

20.04.18

# ASX ANNOUNCEMENT

ASX Market Announcements  
Australian Securities Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

## **Admedus Limited (ASX:AHZ)**

### **NOTICE OF ANNUAL GENERAL MEETING**

Admedus Ltd Annual General Meeting for the 6-month period July 2017 to December 2017 will be held at 11:00 AM AEST on Thursday, 24 May 2018 at:

Jones Day  
Level 31, Riverside Centre  
123 Eagle Street  
BRISBANE, QUEENSLAND

The Notice of Meeting and Explanatory Memorandum and Voting Form is being mailed to all shareholders. A copy of these documents follows this announcement and they can be viewed on the Admedus website at [www.admedus.com.au](http://www.admedus.com.au).

The Admedus Annual Report will also be mailed to those shareholders who have elected to receive a printed copy of this document. A copy of this document has been lodged with the ASX today and is available on the Admedus website at [www.admedus.com.au](http://www.admedus.com.au).

## **ENDS**

For and on behalf of the Board

Catherine Costello  
Company Secretary

**Admedus Limited**  
ABN 35 088 221 078

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**ADMEDUS LTD**  
**ACN 088 221 078**

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**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**AND**

**EXPLANATORY MEMORANDUM**

**TO BE HELD AT 11:00 AM AEST ON  
THURSDAY, 24 MAY 2018**

**AT**

**Jones Day  
Level 31, Riverside Centre  
123 Eagle Street  
BRISBANE, QUEENSLAND**

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 (0)7 3152 3200***

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# ADMEDUS LTD

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of shareholders of Admedus Ltd (**Company**) will be held at Jones Day, Level 31, Riverside Centre, 123 Eagle Street, Brisbane, Queensland on Thursday 24 May 2018 at 11.00 am AEST (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

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 as Shareholders of the Company on 22 May 2018 at 7:00 pm AEST.

Terms and abbreviations used in this Notice, including the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 – Adoption of Remuneration Report

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report."*

<p><b>Note:</b> This resolution will be decided as if it were an ordinary resolution, however under section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Company.</p>
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#### Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

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### 3. **Resolution 2 – Re-election of Mr Mathew Ratty as Director**

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

*"That, pursuant to and in accordance with Listing Rule 14.4, article 15.2 of the Constitution and for all other purposes, Mr Mathew Ratty, Director, retires and being eligible for re-election pursuant to articles 15.2 and 15.3 of the Constitution is re-elected as a non-executive Director of the Company."*

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### 4. **Resolution 3 – Ratification and approval of Warrant issued to Partners for Growth**

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

*"That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue to Partners for Growth of a warrant convertible into 4,938,799 new Shares at an exercise price of \$0.2531 per Share and otherwise on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Partners for Growth and any associates of that person (or those persons), unless:

- (a) 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
- (b) 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).

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### 5. **Resolution 4 – Approval to issue Options to Mr Wayne Paterson**

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

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Wayne Paterson a total of 1,435,630 Options exercisable for \$0.37 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Wayne Paterson and any of his associates.

The Company will not disregard a vote if:

- (a) 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
- (b) 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.

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

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

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **6. Resolution 5 – Approval of 10% Placement Facility**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of 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 Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person (and any associates of such a person) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being the holder of ordinary securities in the entity).

The Company will not disregard a vote if:

- (a) 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

- (b) 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.
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**BY ORDER OF THE BOARD**

Catherine Costello  
Company Secretary  
Dated: 20 April 2018

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# ADMEDUS LTD

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Brisbane office of Jones Day at Level 31, Riverside Centre, 123 Eagle Street, Brisbane, Queensland on Thursday, 24 May 2018 at 11:00 am AEST.

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Mr Mathew Ratty as Director
Section 6:	Resolution 3 – Ratification and approval of Warrant issued to Partners for Growth
Section 7:	Resolution 4 – Approval to issue Options to Mr Wayne Paterson
Section 8:	Resolution 5 – Approval of 10% Placement Facility
Schedule 1:	Definitions
Schedule 2:	Terms of options
Schedule 3:	Listing Rule 7.3A.6 Disclosure

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice, including this Explanatory Memorandum, carefully before deciding how to vote on the Resolutions.

#### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the

instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11:00 am AEST on 22 May 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **2.2 Voting prohibition by proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 and Resolution 4 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 and Resolution 4, and:

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

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## **3. Annual Report**

In accordance with section 317(1) of the Corporations Act, the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://www.admedus.com/annualreports/>;



- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company notes that in 2017 it changed its financial year-end from 30 June to 31 December. Accordingly, the Annual Report relates to the six-month accounting period from 1 July 2017 to 31 December 2017.

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#### 4. **Resolution 1 – Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Given the Company changed its financial year-end in 2017 from 30 June to 31 December, the Remuneration Report relates to the six-month accounting period from 1 July 2017 to 31 December 2017.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2017 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2019 annual general meeting, this may result in the Board being required to stand for re-election.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 5. **Resolution 2 – Re-election of Mr Mathew Ratty as Director**

In accordance with Listing Rule 14.4 and article 15.2 of the Constitution, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment, or three years, whichever is longer.

Mr Ratty was appointed as a Director on 27 May 2016.

A Director retiring by rotation is eligible for re-election pursuant to articles 15.2 and 15.3 of the Constitution.

Resolution 2 provides that Mr Ratty retires by rotation and seeks re-election as a Director.

Details of Mr Ratty's background and experience are set out in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Ratty) supports the re-election of Mr Ratty and recommends that Shareholders vote in favour of Resolution 2.

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## 6. **Resolution 3 – Ratification of Warrant issued to Partners For Growth**

### 6.1 **General**

On 26 October 2017, the Company announced that it had entered into a facility agreement with Partners for Growth (**PFG Facility**) and, in connection with the PFG Facility, agreed to issue Partners for Growth a warrant that is convertible into 4,938,799 new Shares (**PFG Warrant**).

Resolution 3 seeks Shareholder ratification of the issue of the PFG Warrant pursuant to Listing Rule 7.4.

### 6.2 **Listing Rule 7.4**

In accordance with Listing Rule 7.1, the Company must not, without obtaining Shareholder approval, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the

number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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

If Resolution 3 is approved, it will have the effect of refreshing the Company's ability, to the extent of the PFG Warrant, to issue further securities during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). If Resolution 3 is not passed, the PFG Warrant will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue and the Company's ability to issue securities under Listing Rule 7.1 will be reduced to this extent.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

### 6.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the PFG Warrant as follows:

- (a) The PFG Warrant was issued to Partners for Growth on 25 October 2017.
- (b) The Warrant was issued with an exercise price of \$0.2531 per Share and for \$816 cash consideration payable by Partners for Growth. This consideration was applied for general working capital purposes. If the Warrant is exercised, any funds received are also expected to be used for general working capital.
- (c) The PFG Warrant is an unquoted warrant, convertible into 4,938,799 new Shares (**Warrant Shares**) at an exercise price of \$0.2531 per Share and with an expiry date of 25 October 2024.
- (d) The PFG Warrant is transferable, subject to applicable laws and the holder assigning and novating the agreement under which the warrant was issued to the transferee. The Warrant can be exercised in part or in full.
- (e) Subject to compliance with the ASX Listing Rules, if the Fair Market Value (as defined below) of the Warrant Shares exceeds their exercise price, the holder may effect a cashless exchange of the PFG Warrant such that, without the payment of funds, the holder will receive the number of Warrant Shares equal to "X" (as defined below), computed using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

A

X = the number of Warrant Shares to be issued to the holder

Y = the number of Warrant Shares to be exchanged

A = the Fair Market Value of one Warrant Share (being the highest closing price on ASX during the one-month period before exchange)

B = the exercise price (as adjusted to the date of such calculations)

\* = multiplied by

- (f) The PFG Warrant issued is convertible into fully paid ordinary shares in the capital of the Company and if converted those shares will rank equally in all respects with the Company's existing Shares on issue.
- (g) A voting exclusion statement is included in the Notice for Resolution 3.

## **6.4 Director Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

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## **7. Resolution 4 – Approval to Issue Options to Mr Wayne Paterson**

### **7.1 General**

Mr Paterson was appointed to the role of Chief Executive Officer of the Company on 15 March 2017 after serving as Acting Chief Executive Officer since May 2016.

Pursuant to the contract of employment between the Company and Mr Paterson applicable during the 2017 Calendar Year, Mr Paterson is entitled to receive incentives for the achievement of certain financial performance indicators set by the Remuneration Committee for that year.

The Remuneration Committee and the Board (with Mr Paterson abstaining) have recommended and resolved that Mr Paterson be issued with a total of 1,435,630 Options exercisable at \$0.37 per Share and expiring 10 years from their date of issue (**2017 Options**) as a result of certain financial performance indicators being achieved in 2017, subject to all required Shareholder approvals being obtained. Each option entitles Mr Paterson to one new Share on exercise.

In the event Shareholders do not approve this Resolution 4, the Company will be required to compensate Mr Paterson for the cash equivalent of the determined value of the 2017 Options one month after the Annual General Meeting to meet the Company's contractual obligations to Mr Paterson.

### **7.2 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must obtain Shareholder approval in order to issue securities (including options) to Mr Paterson (and/or his nominee), given he is a related party of the Company.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- (a) The 2017 Options will be issued to Mr Paterson (and/or his nominee).
- (b) The maximum number of options to be issued to Mr Paterson (and/or his nominee) is 1,435,630, which can be exercised for up to 1,435,630 new Shares.
- (c) If Resolution 4 receives Shareholder approval, the 2017 Options are intended to be issued to Mr Paterson (and/or his nominee) as soon as practicable following the Meeting, but in any event, within one month of the date of the Meeting.

- (d) The 2017 Options are being issued for nil consideration and otherwise on the terms set out in Schedule 2.
- (e) No funds will be raised from the issue of the 2017 Options as they are being issued for nil cash consideration.
- (f) Any shares issued on the exercise of the 2017 Options will rank equally in all respects with the Company's existing Shares on issue.
- (g) Mr Paterson has an interest in Resolution 4 and therefore believes it is appropriate to abstain from making a recommendation. A voting exclusion statement is included in the Notice for Resolution 4.
- (h) As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

### **7.3 Director Recommendation**

The Directors (excluding Mr Paterson) unanimously recommend that Shareholders vote in favour of Resolution 4.

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## **8. Resolution 5 – Approval of 10% Placement Facility**

### **8.1 General**

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

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

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Directors believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 5.

### **8.2 Listing Rule 7.1A**

- (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

- (b) Equity Securities

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

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

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

$(A \times D) - E$

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

- (A) plus the number of 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 Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

*B* is 10%.

*C* 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 Shareholder approval under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of the Notice, the Company has on issue 254,795,534 Shares and therefore will have capacity to issue:

- (i) 38,219,330 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 5, 25,479,553 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) above).

(e) Minimum issue price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph 8.2(e)(i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

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

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),
- (iii) or such longer period if allowed by ASX,

**(the 10% Placement Period).**

### **8.3 Effect of approving Resolution 5**

The effect of approving Resolution 5 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1. This will give the Company greater scope and flexibility to raise capital by the issue of Shares during the 10% Placement Period.

### **8.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table 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 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		[\$0.16] 50% decrease in Issue Price	[\$0.315] Issue Price	[\$0.47] 50% Increase in Issue Price
Current Variable A 254,795,534 Shares	10% Voting Dilution	25,479,553 Shares	25,479,553 Shares	25,479,553 Shares
	Funds raised	\$4,076,728	\$8,026,059	\$11,975,390
50% increase in current Variable A 382,193,301 Shares	10% Voting Dilution	38,219,330 Shares	38,219,330 Shares	38,219,330 Shares
	Funds raised	\$6,115,093	\$12,039,089	\$17,963,085
100% increase in current Variable A 509,591,068 Shares	10% Voting Dilution	50,959,106 Shares	50,959,106 Shares	50,959,106 Shares
	Funds raised	\$8,153,457	\$16,052,118	\$23,950,780



This table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) 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%.
  - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - (vi) The issue price is \$0.315, being the closing price of the Shares on ASX on 18 April 2018.
- (e) The Company will only issue Equity Securities under the 10% Placement Facility during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid if the Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities under the 10% Placement Facility for the following purposes:
- (i) non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised for:
    - (A) make improvements in the manufacturing division to increase yields and gross margins on the regenerative tissue range;
    - (B) expand the regenerative tissue range, including the release of new products into the market this financial year;
    - (C) refine the research and development portfolio with a focus on products that are near to market; and
    - (D) fund new market expansion across emerging markets and new product ranges.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.

- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Shares will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - (i) the methods of raising funds that are available to the Company including but not limited to, rights issue or other forms of issuance in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of related parties of the Company.
- (j) In the 12 months preceding the date of the Meeting the Company issued or agreed to issue 6,588,799 Equity Securities which represent 2.59% of the total number of Shares on issue at 11 April 2018. Further detail as required under Listing Rule 7.3A.6 in respect of these Shares issues is set out in Schedule 3.
- (k) A voting exclusion statement is included in the Notice for Resolution 5.
- (l) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## **8.5 Director recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 5.

## Schedule 1 - Definitions

In the Notice, including this Explanatory Memorandum:

**2017 Options** has the meaning given to it in Section 7.1.

**\$** means Australian dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditors' Report in respect of the financial period ended 31 December 2017, as lodged with ASX on 28 February 2018. Due to the change in financial year end, the financial period is the 6 month period from 1 July 2017 to 31 December 2017.

**ASX** means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors from time to time.

**Calendar Year** means 1 January 2017 to 31 December 2017.

**Chairman** means the person appointed to chair the Meeting, or any part of the Meeting, convened by this Notice.

**Closely Related Party** has the meaning given in section 9 of the Corporations Act.

**Company** means Admedus Ltd ACN 088 221 078.

**Constitution** means the constitution of the Company.

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

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

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum.

**Facility Agreement** means the agreement with Partners for Growth for a secured debt facility of up to \$10 million.

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

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

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

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Office** means office as an Officer.

**Officer** means a current officer of the Company as defined in section 9 of the Corporations Act.

**Option** means an option to acquire a Share.

**Partners for Growth** means Partners for Growth V L.P., a Delaware limited partnership.

**PFG Warrants** has the meaning given in Section 6.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

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

**Schedule** means the schedule to the Notice.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a holder of a Share.

**Strike** has the meaning given in Section 4.

**Subsidiary** has the meaning given in section 9 of the Corporations Act and refers to any corporation of that kind whenever it becomes a subsidiary.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average price.

**Warrant** means a warrant convertible into a Share.

In the Notice, including this Explanatory Memorandum, words importing the singular include the plural and vice versa.

## **Schedule 2 – Terms of options**

Capitalised terms used in this Schedule 2 which have not been defined have the meaning given in Schedule 1.

The terms and conditions of the 2017 Options are summarised as follows:

### **1. Consideration payable**

The 2017 Options are issued in connection with Mr Paterson's employment and no consideration is payable on their issue.

### **2. Cash settlement**

Exercised Options may be satisfied, at the discretion of the Board, in cash rather than Shares, by payment to the holder of the cash equivalent value, net of applicable taxes and other withholdings, less any exercise price that would have been payable by the holder (and no exercise price is required to be paid by the holder).

### **3. Expiry date and lapse**

The 2017 Options will lapse on the 10th anniversary of the date of grant of the 2017 Options, if not exercised prior.

### **4. Transferability**

The grant of the 2017 Options is personal and is only transferable:

- (a) with the consent of the Board; or
- (b) by force of law upon death to a legal personal representative or upon bankruptcy to a trustee in bankruptcy.

### **5. Prohibition against dealing and hedging**

Dealing in the 2017 Options is not permitted (other than in accordance with the above transferability provisions in paragraph 4) nor can the holder enter into any scheme, arrangement or agreement (including options and derivative products) under which the economic benefit to be derived from any 2017 Options may be affected, irrespective of future changes in the market price of Shares.

### **6. Forfeiture**

Where the holder deals in the 2017 Options, or transfers the 2017 Options, or purports to enter, into any scheme, arrangement or agreement described in paragraph 5, the Board may determine that the relevant dealing does not take effect or that the 2017 Options immediately lapse or are forfeited, as applicable.

### **7. Entitlements**

A holder shall not be entitled to vote, receive dividends, or have any other rights of a Shareholder in respect of the 2017 Options until the underlying Shares are issued following exercise of the 2017 Options.

### **8. Variation in share capital**

Appropriate adjustment will be made to the number of 2017 Options in accordance with the Listing Rules in the event of a Variation of Capital Event.

**A Variation of Capital Event** means an event where one of the following occurs:

- (a) any reorganisation (including consolidation, subdivision, reduction, return or special dividend) in relation to the issued capital of the Company;
- (b) Shares are issued to the Company's Shareholders by way of a bonus issue;  
or
- (c) Shares are offered to the Company's Shareholders by way of a rights issue.

**9. Pro Rata issue of securities or bonus issue**

If there is a pro-rata issue or bonus issue of new Shares to Shareholders:

- (a) the holder of the 2017 Options may not participate in the new issue until (and to the extent that) the 2017 Options have been exercised and the underlying Shares are issued by the record date for the new issue; and
- (b) the exercise price, or number of Shares over which the Options may vest or may be exercised, as applicable, will, in the case of a pro-rata issue, be adjusted in accordance with Listing Rule 6.22.2 (or any replacement rule) and, in the case of a bonus issue, be adjusted in accordance with Listing Rule 6.22.3 (or any replacement rule).

**Schedule 3**  
**Schedule 4 Listing Rule 7.3A.6 Disclosure**

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration		Use of funds
1.	22 September 2017	1,150,000	Unlisted options with an exercise price of \$0.26, expiring on 22 September 2022	Eligible employees under the Company's employee option plan	N/A	N/A	Non-cash consideration paid:	Issued as incentive to various employees.	N/A
							Current value of non-cash consideration	Based on the Black Scholes pricing model, the market price of traded Shares on 18 April 2018 of \$0.315, the options would have a value of \$229,179.	
2.	26 October 2017	1 warrant convertible into 4,938,799 Shares,	Unquoted warrant convertible into 4,938,799 Shares, with an exercise price of \$0.2531, expiring on 26 October 2024	Partners for Growth V, L.P	\$816	N/A	\$816		General working capital purposes.

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration		Use of funds
3.	15 December 2017	500,000	Unquoted options convertible into 500,000 new Shares, with an exercise price of \$0.22, expiring on 15 December 2022	Eligible employees under the Company's employee option plan	N/A	N/A	Non-cash consideration paid:	Issued as incentive to various employees.	N/A
							Current value of non-cash consideration	Based on the Black Scholes pricing model, the market price of traded Shares on 18 April 2018 of \$0.315, the options would have a value of \$104,917.	





**Admedus Ltd**  
ABN 35 088 221 078

AHZ

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

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://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](http://www.intermediaryonline.com)

## For all enquiries call:

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

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I999999999**

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



 **For your vote to be effective it must be received by 11:00am (AEST) Tuesday 22 May 2018**

## How to Vote on Items of Business

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

### Appointment of Proxy

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

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

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

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

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

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

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

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

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://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

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I/We being a member/s of Admedus Ltd 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 Admedus Ltd to be held at **Jones Day, Level 31, Riverside Centre, 123 Eagle Street, Brisbane, QLD 11:00am (AEST) Thursday 24 May 2018** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1 & 4** (except where I/we have indicated a different voting intention below) even though **Items 1 & 4** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1 & 4** 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
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Mathew Ratty as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification and approval of Warrant issued to Partners for Growth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Options to Mr Wayne Paterson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of 10% Placement Facility	<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 / /