiries

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

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement (“Statement”) accompanies and forms part of the Company’s Notice of Annual General Meeting (“Notice”) for the 2020 Annual General Meeting (“Meeting”) will be held virtually via a webinar conferencing facility at 11.00am (AEDT) on Thursday, 12 November 2020. The Notice incorporates, and should be read together, with this Statement.

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ended 30 June 2020 (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 +61 3 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 Company’s announcement platform on ASX under the ASX code “MEB”.

Resolution 1: 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 2020 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, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting. ‘

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than the Managing Director) must go up for re-election.

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 on that resolution and accordingly, a spill resolution will not under any circumstances be required for the 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

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 2: Re-election of Ms Melanie Leydin as a Director of the Company

Background

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. Ms Melanie Leydin being eligible, offers herself for re-election.

Ms Leydin was appointed as a Director of the Company on 3 July 2018.

Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies across a host of industries including but not limited to the Resources, technology, bioscience, biotechnology and health sectors.

Ms Leydin has over 25 years' experience in the accounting profession and over 15 years as a Company Secretary. She has an extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Board Recommendation

The Board (with Ms Leydin abstaining) recommends that Shareholders vote in favour of the election of Ms Leydin.

The Chair of the Meeting intends to vote undirected proxies in favour of Ms Leydin's election.

Resolution 3: Ratification of prior issue of Shares and Options

Background

The Company is seeking shareholder approval to ratify the issue of 15,000,000 Shares and 7,500,000 unlisted options on 2 June 2020 as consideration for a full and final release of the Company from all claims in relation to the proceedings issued by Dr Paul Porter in the Supreme Court of Western Australia as set out in the announcement dated 27 May 2020.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more 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. The issue of Shares and Options were issued within the Company's available placement capacity under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rules 7.1 at the time and shareholders subsequently approve it. The issue of Shares and Options was within the Company's ASX Listing Rule 7.1 placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If Resolution 3 is approved, the issue of 15,000,000 Shares and 7,500,000 unlisted options may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore be able to issue additional equity securities without the securities in the subject of Resolution 3, counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If this Resolution 3 is not approved, the prior issue of 15,000,000 Shares and 7,500,000 unlisted options will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore have the 15,000,000 Shares and 7,500,000 unlisted options as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under the Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) the Shares and Options were issued to Mr Paul Porter;
- b) the total number and class of securities issued were 15,000,000 fully paid ordinary shares and 7,500,000 unlisted options, exercisable at \$0.03 per option, expiring on 2 June 2022;
- c) a summary of the material terms of the Options issues are as follows;
 - each Option entitles the holder to receive, upon exercise, to one fully paid ordinary share in the Company;
 - the Options vested immediately upon issue;
 - exercise price is \$0.03 (3 cents) per Option;
 - the Options expire on 2 June 2022
- d) the Shares and Options were issued on 2 June 2020;
- e) The Share and Options were issued for Nil consideration however the deemed issue price for the Shares was \$0.01 (1 cent) per Share, no funds were raised from the issue of securities however any funds raised should the Options be exercised will be utilised for working capital;
- f) The Shares issued rank pari pasu with all existing securities of their class and the Options upon exercise will rank pari pasu with all existing securities of their class; and
- g) the Shares and Options were issued as consideration for a full and final release of the Company from all claims in relation to the proceedings issued by Dr Paul Porter in the Supreme Court of Western Australia.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolutions 3 and to ratify the prior issue of 15,000,000 Shares and 7,500,000 unlisted options as described above.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 4: Ratification of prior issue of Shares

Background

The Company is seeking shareholder approval to ratify the issue of 1,333,333 Shares on 2 June 2020 as in full settlement of services provided to the Company.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more 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. The issue of Shares were issued within the Company's available placement capacity under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rules 7.1 at the time and shareholders subsequently approve it. The issue of Shares was within the Company's ASX Listing Rule 7.1 placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If Resolution 4 is approved, the issue of 1,333,333 Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore be able to issue additional equity securities without the Shares in the subject of Resolution 4, counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If this Resolution 4 is not approved, the prior issue of 1,333,333 Shares will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore have the 1,333,333 Shares as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under the Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) the Shares were issued to Mr Matthew Mesnik;
- b) the total number and class of securities issued were 1,333,333 fully paid ordinary shares in the Company;
- c) the Shares were issued on 2 June 2020;
- d) The securities issued rank pari pasu with all existing securities of their class;

- e) the Shares were issued at a deemed issue price of \$0.007 (0.7 cents) per share; and
- f) the Shares were issued as full consideration of services rendered to the Company and thus no funds were raised from the Share issue;

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 4 and ratify the prior issue of 1,333,333 Shares as described above.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 5: Ratification of prior issue of Options

Background

The Company announced a capital raise on 10 June 2020 comprising of a Placement and Entitlement Offer to raise approximately \$2 million ("Capital Raising"). CPS Capital Group Pty Ltd ("CPS") was appointed as the lead manager, broker and corporate advisor to the Capital Raising and as the sole underwriter to the Entitlement Offer.

The material terms of Agreement with CPS included following :

- a capital raising fee of 6% of funds raised under the Capital Raising;
- \$20,000 underwriting fee; and
- subscription by CPS of 20,000,000 unlisted options an issue price of \$0.00001 per option exercisable at \$0.03 (3 cents) and expiring on 2 June 2022.

The Company now seeks shareholder approval to ratify the issue of 20,000,000 unlisted options on 18 June 2020 to the nominee entities of the lead manager, CPS at a nominal issue price of \$0.00001 per Option in relation to Lead Manager services in connection with the Capital Raising.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more 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. The issue of Options were issued within the Company's available placement capacity under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rules 7.1 at the time and shareholders subsequently approve it. The issue of Options was within the Company's ASX Listing Rule 7.1 placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If Resolution 5 is approved, the issue of 20,000,000 Options may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore be able to issue additional equity securities without the Options in the subject of Resolution 5, counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If this Resolution 5 is not approved, the prior issue of 20,000,000 Options will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore have the 20,000,000 Options as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under the Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) the Options were issued to entities nominated by CPS Capital Group Pty Ltd;
- b) the total number and class of securities issued were 20,000,000 unlisted options, exercisable at \$0.03 per option and expiring on 2 June 2022;
- c) a summary of the material terms of the Options issues are as follows;
 - each Option entitles the holder to receive, upon exercise, to one fully paid ordinary share in the Company;
 - the Options vested immediately upon issue;
- d) the Options were issued on 2 June 2020 at a nominal issue price of \$0.00001;

- e) the Options were issued as consideration for Lead Manager services provided in relation to the Placement and Entitlement Offer announced on 10 June 2020; and
- f) The material terms of the agreement are as set out above on are outlined above.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 5 and ratify the prior issue of 20,000,000 unlisted options as described above.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 6: Ratification of prior issue of Shares

Background

The Company is seeking shareholder approval to ratify the issue of 83,333,333 fully paid ordinary shares to sophisticated, professional and other exempt investors under the Placement, in accordance with the ASX announcement dated 10 June 2020.

ASX Listing Rule 7.1A

ASX Listing Rules 7.1A allow the Company to issue new securities up to 10% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of Shares under the Placement was within the Company's available placement capacity under ASX Listing Rule 7.1A.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1A if the issue did not breach ASX Listing Rules 7.1A at the time and shareholders subsequently approve it. The issue of Shares was within the Company's ASX Listing Rule 7.1A placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4.

If Resolution 6 is approved, the prior issue of the 83,333,333 Shares under the Placement may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1A. The Company will therefore be able to issue additional equity securities without the 83,333,333 Shares the subject of Resolution 6 counting towards the 10% facility limit for the purposes of ASX Listing Rule 7.1A (subject to the approval of Resolution 9).

If this Resolution 6 is not approved, the prior issue of 83,333,333 Shares will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1A. The Company will therefore have the 83,333,333 Shares as counting towards the 10% threshold for the purposes of ASX Listing Rule 7.1A. This will limit the Company's placement capacity under the Listing Rule 7.1A.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- a) the Shares were issued to sophisticated, professional and other exempt investors all of which were investors of CPS Capital Group Pty Ltd;
- b) the total number and class of securities issued were 83,333,333 fully paid ordinary shares in the Company;
- c) the Shares were issued at an issue price of \$0.006 (0.6 cents) per share;
- d) the securities issued rank pari passu with all existing securities of their class; and
- e) the funds raised from the Placement will be used to undertake the depressive burden trial; commercialisation of MEBsleep; commercialisation of ilumenTM; the development of a Consumer App and general working capital purposes.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 6 and ratify the prior issue of 83,333,333 Shares as described above.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 7: Issue of Options to Ms Jennifer Solitario

Background

The Company seeks shareholder approval to grant up to 2,900,000 Options to Senior Vice President Corporate Health, Ms Jennifer Solitario (or her nominee(s)) (being a right to acquire fully paid ordinary shares in the Company) under its Employee Incentive Option Plan (**Plan**) as a Short Term Incentive Bonus (STI Bonus) in recognition of the services towards the Company. The approval is sought 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.

Terms of the Options

The key terms of the options to be issued are :

- options vest on fulfilment of various vesting conditions;
- exercise price: 5 day VWAP as at 1 October 2020 being the date outlined within the Offer Letter to Ms Solitario;
- expire 6 October 2023; and
- upon exercise, entitle the holder to one fully paid ordinary share in the Company for each option:

The full terms of the Options are set out in Schedule 1 of this Explanatory Statement.

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 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 Options aligns the interests of Ms Solitario with the interests of Shareholders. The grant of Options to Ms Solitario is a cost-effective form of providing incentive when compared to the payment of cash consideration. The Company believes it is appropriate to grant the 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 Options provide an appropriate and meaningful remuneration component to Ms Solitario that is aligned with Shareholder interests.

ASX Listing Rules

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 8 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. If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1.

If this Resolution 7 is passed, the Company will be able to proceed with the issue of the 2,900,000 Options to Ms Solitario (or her nominee(s)).

If this Resolution 7 is not passed, the Company will not proceed with the issue of 2,900,000 Options to Ms Solitario (or her nominee(s)).

The following information is given under ASX Listing Rule 10.15 in respect of the proposed issues of Options to Ms Solitaire under Resolution 7:

- a) the proposed recipient is Ms Jennifer Solitario (or her nominee(s)), who is an associate of a Director of the Company under Listing Rule 10.14.2 being 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 total number and class and securities proposed to be issued to Ms Solitario are 2,900,000 Options;
- c) Mr Claude Solitario (being the spouse of Ms Solitario) total remuneration package is \$150,000 (inclusive of statutory superannuation) with termination being 3 months written notice by either party. Mr Solitario as part of his remuneration package entitlement as announced on 9 January 2020 is entitled to Options in the Company which shareholder approval is sought in Resolution 7);
- d) the total number of securities previously issued to Ms Solitario under the plan is 4,000,000 Options all at a Nil issue price;
- e) a summary of the material terms of the Options is included in Schedule 1;
 - the Options will be issued no later than one month after the date of the Meeting;
 - the Options will be issued for nil consideration however the entity attributes a value of \$34,441 to the Options based off a 15% incentive on top of remuneration packages of the average salary of the executive management of the Company;
 - the Options will be issued as short term incentive. As such there is no issue price for, and the Company will not receive cash from, the issue of the Options.
- f) the material terms of the plan can be found within Resolution 1 at the following link <https://www.asx.com.au/asxpdf/20190412/pdf/4448mbf3s8hqsj.pdf>;
- g) no loans will be advanced to Ms Solitario in connection with the proposed securities issue;
- h) details of any securities issued under the plan will be published within the Annual Report of the entity relating to the period in which they were issued, along with a statement that approval was obtained under ASX Listing Rule 10.14; and
- i) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the plan who were not named when the resolution is approved will not participate until approval is obtained under that rule.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolutions 7 for Ms Solitario to be granted Options as described above.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 8: Issue of Options to Mr Claude Solitario

Background

Mr Claude Solitario was appointed as Managing Director and CEO of the Company as announced 9 January 2020. Mr Solitario as part of his remuneration package is proposed to receive 11,250,000 Unlisted Options in the Company subject to the shareholder approval as he could not be issued any securities as part of his sign on arrangement given he was an existing Non-executive Director of the Company at the time of appointment.

The Company is seeking Shareholder approval for the grant of 11,250,000 Unlisted Options to Mr Claude Solitario (or his nominee) (being a right to acquire fully paid ordinary shares in the Company equivalent to number of options vested on the terms as described below) as part of the terms of his appointment as Managing Director.

Terms of Options

The broad terms of the Unlisted Options are :

- vest immediately upon grant;
- exercise price is 30 day VWAP immediately prior to the date of grant;
- expire five (5) years from the date of grant; and
- upon exercise each option will convert to one fully paid ordinary share in the Company

The full terms of the Options are set out in Schedule 2 of this Explanatory Statement.

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. Each of the above 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 Options to Mr Solitario above (or his nominee) does 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, and consistent with the desire to minimise cash expenditures, the Board believes that having regard to the current market practices the Board considers that the proposed grant of Options aligns the interests of Mr Solitario with the interests of Shareholders. The grant of Options to Mr 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 Options to Mr Solitario. 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 current market practices, the Options provide an appropriate and meaningful remuneration component to Mr Solitario that is aligned with Shareholder interests.

ASX Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to the Directors as approval is being obtained under Listing Rule 10.11.

If this Resolution is passed, the Company will be able to proceed with the issue of the 11,250,000 unlisted options to Mr Solitario (or his nominee(s)).

If this Resolution is not passed, the Company will not proceed with the issue of 11,250,000 unlisted options to Mr Solitario (or his nominee(s)).

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- a) the options are proposed to be issued to Mr Claude Solitario (or his nominee);
- b) the approval for Mr Solitario is sought under ASX Listing Rule 10.11.1, being a Director of the Company;
- c) the total number and class of securities proposed to be issued are 11,250,000 unlisted options in the Company;
- d) a summary of the material terms of the Options is included in Schedule 2;
 - the Options vest immediately upon grant;
 - the exercise price is 30 day VWAP immediately prior to the date of grant;
 - the options expire five (5) years from the date of grant;
 - upon exercise each option will convert to one fully paid ordinary share in the Company;
- e) the Options will be issued no later than one month after the date of the Meeting;
- f) the Options will be issued for nil consideration;
- g) the Options will be issued as part of remuneration, as such there is no issue price of the Options and there will be no funds raised from the issue of options however any funds raised from the exercise of options will be used for working capital purposes; and
- h) Mr Solitario’s total remuneration package is \$150,000 (inclusive of statutory superannuation) with termination being 3 months written notice by either party. Mr Solitario as part of his remuneration package entitlement as announced on 9 January 2020 is entitled to Options in the Company from time to time as deemed appropriate by the Board subject to shareholder approval.

Board Recommendation

The eligible directors recommend that Shareholders vote in favour of Resolution 8. The Chairman will vote undirected proxies in favour of Resolution 8.

Voting Exclusions

Refer to Note 6 for voting exclusions.

SPECIAL BUSINESS

Resolution 9: Approval of amendments to the Constitution

Background

As part of its regular review of its operations in order to streamline administration, minimise costs and incorporate recent regulatory updates, the Company proposes to amend the Constitution as set out below.

The amendments are proposed in order to bring the provisions of the Constitution in line with recent technological updates and will assist the Company to streamline communications with shareholders as well as utilise various electronic platforms and tools to hold and conduct shareholder meetings.

Section 136(2) of the Corporations Act states that a company may “modify or repeal its constitution, or provision of its constitution, by special resolution”. Accordingly, this Resolution 9 is proposed as a special resolution.

Proposed Amendments

By Resolution 9, the Company seeks shareholder approval for the purposes of section 136(2) of the Corporations Act, and for all other purposes, to insert the following clauses into the Constitution:

1. Update the following definitions and references –
 - (a) amending the current definition of ‘Law’ to Corporations Act (Cth) 2001;
 - (b) changing references of ‘Corporations Law’ to the Corporations Act Corporations Act (Cth) 2001;
2. Insert (a) to the existing sub-rule under rule 12.3 and insert a new sub-rule (b) as following:
 - (b) *If a failure in communications prevents rule 12.3(a) from being satisfied as a result of which one or more Directors cease to participate, the chairman may adjourn the meeting until the difficulty is remedied or may, where a quorum of Directors remains present, continue with the meeting. If, as a result of the technical difficulty, a quorum of Directors is not present, then the meeting is suspended until rule 12.3(a) is satisfied again. If rule 12.3(a) is not satisfied within 15 minutes from the time the meeting was interrupted, the meeting is deemed to have terminated.*
3. Replace rule 13.7 with the following:

13.7 Use of technology at general meetings

 - (a) *The Company may hold a meeting of members (whether called by Directors or requisition) at two or more venues, including by way of virtual or hybrid meeting, using any technology that gives the members as a whole a reasonable opportunity to participate.*
 - (b) *If the technology used in accordance with rule 13.7(a) encounters a technical difficulty, whether before or during the meeting, which results in a member not being able to participate in the meeting, the chairperson may, subject to the Corporations Act and this constitution, allow the meeting to continue or may adjourn the meeting either for such reasonable period as may be required to fix the technology or to such other time and location as the chairperson deems appropriate.*
4. Insert the following as a new rule 14.9:

14.9 Conduct of meetings of members

 - (a) *If a separate meeting place is linked to the main place of a meeting of members by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:*
 - (i) *gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;*
 - (ii) *enables the Chairman to be aware of proceedings in the other place; and*

- (iii) enables the members in the separate meeting place to vote on a show of hands or on a poll,

a member present at the separate meeting place is taken to be present at the meeting of members and entitled to exercise all rights as if she or he was present at the main place.

- (b) If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in rule 14.9(a) is not satisfied, the Chairman of the meeting may:
 - (i) adjourn the meeting until the difficulty is remedied; or
 - (ii) continue to hold the meeting in the main place (and any other place which is linked under rule 14.9(a)) and transact business, and no member may object to the meeting being held or continuing.
- (c) Nothing in this rule 14.9 is to be taken to limit the powers conferred on the Chairman of the meeting by law.

5. Insert the following as a new rule 17.4:

17.4 Direct Voting

The Directors may determine that at any meeting of members or class meeting, a member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A direct vote includes a vote delivered to the Company by post, fax or other electronic means approved by the Directors. The Directors may prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.

6. Replace rule 29.4 with the following (as mandated by Listing Rule 15.12):

29.4 Restricted Securities

For so long as the company has any restricted securities (as that term is defined in the Listing Rules) on issue, the following apply:

- (a) *A holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.*
- (b) *If the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities.*
- (c) *The Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.*
- (d) *A holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX.*
- (e) *If a holder of restricted securities breaches a restriction deed or a provision of the Company's Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.*

7. Delete rule 34.7 and replace rule 34.1 with the following:

34.1 Notices by Company

- (a) A notice may be given by the Company to a member by:
 - (i) serving it on the member personally;

- (ii) *sending it by post to the member's address in the Register or an alternative address nominated by the member;*
 - (iii) *unless the member has requested otherwise, sending the notice (and any accompanying material) to an electronic address the member has supplied to the Company for the giving of notices or by other electronic means determined by the Board acting reasonably and previously notified to members; or*
 - (iv) *subject to compliance with the Law and the Listing Rules, unless the member has requested otherwise, sending the notice to:*
 - (A) *an electronic address the member has supplied to the Company for the giving of notices, a URL from which the notice and other material can be viewed or downloaded; or*
 - (B) *sending, to the member's address in the Register or an alternative address nominated by the member, a letter or postcard setting out a URL from which the notice and other material can be viewed or downloaded.*
- (b) *For the purposes of this rule 34.1, the fact that a member has supplied an electronic address for the giving of notices does not require the Company to give any notice to that person by electronic means.*
- (c) *A notice may be given by the Company to the joint holders of a share by giving the notice in a manner authorised by rule 34.1(a) to the joint holder first named in the Register in respect of the share.*
- (d) *Where:*
- (i) *a member does not have a registered address; or*
 - (ii) *the Company has reasonable grounds to believe that a member is not known at the member's registered address (including where the Company has made enquiry at the registered address as to the member's whereabouts, and receives no response or a response indicating that the member's whereabouts are unknown),*
- the Company may give any notice to that member by exhibiting the notice at the registered office of the Company or (whilst the Company is Listed) publishing the notice on the Company's page of the ASX Market Announcements Platform for at least 48 hours.*
- (e) *A notice may be given by the Company to a person entitled to a share as a result of a transmission event in any manner authorised by rule 34.1(a) addressed to the name or title of the person:*
- (i) *at or to such address or electronic address supplied to the Company for the giving of notices; or*
 - (ii) *if no address or electronic address has been supplied, at or to the address or electronic address to which the notice might have been sent if the relevant transmission event had not occurred.*

8. Replace rule 34.3 with the following:

34.3 *When notice is given*

(a) *A notice to a person by the Company is taken to have been effected:*

- (1) *if it is delivered personally – on that day;*
- (2) *if it is sent by post – on the day after the date of its posting;*
- (3) *if it is sent by electronic means – on the day after the date it is sent;*
- (4) *if it is made available on the Company's website and/or the ASX Market Announcements Platform – on the date the notice becomes available for viewing and downloading by a member of the public; or*
- (5) *if it is given by a manner authorised under rule 34.1(a)(4) – on the date nominated by the Company (acting reasonably) in the notice.*

(b) Where the Company gives a notice under rule 34.1(d) by exhibiting it at the registered office of the Company, service of notice is to be taken to be effected when the notice was first so exhibited.

Resolution 9 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).

Board Recommendation

The Board recommends that shareholders vote in favour of Resolutions 9 for amendments to the Company's constitution as described above.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 10: Approval of 10% additional placement capacity

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, at the date of this Notice, 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 10 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 10, 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).

If Shareholders do not approve Resolution 10, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for under Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 10 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).

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of quoted Equity Securities, being Fully Paid Ordinary Shares and Quoted Options.

(c) 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 at the commencement of the “relevant period” (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):
- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
 - (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
 - (E) plus the number of partly paid shares that became fully paid in the relevant period;
 - (F) less the number of fully paid shares cancelled in the relevant period.

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 relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.1 or 7.4.

(d) *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 (refer above).

(e) *Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *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 first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and 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) If Resolution 10 is approved by Shareholders, the period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 12 November 2020, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 12 November 2021;
 - (ii) the time and date of the Company's next annual general meeting;
 - (iii) the time and 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).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
 - (i) Continued expenditure on the Company's current business operations including the depressive burden trial, commercialisation of MEBsleep, commercialisation of ilumen™; the development of a Consumer App; and
 - (ii) general working capital.
- (d) If Resolution 10 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 table below. Shareholders may also 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 1 October 2020 (**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		
		\$0.006 50% decrease in Current Share Price	\$0.011 Current Share Price	\$0.022 100% increase in Current Share Price
Current Variable A 1,347,662,569 Shares	10% Voting Dilution	134,766,257 Shares		
	Funds raised	\$741,214	\$1,482,429	\$2,964,858
50% increase in current Variable A 2,021,493,854 Shares	10% Voting Dilution	202,149,385 Shares		
	Funds raised	\$1,111,822	\$2,223,643	\$4,447,286
100% increase in current Variable A 2,695,325,138 Shares	10% Voting Dilution	269,532,514 Shares		
	Funds raised	\$1,482,429	\$2,964,858	\$5,929,715

The table has been prepared on the following assumptions:

- The Company issued the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options (including any Listed 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 Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The Current Share Price is \$0.011 (1.1 cents), being the closing price of the Shares on ASX on 1 October 2020.
- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

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 relevant factors including, but not limited to, the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company; and
- 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, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

Equity Issues over the Last 12 Months – Listing Rule 7.3A.6

The table below shows the total number of equity securities issued in the past 12 months preceding the date of the Annual General Meeting under Listing Rule 7.1A.2, and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12-month period.

Number of equity securities on issue at commencement of 12-month period	1,921,458,579
Equity securities issued in the prior 12-month period under Listing Rule 7.1A.2*	83,333,333
Percentage of equity securities represent of total number of equity securities on issue at commencement of 12-month period	4.34%

**For full details of issues of equity securities made by the Company under listing rule 7.1A.2 since the date of the last Annual General Meeting, see Annexure 2.*

- (f) The company has not agreed, before the 12 month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Directors Recommendations

The Directors of the Company believe that this Resolution 10 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Voting Exclusions

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

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 10;

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

Annual Report” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2020;

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 2020 and which is set out in the 2020 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.

ANNEXURE A
Resolution 10 - 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
18 June 2020	83,333,333	FPO	FPO	Placement	Sophisticated and Professional investors	\$0.006	Nil	\$500,000	Proceeds will be used towards undertaking the depressive burden trial; commercialisation of MEBsleep; commercialisation of ilumen™; the development of a consumer app and general working capital purposes.
Total	83,333,333						Total	\$500,000	

Glossary

FPO Fully Paid Ordinary Shares

SCHEDULE 1

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to Resolution 7 are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary 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) The Options are exercisable upon vesting as per the Vesting Conditions.
- (ii) the Options will vest in whole or in part at the end of the Australian financial year based on following vesting conditions:
 - a. the organization achieving its strategic objectives and KPIs, as per Annexure A of the offer letter; and
 - b. the approval of the Board.
- (iii) The Options expire at 5pm (AEDT) on 6 October 2023.
- (iv) The exercise price per option is the 5 day VWAP as at 1 October 2020.
- (v) 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.
- (vi) 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.
- (vii) Remittances must be made payable to 'Medibio Limited' and cheques should be crossed 'Not Negotiable'.
- (viii) 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.
- (ix) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) Subject to meeting the requirements of ASX and the Corporations Act, the Company may apply to the 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 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 Listing Rules of the ASX 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:

(a) 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:

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

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

(B) 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.

SCHEDULE 2

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to Resolution 8 are as follows:

Terms of Options

Exercise Price	Expiry Date	Vesting Conditions
30 day VWAP immediately prior to the date of grant	5 years from the date of grant	All options vesting on grant date. In the event of a change of control or takeover transaction occurring, the options will be accelerated to vest immediately with completion of the change of control or takeover transaction.

Other general terms of the options are set out below.

(a) Entitlement

- (iii) Each Option entitles the Option holder to subscribe for, and be allotted, one fully paid ordinary share (**Share**) in the capital of the Company.
- (iv) 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) 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.



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

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 11:00am (AEDT) on Tuesday, 10 November 2020.

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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 Annual General Meeting of Medibio Limited to be held virtually (refer to the Notice of Meeting) on Thursday, 12 November 2020 at 11.00am and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 7 and 8 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain		For	Against	Abstain	
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of 10% additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Ms Melanie Leydin as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3	Ratification of prior issue of 15,000,000 Shares and 7,500,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
4	Ratification of prior issue of 1,333,333 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Ratification of prior issue of 20,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Ratification of prior issue of 83,333,333 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Issue of Options to Ms Jennifer Solitario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Issue of Options to Mr Claude Solitario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Approval of amendments to the Constitution	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3

Sole Director & Sole Company Secretary Director Director/Company Secretary

/ / Date

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

