

# R H I N O M E D

## NOTICE OF 2015 ANNUAL GENERAL MEETING

**Date:** 30 November 2015

**Time:** 10:00 AM AEDT

**Location:** Tom Wills Room in the Great Southern Stand (Level 2)  
Melbourne Cricket Ground, Brunton Avenue, East Melbourne,  
VIC.

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

## **AGM Invitation from the Chairman**

26 October 2015

Dear Shareholder,

I am pleased to invite you to Rhinomed Limited's 2015 Annual General Meeting (AGM). The meeting will be held on Monday 30th November 2015 at the Melbourne Cricket Ground, Melbourne Australia.

The AGM is an important part of Rhinomed's overall approach to governance, which is outlined in more detail below. The AGM gives you the opportunity to talk to your Directors and senior management team, ask questions, and vote on items of business. The items of business are explained in the notice of meeting.

### **Previous capital raise**

This year, we are asking shareholders to approve the previous capital raise undertaken in September 2015.

Resolutions in the notice of meeting include for the previous ratification of the capital raised, to clear the Company's future placement capacity under ASX listing rule 7.1 & 7.1A and also to allow for my participation in the previous capital raise.

**The Board considers that all of the resolutions are in the best interests of shareholders of Rhinomed and recommends you vote in favour of each**

### **Company Outlook**

It has been a year of strong progress for the Company. Rhinomed has launched two products into global markets during the financial year: launching our new sleep quality aid, Mute™ into the global sleep device market and a new generation Turbine™ sports product which was developed with the feedback from our customers. We have focused on demonstrating the utility of our products in the hands of consumers, patients and clinicians establishing brand recognition, developing our international distribution footprint and building upon our internal capabilities.

We have continued to invest in our intellectual property portfolio, which positions the Company well as we enter significant and competitive global markets. These activities have extended and improved our regulatory position and we were particularly pleased to receive regulatory approval from the US Food and Drug Administration (FDA), the European Medical Devices Directives CE mark and Australian Therapeutic Goods Administration (TGA) approvals for Mute™ within the financial year.

Our manufacturing and production capability has continued to be refined and improved to accommodate the increasing demands for products as we negotiate substantial distribution agreements in multiple territories.

This year has witnessed continuing growth in consumer awareness of sleep and sleep quality and how this impacts on all areas of people's daily lives. The growing recognition of the role of sleep and recovery in physical and mental health, in relationships and in sporting and professional performance underlines the market opportunity for Rhinomed's products.

While Mute™ addresses a significant unmet need as a standalone snoring aid in the underserved snoring market, we are also assessing its potential as a combination therapy for mandibular advancement (or dental) splints and other therapies, where compliance is a key clinical challenge.

Mute™ was first released online at Christmas last year and we are firmly focused on establishing distribution through the Australian pharmacy market and through GP clinics and sleep specialists.

There are two very important points to which I draw shareholders' attention: Firstly, customers are beginning to reorder Mute™ regularly, and secondly, medical practitioners are recommending Mute™ to their patients.

This reinforces our confidence about the efficacy of the product in consumer's hands and the potential lifetime value of a customer in this significant market. It also underlines the commercial opportunity afforded by a product pipeline which delivers value to all parts of the value chain - from consumer and patient, through to dental specialists, clinicians, GPs, hospitals, sleep centres and other sleep device companies. We are building our internal capabilities to ensure we are able to capture and build upon the opportunities this creates as quickly as possible.

A little over two years ago, we began the process of rebuilding Rhinomed's intellectual property and technology portfolio and monetising its technology. With two products on the market and a strong development pipeline, Rhinomed is fundamentally different to the Company that existed then. I am confident that the Company is well placed to pursue its mission to revolutionise the way people breathe, sleep maintain their health and take medication.

### **Conclusion**

I would particularly like to thank shareholders for their continued support through this considerable period of change and their belief in Rhinomed's products and their future role in helping people with nasal and respiratory issues. I encourage you to join us at the AGM, and I look forward to meeting as many shareholders as possible.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Martin Rogers', written in a cursive style.

**Martin Rogers**  
Chairman

**RHINOMED LIMITED**  
**ACN: 107 903 159**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2015 Annual General Meeting of Rhinomed Limited ACN 107 903 159 will be held in the Tom Wills Room in the Great Southern Stand (Level 2) of the Melbourne Cricket Ground on Monday, 30 November 2015 at 10:00am.

Where to go:

Tom Wills Room, Level 2  
Please use lifts 14,15 to access Tom Wills Room  
MCG Parking – Entrance E off Brunton Avenue  
Gate Entry – Gate 6A (between light towers 3&4)

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**1. Agenda for the Meeting**

**Financial statements and reports**

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2015.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's annual financial statements and reports.

The Company's auditor, HLB Mann Judd, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

The Rhinomed Limited 2015 Annual Report can be viewed online at the Company's website [www.rhinomed.com.au](http://www.rhinomed.com.au) on the "Annual Reports" page under "Investor Information".

**Resolution 1 - Adoption of Remuneration Report**

To consider and if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2015 included in the Directors' Report, which is attached to the Company's annual financial report as required under section 300A of the Corporations Act, be adopted by the Company."*

**Voting Exclusion Statement:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (Excluded Persons). However, the Company need not disregard a vote if:

- it is cast by an Excluded Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Resolution 2 – Re-election of Dr. Eric Knight as a Director**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of clause 11.3 of the Constitution and for all other purposes, Dr. Eric Knight, a Director who retires by rotation, and being eligible, is re-elected as a Director of the Company.”*

## **Resolution 3 – Approve the previous issue of 75,000,000 Shares**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the previous issue of 75,000,000 Shares, as referred to in the Explanatory Statement, is approved.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by any person who participated in the issues of Shares and any of their associates. However, the Company need not disregard a vote if:

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

## **Resolution 4 - Approval of issue of 3,125,000 Shares to a director: Martin Rogers**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 3,125,000 Shares in the Company, to Martin Rogers, a director of the Company, or his nominee, under a capital raising conducted by the Company on the terms described in the Explanatory Statement.”*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution by Martin Rogers and any of his associates. However, the Company need not disregard a vote if:

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

## **Resolution 5 – Approval of issue of 1,562,500 Shares to Company Secretary: Phillip Hains**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 1,562,500 Shares in the Company, to Phillip Hains, the Company Secretary of the Company, or his nominee, under a capital raising conducted by the Company on the terms described in the Explanatory Statement.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by any person who will participate in the issue and any of their associates. However, the Company need not disregard a vote if:

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

## **Resolution 6 – Approval of additional capacity to issue shares under ASX Listing Rule 7.1A**

To consider, and if thought fit, to pass, with or without amendment, 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."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **2. Determination of voting entitlement**

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognized as a shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7:00 p.m. AEDT on 26 November 2015.

### **3. Votes**

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

### **4. Proxies**

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company by 10:00 a.m. AEDT on 28 November 2015:

- by mail to the Company at PO Box 8694, Armadale, VIC, 3143;
- personally to the Company at Suite 1, 1233 High St, Armadale, VIC, 3143; or
- by facsimile to +61 (03) 9822 7735.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statement, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

If the proxy is the Chairman, the Chairman can also vote undirected proxies on Resolution 1 provided that the proxy form authorises the Chairman to vote even though Resolution 1 is connected with the remuneration of key management personnel.

A form of proxy accompanies this Notice. Further instructions are on the Proxy Form.

#### **5. Questions and Comments by Shareholders at the Meeting**

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, HLB Mann Judd. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to HLB Mann Judd if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2015. Relevant written questions for HLB Mann Judd must be received by the Company no later than 10:00am AEDT on 23 November 2015. A representative of HLB Mann Judd will provide answers to the questions at the Meeting.



Justyn Stedwell

**Joint Company Secretary**

On behalf of the Board of Directors  
Rhinomed Limited

## **EXPLANATORY STATEMENT**

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### **Resolution 1: Adoption of remuneration report**

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2015.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act requires a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2016 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2015 Annual Report which can be viewed online at the Company's website, [www.rhinomed.com.au](http://www.rhinomed.com.au).

### **Resolution 2: Election of Dr. Eric Knight as a Director**

In accordance with clause 11.3 of Constitution, Dr. Eric Knight, a Director who retires by rotation at the close of this Annual General Meeting, offers himself for re-election as a Director.

Dr. Eric Knight brings a depth of experience in corporate strategy and management, having previously worked for the Boston Consulting Group. He specialised in rapid transformations and corporate innovation in the healthcare, digital media, and public sector sectors. In digital marketplaces, he was intimately involved in integrating the sports broadcast and editorial assets inside one of the country's largest media organisations, and in driving digital subscriptions under a pay wall. Dr. Knight draws upon his expansive corporate strategic and management expertise, across healthcare, sports and digital organisations. He is currently leading the business and entrepreneurship programs at the University of Sydney Business School.



## Director's recommendation

All of the non-associated Directors recommend that shareholders vote in favour of Resolution 2.

## Resolution 3 – Approve the previous issue of 75,000,000 Shares

### General

In September 2015, the Company completed a placement of approximately 75,000,000 Shares, at \$0.032 per Share, to sophisticated and professional investors raising \$2.4 million before costs. The Shares were issued without prior shareholder approval and in accordance with ASX Listing Rule 7.1.

### ASX Listing Rule 7.1 & 7.4

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of shareholders.

Under ASX Listing Rule 7.4 an issue of equity securities will be treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. The issue of 75,000,000 Shares in September 2015 did not breach ASX Listing Rule 7.1 and the Company now seeks shareholder ratification of the issue of those 75,000,000 Shares pursuant to ASX Listing Rule 7.4.

If Resolution 3 is approved, the prior issue of 75,000,000 Shares may be treated by the Company as having been made with approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities, without the 75,000,000 Shares counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

### Information required by ASX Listing Rule 7.5

The following information is provided in compliance with ASX Listing Rule 7.5:

<b>Number of securities issued</b>	75,000,000 Shares
<b>The issue price of securities</b>	\$0.032 per share raising \$2,400,000
<b>Terms of issue</b>	The Shares issued rank equally with all existing Shares on issue.
<b>Name of allottees or basis on which allottees were determined</b>	The Shares were issued to clients of various stockbroking firms and sophisticated investors under sections 708(8) and 708(10) of the Corporations Act, and no related parties of the Company participated in the placement.
<b>Use of funds</b>	Funds raised will be used to fund working capital and the further development and commercialization of the Company's nasal, respiratory and breathing management technologies.

### Director's recommendation

All of the Directors recommend that shareholders vote in favour of Resolution 3.

### Resolution 4 - Approval of issue of 3,125,000 Shares to a director: Martin Rogers

Under ASX Listing Rule 10.11, shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.

It is proposed that Shares be issued to Martin Rogers as part of a capital raising conducted by the Company.

The Board has formed the view that the issue of shares to Mr Rogers does not require shareholder approval under section 208 of the Corporations Act, as Mr Rogers will participate in the capital raising at arms length on the same terms and at the same price as all non-related participants who participated in the Company's September 2015 capital raising.

In compliance with the information requirements of ASX Listing Rule 10.13, shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	3,125,000 Shares.
<b>Date of issue</b>	The Shares will be issued within one month of the date of the Meeting.
<b>Issue price per security</b>	Shares: \$0.032 per share raising \$100,000.
<b>Terms of issue</b>	The shares will rank equally with all existing shares on issue.
<b>Persons to whom securities will be issued</b>	Martin Rogers, a director of the Company, or his nominee.
<b>Intended use of funds</b>	Funds raised will be used to fund working capital and the further development and commercialization of the Company's nasal, respiratory and breathing management technologies.

### Directors' recommendation

The directors (with Mr Rogers abstaining) recommend you vote for this resolution.

### Resolution 5 – Approval of issue of 1,562,500 Shares to Company Secretary: Phillip Hains

The purpose of resolution 5 is to seek shareholder approval under ASX Listing Rule 7.1 (and for all other purposes) for the issue of securities in the Company as detailed below.

ASX Listing Rule 7.1 prevents the Company from issuing more than 15% of its issued capital without shareholder approval. Resolution 5 therefore proposes the approval of the allotment and issue of the securities for the purpose of satisfying the requirements of ASX Listing Rule 7.1. The information required to be given to shareholders to satisfy ASX Listing Rule 7.1 is specified in ASX Listing Rule 7.3.

The Company intends to issue 1,562,500 Shares to the Company Secretary, Phillip Hains, or his nominee, at \$0.032 per Share raising \$50,000. Accordingly, the Company is seeking shareholder approval so that shares issued pursuant to the capital raising do not count towards the Company's placement capacity under ASX Listing Rule 7.1.

In compliance with the information requirements of ASX Listing Rule 7.3, shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	1,562,500 Shares
<b>Date of issue</b>	Shares will be issued progressively and no later than three months after the date of the AGM.
<b>Issue price per security</b>	\$0.032 per Share raising \$50,000.
<b>Terms of issue</b>	The Shares will rank equally with all existing Shares on issue.
<b>Persons to whom securities will be issued</b>	Shares will be issued to Phillip Hains or his nominee.
<b>Intended use of funds</b>	Funds raised will be used to fund working capital and the further development and commercialization of the Company's nasal, respiratory and breathing management technologies.

#### **Directors' recommendation**

The directors recommend you vote for this resolution.

### **Resolution 6 – Approval of additional capacity to issue shares under ASX Listing Rule 7.1A**

#### **ASX Listing Rule 7.1A**

In 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the annual general meeting (Additional Placement Capacity). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.

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

an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. Therefore, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% (Up to 10% pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1) of the Company's issued share capital. If the Additional Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company's issued capital pursuant to ASX Listing Rule 7.1.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

### **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

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

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;
- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d) less the number of fully paid shares cancelled in the 12 months.
- e) Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

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

### **ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company.

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or

- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- 30 November 2016; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

Any approval of the Additional Placement Capacity at this Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new biotechnology assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for working capital purposes, to fund the continued development and commercialisation of the Company's product range and/or to fund the acquisition of new biotechnology assets.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

The allottees under the Additional Placement Capacity have not yet been determined but allottees may include existing shareholders, existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Table 1 shows the dilution of Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2).

Table 1 also shows:

- I. 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
- II. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price

**Table 1**

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.017 50% decrease in Issue Price	\$0.034 Current Issue Price	\$0.068 100% increase in Issue Price
Variable A - 614,438,635 Shares	10% Voting Dilution	61,443,864 Shares	61,443,864 Shares	61,443,864 Shares
	Funds Raised	\$1,044,546	\$2,089,091	\$4,178,183
50% increase in Variable A - 921,657,952 Shares	10% Voting Dilution	92,165,795 Shares	92,165,795 Shares	92,165,795 Shares
	Funds Raised	\$1,566,819	\$3,133,637	\$6,267,274
100% increase in Variable A - 1,228,877,270 Shares	10% Voting Dilution	122,887,727 Shares	122,887,727 Shares	122,887,727 Shares
	Funds Raised	\$2,089,091	\$4,178,183	\$8,356,365

Table 1 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue as at 1 October 2015.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.

- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only Shares.
- The Current Issue Price of \$0.034 was the most recent price of Shares as traded on ASX as the time of preparing this Notice (1 October 2015). This price may fluctuate between the time of preparing this Notice and the date of the Meeting and the date that any Shares are issued by the Company pursuant to ASX Listing Rule 7.1A.

The Company previously obtained approval for the Additional Placement Capacity at its 2012, 2013 and 2014 Annual General Meetings.

A voting inclusion statement is included in this Notice. In accordance with ASX Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

### **Issues of Equity Securities in the 12-month period before the date of the Meeting**

The information in the below table is provided in accordance with ASX Listing Rule 7.3A.6 (b).

In the 12 months prior to the Meeting, the Company issued 75,000,000 equity securities representing 9.20% of equity securities on issue 12 months prior to the date of the Meeting. Details of the 75,000,000 equity securities issued are set out below.

On 23 and 25 September 2015, the Company issued a combined total of 75,000,000 Shares at an issue price of \$0.032 per Share raising \$2,400,000 before costs. The Share issue price of \$0.032 per Share represented a 8.57% discount to the closing Share price on the dates of issue (\$0.035).

Funds raised from the issue of 75,000,000 Shares will be used to fund working capital and the further development and commercialization of the Company's nasal, respiratory and breathing management technologies.

The 75,000,000 Shares were issued to clients of various stockbroking firms and sophisticated investors under sections 708(8) and 708(10) of the Corporations Act, and no related parties of the Company participated in the placement.

### **Director's recommendation**

All of the Directors recommend that shareholders vote in favour of Resolution 6.

## GLOSSARY

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**AEDT** means Australian Eastern Daylight Savings Time.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the listing rules of ASX.

**Board** means the board of directors of the Company.

**Company or Rhinomed** means Rhinomed Limited (ACN 107 903 159).

**Constitution** means the Company's constitution.

**Corporations Act** means Corporations Act 2001 (Cth).

**Director** means a current director of the Company.

**Explanatory Statement** means the explanatory statement to this Notice of Meeting.

**Meeting** means the 2015 Annual General Meeting of the Shareholders of the Company to be held on 30 November 2015, to which the Notice of Meeting and Explanatory Statement relate.

**Notice of Meeting** means this notice of meeting of the Company dated 26 October 2015.

**Resolution** means a resolution referred to in the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.



**Holder Number**

## Security Holder Appointment of Proxy – Annual General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

*(Name of Proxy)*

OR

The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10:00am (AEDT) on 30 November 2015 in the Tom Wills Room in the Great Southern Stand (Level 2) of the Melbourne Cricket Ground, Brunton Avenue, East Melbourne VIC and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

### VOTING ON BUSINESS OF THE MEETING

		For	Against	Abstain
<b>Resolutions</b>				
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Dr. Eric Knight as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approve the previous issue of 75,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval of issue of 3,125,000 Shares to a director: Martin Rogers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of issue of 1,562,500 Shares to the Company Secretary: Phillip Hains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval of additional capacity to issue shares under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

### SIGNATURE OF SHAREHOLDER(S):

**Individual or Shareholder 1**Sole Director or  
Sole Director / Company Secretary**Shareholder 2**

Director

**Shareholder 3**

Director / Company Secretary

## INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

### APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

**Note:** If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

### VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

### SIGNING INSTRUCTIONS

- **Individual:** Where the holding is in one name, the Shareholder must sign.
- **Joint holding:** Where the holding is in more than one name, all of the Shareholders 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 Proxy Form when you return it.
- **Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

### ATTENDING THE MEETING

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

### LODGEMENT OF VOTES

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

- a) **Hand Delivery** – Rhinomed Limited, Suite 1, 1233 High St, Armadale VIC 3143; or
- b) **Post** - to Rhinomed Limited, PO Box 8694, Armadale VIC 3143; or
- c) **Facsimile** - to the Company on facsimile number +61 (03) 9822 7735.

**PROXY FORMS RECEIVED LATER THAN THIS TIME WILL BE INVALID**