
AVITA MEDICAL LIMITED

ACN 058 466 523

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (Melbourne time)

DATE: 30 November 2017

PLACE: Offices of K & L Gates, Level 25, 525 Collins Street, Melbourne,
Victoria

The business of the Meeting affects your shareholding and your vote is important.

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Melbourne time) on 28 November 2017.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. 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) ordinary resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JEREMY CURNOCK COOK

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

“That, for the purpose of clause 56.1 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Jeremy Curnock Cook, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – 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 for all other purposes, Shareholders ratify the issue of 100,982,978 Shares to professional and sophisticated investors on 17 October 2017 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL OF THE ISSUE OF LONG TERM INCENTIVE RIGHTS TO DR MICHAEL PERRY

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

“That, for the purposes of ASX Listing Rule 10.1; Section 200B and Chapter 2E of the Corporations Act 2001 and for all other purposes, approval is given for the Company to issue up to 50,000,000 restricted security units (convertible into 50,000,000 fully paid shares in the Company) in the nature of employee long term incentive rights to the Company's managing director Dr Michael Perry on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Michael Perry and his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Company's Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Dated: 25 October 2017

By order of the Board

Gabriel Chiappini
Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should also be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9474 7738

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.avitamedical.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JEREMY CURNOCK COOK

3.1 General

ASX Listing Rule 14.5 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Jeremy Curnock Cook, who has served as a director since April 2015 and was elected at the Company's Annual General Meeting on 30 November 2015, retires by rotation and being eligible seeks re-election.

3.2 Qualifications and other material directorships

Mr Curnock Cook was appointed to the Board on 19 October 2012 and is currently on a number of boards of international healthcare and biotechnology companies. He is the former head of the life science private equity team at Rothschild Asset Management, was responsible for the launch of the first dedicated biotechnology fund for the Australian market and the launch of a joint venture with Johnson & Johnson Development Corporation for the creation of Healthcare Ventures. His current directorships comprise;

- Adherium Ltd (AU/NZ; ASX:ADR) since July 2015
- AmpliPhi BioScience Corporation (USA; NYSE:APHB) (Chairman) since July 1995
- Avena Therapeutics Ltd (IRE) (Chairman) since 2013
- Bioscience Managers Pty Ltd (AU) since August 2000
- International Bioscience Managers Ltd (UK) (Chairman) since March 2000
- Rex Bionics Pty Ltd since May 2017
- Sea Dragon Limited (NZ; NZX:SEA) Alternate Director since October 2012

Mr Curnock Cook's previous directorships include:

- Phylogica Ltd (AU; ASX:PYC) from March 2012 until 2017
- Rex Bionics plc (UK; AIM:RXB) from February 2012 until May 2017
- Excalibur Group Holdings from June 2009 to Dec 2015

3.3 Board recommendation

The Board (Mr Curnock Cook, abstaining) supports the re-election of Jeremy Curnock Cook, and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

4.1 General

On 11 October 2017, the Company announced that it had secured commitments to place approximately 101 million Shares to professional and sophisticated investors at an issue price of \$0.045 per Share (**Private Placement**). On 17 October 2017 the Company issued 100,982,978 fully paid ordinary shares (**Placement Shares**).

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares (**Ratification**).

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

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue up to a further 100,982,978 equity securities in the future (subject to the 15% annual placement capacity restriction set out in ASX Listing Rule 7.1) without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 100,982,978 Shares were issued;
- (b) Placement Shares were issued for cash consideration of \$0.045 per Share, as announced on 17 October 2017;
- (c) the Placement Shares are fully paid ordinary shares having the same terms, and ranking equally with, all the Company's existing listed ordinary shares;
- (d) the Placement Shares were issued to professional and sophisticated investors introduced to the Company by Bell Potter, none of whom were Related Parties; and
- (e) the funds raised will be used for working capital purposes, including towards initial BARDA product procurement, US FDA approval, and the burns product launch across the US market.

4.3 Board recommendation

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

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000 (based on the number of Shares on issue and the closing price of Shares on the ASX on 19 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: AVH).

If Shareholders approve Resolution 15, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 15 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 15 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 9.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 19 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution | | | |
|--|-------------------------------------|-----------------------------|-----------------------|-----------------------------|
| | Issue Price (per Share) | 50% decrease in Issue Price | Issue Price | 50% increase in Issue Price |
| 774,202,832 Current Variable A) | Shares issued - 10% voting dilution | 77,420,283 Shares | 77,420,283 Shares | 77,420,283 Shares |
| | Funds raised | \$2,245,188 | \$4,490,376 | \$8,980,753 |
| 116,130,425 (50% increase in Variable A) | Shares issued - 10% voting dilution | 116,130,425 Shares | 116,130,425 Shares | 116,130,425 Shares |
| | Funds raised | \$3,367,782 | \$6,735,565 | \$13,471,129 |
| 154,840,566 (100% increase in Variable A) | Shares issued - 10% voting dilution | 154,840,566 Shares | 154,840,566 Shares | 154,840,566 Shares |
| | Funds raised | \$4,490,376 | \$8,980,753 | \$17,961,506 |

**The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.*

The table above uses the following assumptions:

1. There are currently 774,202,832 Shares on issue as at the date of this Notice of Meeting;
2. The issue price set out above is the closing price of the Shares on the ASX on 19 October 2017, namely \$0.058 per Share;
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity;
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities;
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1;
7. 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%; and
8. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for working capital, ongoing development of its products and marketing and promotion; or
- (ii) as non-cash consideration for the acquisition of complementary assets or for the provision of services to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2016 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being from 29 November 2016, the Company otherwise issued a total of 101,286,006 Shares and Nil Options which represents approximately 15.05% of the total diluted number of Equity Securities on issue in the Company on 29 November 2016, which was 672,916,826.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

6. RESOLUTION 5 – APPROVAL OF THE ISSUE OF LONG TERM INCENTIVE RIGHTS TO DR MICHAEL PERRY

Shareholder approval is being sought for the issue to the Company's Managing Director Dr Michael Perry 50,000,000 restricted security units (convertible into 50,000,000 fully paid shares in the Company) (**RSU**) in the nature of employee long term incentive rights (**LTIs**).

An RSU is a "restricted security unit", which is an unfunded and unsecured contractual entitlement to be issued or transferred a Share for each RSU on a future date (after vesting of the RSU entitlement).

ASX Listing Rule 10.11 provides that a company must not, subject to specified exceptions, issue or agree to issue any equity securities to a related party, which includes a Director, without shareholder approval. If shareholder approval is received pursuant to this resolution, approval is not required under Listing Rule 7.1.

6.1 Terms and conditions of the Long Term Incentive Rights

The 50,000,000 LTIs will be issued subject to vesting conditions based on (i) tenure of Dr Perry, (ii) the Company's Share Price and (iii) milestone performance by the Company as follows:

- (a) **Tenure** - total of 16,666,666 LTIs issued but to vest in 3 equal tranches over the 3 year period commencing 1 June 2017;
- (b) **Company Share Price** - total of 16,666,666 LTIs issued but to vest in 3 equal tranches subject to the VWAP of Company Share price (as at close of trade on the ASX on the relevant date) achieving multiples of 2x, 3x, and 4x the Company's Share price as at the day Shareholders approve this Resolution 5; and
- (c) **Milestone Performance** - total of 16,666,668 LTIs issued; but to vest in two equal tranches with one tranche to vest upon the achievement of each of the following milestones:
 - (i) FDA PMA Approval of ReCell for burns
 - (ii) Initial BARDA Procurement under CLIN2 of the BARDA contract.

A summary of all the key terms and conditions of the LTIs is set out in Schedule 2.

6.2 Corporations Act

(a) Section 200B of the Corporations Act

Section 200B of the Corporations Act requires Shareholder approval by ordinary resolution in accordance with the provisions of section 200E of the Corporations Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

Where shareholders pass Resolution 5, the terms of the LTIs allows the Board, in its discretion and subject to the Listing Rules, to vary the vesting conditions (including accelerate vesting of share entitlements on a retirement) - which could constitute a benefit otherwise prohibited under section 200B.

In order to give the Board flexibility to exercise its discretions under the terms of the LTIs to the extent that varying a vesting condition could be regarded as providing a person a benefit in connection with that person's retirement from an office or position of employment (**Employment Retirement Benefit**), Shareholder approval is sought for the purposes of sections 200B and 200E of the Corporations Act.

For a section 200B benefit to be allowed, section 200E requires that this Notice of Meeting provide Shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are will likely to, affect the calculation of the value.

The Board has not determined that it will exercise discretion to grant any Employment Retirement Benefit (for example an acceleration of any LTI vesting conditions on "retirement" by the executive). In the circumstances of a possible Employment Retirement Benefit, the value of the termination benefits that the Board may give under the LTIs cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Employment Retirement Benefit will depend on a number of factors, including the Company's share price at the time of vesting of the LTIs and the number of LTIs that the Board decides to allow vest early (if any). Shareholders should note the benefit is restricted to an acceleration of or early the vesting of a LTI benefit, it does not change the number of shares which are subject to the LTIs. In those circumstances the value would reflect (i) market price at the time of acceleration; and (ii) the number of LTIs which have not vested and are the subject of the decision by the Board to exercise its discretion to allow for early vesting. The Board would make any such decisions regarding its discretion in good faith and in the best interests generally of shareholders.

(b) Chapter 2E and Section 219 of the Corporations Act

Under Chapter 2E of the Corporations Act, the provision of any financial benefit (which includes the issue of LTIs) to a related party requires shareholder approval unless one of a number of exceptions applies.

Dr Perry, being a Director of the Company, is a related party of the Company.

The following information is provided in accordance with Section 219 of the Corporations Act for the purposes of seeking shareholder approval of the financial assistance:

- (i) The related party to whom the proposed resolution will permit a financial benefit to be given:

Dr Michael Perry, being a director of the Company

- (ii) The nature of the financial benefit:

The nature of the financial benefit to be given is the issue of the LTIs to Dr Michael Perry at zero acquisition cost and upon the terms described in section 6.1 above.

- (iii) Recommendations by each of the Directors of the Company:

Each of the Directors of the Company (other than Dr Perry, who will abstain from voting due to his personal interest in the outcome of the resolution) recommends the proposed issue of the LTIs to Dr Perry on the basis that it is in the best interests of the Company as it provides Dr Perry with an incentive which promotes the alignment of his interests with that of the Company's Shareholders.

- (iv) In relation to each such Director, their interests in Resolution 6:

Apart from Dr Perry, none of the Directors of the Company have any interest in the outcome of Resolution 6.

- (v) Total Remuneration Package and notifiable interests

*As at the date of this Notice of Meeting, the annual remuneration, bonuses, superannuation and non monetary and other benefits (**Total Remuneration**) payable to Dr Perry total approximately AU\$1.35 million. On passing of this Resolution 6, Dr Perry's total remuneration package will also include the 50,000,000 LTIs. Dr Perry does not own any notifiable interests in the securities of the Company held directly and indirectly as at the date of this Notice.*

- (vi) Estimated valuation of the financial benefits to be provided

No cash is payable by Dr Perry either for the grant of the LTIs, on vesting of the LTIs or after vesting where Dr Perry exchanges his LTI for the issue of ordinary Shares in the Company credited as fully paid.

To provide Shareholders with some guidance as to the likely market value of such LTIs, set out below is a table based on the Company's trading history which provides an indicative value of the LTIs

| <u>12 month range of AVH Market Prices</u> | <u>AU\$Valuation</u> |
|--|----------------------|
| Lowest Market Share Price since 19 October 2016, namely \$0.049 (11 October 2017) | \$2,450,000 |
| Highest Market Share Price since 19 October 2016, namely \$0.129 (24 October 2016) | \$6,450,000 |
| Share Price for the Placement on 17 October 2017, namely \$0.045 | \$2,250,000 |
| Share price as at 19 October 2017, namely \$0.06 | \$3,000,000 |

It is important for Shareholders to note:

- there is a possibility that the market price of the Shares (and therefore the inherent value in the proposed LTIs for Dr Perry) may vary up to the date of the Meeting and also up to vesting date;
- the estimated value of the financial benefit may be higher as a result of further benefits arising if the realisable value of the Shares (reflected in the LTIs) increases after vesting.

- (vii) Dilution effect of the LTIs (reflecting one LTI equals one Share)

There is no dilution effect upon the issue of the LTIs on the shareholdings of the existing Shareholders. Any calculation of a future dilution will depend upon what vesting conditions are satisfied and when. Such calculation cannot be made as at the date of this Notice of Meeting.

- (viii) All other information that would be required by members in order to decide whether or not it is in the Company's best interest to pass Resolutions 6:

The Directors are not aware of any other information necessary or desirable for shareholders to consider other than as outlined in this explanatory memorandum.

Further information with respect to the LTIs is outlined below under Schedule 2 of this Notice of Meeting (together with the voting exclusions appearing below the wording of Resolution 5 in the Notice of Meeting).

6.3 ASX Listing Rules

ASX Listing Rule 10.11 requires Shareholders approval to be obtained where an entity issues, or agrees to issue, securities to a related party or a person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rules applies. Dr Perry is a director of the Company and therefore a related party of the Company.

Pursuant to Listing Rule 10.13, the following information is provided in relation to the proposed issue of LTIs pursuant to this Resolution 5:

- (i) The name of the person to be issued the Securities:

Dr Michael Perry

- (ii) The maximum number of securities to be issued

50,000,000 LTIs, issued subject to vesting conditions described in section 6.1 above. After vesting each LTI is capable of exchange into one ordinary Share in the Company credited as fully paid without the payment of any cash or other consideration by Dr Perry (except for the continued provision of his employment services and achieving vesting conditions).

- (iii) The date by which the LTIs will be issued:

No later than one (1) month after the date of the General Meeting, or such later date that ASX in its discretion decides;

- (iv) Issue Price of the LTIs:

\$Nil. No cash or other consideration (other than the continued provision of his employment services and achieving vesting conditions) is provided by Dr Perry either for the grant of the LTIs, on vesting or after vesting (where Dr Perry exchanges his LTI for the issue of ordinary Shares in the Company credited as fully paid);

- (v) Voting Exclusion Statement:

A voting exclusion statement is provided in the Notice of Meeting (to which this Explanatory Statement is attached); and

- (vi) The intended use of the Funds raised

No cash funds will be raised from the issue of the LTIs to Dr Perry.

6.4 Board recommendation

The Board (with Dr Perry abstaining, due to his interest in the outcome of the resolution) unanimously recommends that Shareholders vote in favour of Resolution 5 as they all believe the passing of the resolution is in the best interests of the Company. None of the directors, other than Dr Perry, has an interest in the outcome of the resolution.

The Chairman intends to vote available undirected proxies in favour of Resolution 5.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Avita Medical Limited ACN 058 466 523.

Constitution means the Company's constitution.

Control Event means any of the following:

- (a) a takeover bid is made to acquire the whole of the issued Shares and the takeover bid is recommended by the Board or becomes unconditional;
- (b) a transaction is announced by the Company which, if implemented, would result in a person owning all the issued Shares;
- (c) a person acquires 50.1% or greater of the issued Shares or the Company (individually or as a result of a series of transactions) disposes (whether by sale, licence or otherwise) all or substantially all of its assets; or

- (d) a person after the date of issue of the LTIs acquires or enters into a position to own or control sufficient Shares which in the reasonable opinion of the Board would enable that person to influence the composition of the Board;
- (e) any other similar event has occurred or is likely to occur (including, but not limited to, a merger of the Company with another company), which the Board in its reasonable opinion determines to be a Control Event;

but for clarity a "Control Event" excludes any solvent reconstruction or re-organisation of the Company or its entities (including without limitation the interposition of a new holding entity to the group).

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Issue Date means the date the RSUs are issued by the Company.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

LTI means long term incentive right.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

PPSA Security Interest means a security interest as defined in *Personal Property Securities Act 2009* (Cth) (PPSA) and to which the PPSA applies.

Proxy Form means the proxy form accompanying the Notice.

Related Parties has the meaning as provided in the Corporations Act.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

Reorganisation means any merger, consolidation, reconstruction or other reorganisation in respect of the Company, including any compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

RSU means a restricted security unit, which is an unfunded and unsecured contractual entitlement to be issued or transferred a Share on a future date.

Section means a section of the Explanatory Statement.

Security Interest means:

- (a) an interest or power reserved in or created or otherwise arising in or over an interest in any asset whether under a bill of sale, mortgage, charge, lien, pledge, other security interest or preferential arrangement (including retention of title), trust or power or otherwise by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation;
- (b) a PPSA Security Interest; or
- (c) any agreement to grant or create anything referred to in either of paragraph (a) or (b) of this definition and any other thing which gives a creditor priority to any other creditor with respect to any asset or an interest in any asset.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in Section 9.

VWAP means the volume weighted average price of the Shares traded for the 30 trading days immediately prior to, but not including, the relevant date.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE LAST ANNUAL GENERAL MEETING

| Date | Quantity and Class | Recipients | Issue price and discount to Market Price (if applicable) ¹ | Form of consideration | Extent of use of the funds and intentions for any funds remaining |
|------------|------------------------|--|--|--|---|
| 22/05/2017 | 303,028 ORD shares | Directors who participated in the director equity plan approved at the 2016 AGM – shares issued in lieu of director fees | \$0.088397 per share, being a 7.8% premium to the closing price on 21 May 2017 | shares issued in lieu of director fees | Not Applicable and Nil |
| 16/10/2017 | 100,982,978 ORD shares | Bell Potter Placement to Institutional and Sophisticated investors | \$0.045 per share being a 26% discount to the closing price on 13 October 2017 | Cash | Funds raised totaled \$4,544,234. Funds to be used for ReCell commercialisation in the USA and evaluate further new indications. All funds raised are available for deployment. |

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: AVH (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

SCHEDULE 2 – TERMS AND CONDITIONS OF LONG TERM INCENTIVE RIGHTS

1 Grant of RSUs

A Company will grant the LTIs (in the form of RSUs) within 1 month after Shareholders approve their issue. Upon their issue the Company will issue to the Participant a certificate stating the applicable terms of the RSU, including the number of RSUs issued and any Vesting Conditions. The RSUs granted (and Shares issued or transferred on their vesting) will be registered in the appropriate register of the Company.

For the purposes of these Terms and Conditions, Dr Perry is referred to as the 'Participant'.

2 Restrictions on dealing with RSUs

The Participant may not without prior written approval of the Board sell, assign, transfer or otherwise deal with, or grant a Security Interest over, an RSU granted to the Participant.

The RSU lapses immediately on purported sale, assignment, transfer, dealing or the grant of Security Interest, unless the Board in its absolute discretion approves the dealing, or the transfer or transmission is effected by force of law on death or legal incapacity to the Participant's legal personal representative.

3 Operation of RSUs

3.1 Consideration

No cash consideration will be payable on the grant of the RSUs unless otherwise specified in these Terms and Conditions.

3.2 Vesting Conditions

The RSUs are subject to Vesting Conditions and will only vest as the respective vesting conditions are met.

The Vesting Conditions relate to the continued tenure (of Dr Perry) as Chief Executive Officer (**CEO**) in accordance with his employment agreement (**Tenure Vesting**), Company Share Price (**Share Price Vesting**) and Milestone performance (**Milestone Vesting**) - as set by the Board of Directors.

3.3 Tenure Vesting

The Tenure Vesting is satisfied, and a total of 16,666,666 RSUs vest, in the following numbers on the following dates, provided the Participant has been continuously employed by the Company as CEO of the Company as at the relevant date since the grant of the RSUs (**Continuously Employed**):

- (a) first tranche of 5,555,555 RSUs provided the Participant has been Continuously Employed of the for the period 1 June 2017 to 31 May 2018;
- (b) second tranche of 5,555,555 RSUs provided the Participant has been Continuously Employed for the period 1 June 2018 to 31 May 2019;

- (c) third tranche of 5,555,556 RSUs provided the Participant has been Continuously Employed for the period 1 June 2019 to 31 May 2020.

3.4 Share Price Vesting

Provided the Participant has been Continuously Employed at the relevant time, the Share Price Performance is satisfied, and a total of 16,666,666 RSUs vest, in the following numbers on the following dates, upon:

- (a) first tranche of 5,555,555 RSUs will vest when the VWAP reaches a 2x multiple of the Company's Share price as at the close of trading on the ASX as at the ASX Trading day (immediately before) Shareholders approve this Resolution 5;
- (b) second tranche of 5,555,555 RSUs will vest when the VWAP reaches a 3x multiple of the Company's Share price as at the close of trading on the ASX as at the ASX Trading day (immediately before) Shareholders approve this Resolution 5; and
- (c) third tranche of 5,555,556 RSUs will vest when the VWAP reaches a 4x multiple of the Company's Share price as at the close of trading on the ASX as at the ASX Trading day (immediately before) Shareholders approve this Resolution 5.

3.5 Performance Vesting

Provided the Participant has been Continuously Employed at the relevant time, the Performance Vesting is satisfied and a total of 16,666,666 RSUs vest in 2 equal tranches, in the following numbers on the following dates:

- (a) 8,333,334 RSUs vest upon the date the US Food and Drug Administration (FDA) grants formal approval of Avita's 28 September 2017 submission of U.S. FDA Premarket Approval (PMA) Application for the ReCell device for Treatment of Burn Injuries, and
- (b) 8,333,334 RSUs vest upon the date there is Initial BARDA Procurement under CLIN2 of the BARDA contract for 5,614 ReCell devices totalling USD \$7,594,620.

3.6 RSU Exercise, Conversion and Expiry

RSUs can only be exercised and converted into Shares after vesting upon written notice to the Company, in the form as required by the Company from time to time. Each RSU will convert into one (1) Share credited as fully paid.

All RSUs will expire and cannot be exercised, converted or transferred after 10 years after their Issue Date.

3.7 RSU will lapse earlier on cessation of employment for fault

Unless an RSU has already vested, in the event of termination by the Company for fault of the Participant, all the Participant's unvested RSUs will lapse automatically on the relevant day and the Company has no obligation to issue or transfer the Shares to which the RSU relates following any purported vesting of the RSU.

3.8 Lapsed RSUs do not vest

An RSU which has lapsed will not vest.

3.9 RSU may lapse in the case of fraud, dishonesty or voluntary resignation

If a Participant:

- (a) has committed (or it is evident the Participant intends to commit), any act (whether by omission or commission) which amounts or would amount to any of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Participant's duties; or
- (b) is convicted of a criminal offence (other than a minor motor traffic offence or other trivial offence which does not impact on the Participant's good fame and character or ability to perform his/her duties); or
- (c) resigns voluntarily from a Group Company,

the Board may declare that any unvested RSUs have lapsed, and the RSU lapses accordingly and the Company has no obligation to issue or transfer the Shares to which the RSU relates.

3.10 No vesting of RSU on bankruptcy

It is a condition precedent to the vesting of an RSU that if the Participant is an individual, the Participant is not bankrupt and has not committed an act of bankruptcy or, if the Participant is deceased, the Participant's estate is not bankrupt or if the Participant is not an individual, the Participant is not insolvent or subject to a resolution or order for winding up.

3.11 RSU will not lapse but will vest automatically where cessation of employment not for fault or occurrence of a "Change in Control"

Notwithstanding any other paragraph in this Schedule 2 but subject to all applicable laws, in the event of termination by the Company of the employment of the Participant not for fault of or in the event of the disability or death of the Participant or the occurrence of a "Change in Control" all of the unvested RSUs held by the Participant are deemed to be vested (without the need for any other action by the Company) and any Vesting Conditions are deemed to have been waived or so modified.

4 Delivery of Shares on vesting of RSUs

4.1 Issue or transfer

Subject to this paragraph 4, within 15 Business Days after the vesting of a Participant's RSU the Company will issue or transfer to the Participant one Share (credited as fully paid) for each RSU vesting.

4.2 Shares issued by the Company to rank pari passu

All Shares issued on the vesting of a Participant's RSUs will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of their allotment.

4.3 Shares to be quoted on ASX

If Shares of the same class as those issued or transferred on the vesting of a Participant's RSUs are quoted on the ASX, the Company will apply to the ASX as required by the Listing Rules for those Shares to be quoted.

4.4 Restriction as to dealing

Where the Shares referred to in paragraph 4.1 are subject to any restriction as to disposal or other dealing by the Participant for any period, the Board may implement any procedure it deems appropriate that complies with applicable laws to ensure compliance by the Participant with this restriction.

4.5 Participant's agreement

The Participant undertakes that while the Shares acquired by the Participant as a result of the vesting of RSUs are subject to any restriction procedure prescribed under paragraph 5 below, the Participant will not take any action or permit another person to take any action to remove the restriction procedure.

4.6 Expiry of restriction

Upon the expiry of any restriction over a Share, the Company will take all actions necessary to ensure that the Participant can deal with the Share.

5 Reorganisation and winding-up

5.1 RSUs may vest at a time earlier than the Prescribed Vesting Date

Notwithstanding any of the above provisions the Board, in its absolute discretion but subject to applicable laws, gives notice that any or all of the Participant's RSUs may vest as determined by the Board within a particular time, then the RSUs may vest within that time in addition to any other period during which the RSUs vest.

5.2 Compulsory acquisition, Reorganisation or winding up

If:

- (a) a person becomes bound or entitled to compulsorily acquire Shares under the Company's Constitution;
- (b) a Reorganisation is sanctioned by one or more of the following under the Company's Constitution or otherwise:
 - (i) a court;
 - (ii) a general meeting or other meeting of holders of the Company's securities; or
 - (iii) a meeting of the Company's creditors; or
- (c) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company,

then the Board may vest RSUs within a specified period of up to 30 days after the occurrence of the relevant event.

6 Adjustment of RSUs

6.1 No bonus issue

Subject to the preceding paragraphs, during the currency of a Participant's RSU and before its vests, the Participant is not entitled to participate in any bonus issue of Shares pro rata to shareholders of securities of the Company as a result of holding the RSU.

6.2 Sub-division, consolidation, reduction or return

If there is any Reorganisation, including any subdivision, consolidation, reduction or return of the issued capital of the Company, the number of RSUs to which each Participant is entitled will be adjusted in the way specified by the Listing Rules (as apply to adjustments for options from time to time).

6.3 No right to participate in new issues

Subject to the preceding paragraphs, during the currency of a Participant's RSU and before its vests, the Participant is not entitled to participate in any new issue of securities of the Company as a result of holding the RSU.

6.4 Accumulation of adjustments

Full effect must be given to these paragraphs 6.1, 6.2 and 6.3 as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect must be such as to reflect in relation to the Shares comprised in an RSU the adjustments which on the occasions in question are progressively effective in relation to Shares already on issue. All adjustment calculations are to be to four decimal places.

A Participant has no right to change the number of Shares over which the RSU vests.

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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

For all enquiries call:

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

AVH

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

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

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



For your vote to be effective it must be received by 11:00am (AEDT)

Tuesday, 28 November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

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

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

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 Avita Medical 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 Avita Medical Limited to be held at K&L Gates, Level 25 South Tower, 525 Collins Street, Melbourne, Victoria on Thursday, 30 November 2017 at 11:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 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 Resolutions 1 and 5 by marking the appropriate box in step 2 below.

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 |
|--------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director – Jeremy Curnock Cook | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Ratification of Prior Issue – Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval of the Issue of Long Term Incentive Rights to Dr Michael Perry | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /