



Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting:	Wednesday 2 November 2016
Time of Meeting:	11:15 am (AEDT) Registration from 11:00 am
Place of Meeting:	Grant Thornton Australia Level 17, 383 Kent Street Sydney NSW 2000

<p>This is an important document. It should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional adviser.</p>
--

Notice is given that the annual general meeting of Imugene Limited ACN 009 179 551 (**Company**) will be held at:

Location	Grant Thornton Australia, Level 17, 383 Kent St, Sydney NSW 2000
Date	Wednesday, 2 November 2016
Time	11.15am (AEDT)

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 30 June 2016.

Directors' remuneration report

To consider and, if in favour, to pass the following resolution under section 250R(2) *Corporations Act 2001* (Cth) (**Corporations Act**):

- 1 'That the remuneration report of the directors for the financial year ended 30 June 2016 be adopted.'

Note: This resolution shall be determined under section 250R(2) *Corporations Act*. Votes must not be cast on this resolution by key management personnel (**KMP**) and closely related parties in contravention of section 250R or 250BD *Corporations Act*. Restrictions also apply to votes cast as proxy unless exceptions apply.

Re-election and election of directors

Re-election of Mr. Paul Hopper

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 2 'That Mr. Paul Hopper, who retires by rotation under article 6.3(c) of the Company's constitution, and being eligible, be re-elected as a director of the Company under article 6.3(f) of the Company's constitution.'

Note: Information about the candidate appears in the explanatory memorandum.

Election of Dr. Anton Uvarov

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 3 'That Dr. Anton Uvarov, a Director appointed by the Board of Directors on 5 January 2016, retires under article 6.3(j) of the Company's Constitution, and being eligible, be elected as a director of the Company under article 6.2(c) of the Company's constitution.'

Note: Information about the candidate appears in the explanatory memorandum.

Special business

Approval of Employee Share Option Plan

To consider, and if in favour, pass the following resolution as an ordinary resolution:

- 4 'For the purposes of ASX Listing Rule 7.2 (Exception 9) and all other purposes, approval is given to establish and administer the Company's Employee Share Option Plan and for the issue of Options pursuant to the Plan as an exception to ASX Listing Rule 7.1.'

Approval of additional capacity to issue shares under Listing Rule 7.1A

To consider and, if in favour, to pass the following resolution as a special resolution:

- 5 'For the purposes of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the Company having the additional capacity to issue equity securities under Listing Rule 7.1A, on the terms set out in the explanatory memorandum.'

Dated: 28 September 2016

By order of the board



Justyn Stedwell
Company secretary

Voting exclusion statement

Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the KMP details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Listing Rules

In accordance with the Listing Rule 14.11, the Company will disregard votes cast by:

Resolution 4 - Approval Employee Share Option Plan	<p>A member of the KMP details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member. However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> • it is cast by an Excluded Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or • it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
Resolution 5 – Approval of additional capacity to issue shares under Listing Rule 7.1A	<p>A person who may participate in the proposed issue 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, or an associate of that person.</p> <p>Note: Under Listing Rule 14.11.1 and the notes under that rule about Rule 7.1A, as at the date of this notice of meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.</p>

However, the Company need 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 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.

Notes

- (a) Subject to the Corporations Act, including sections 250R and 250BD, a shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a shareholder of the Company. A shareholder who is 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.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.

- (d) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
 - (e) The Company has determined under regulation 7.11.37 Corporations Regulations that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of shareholders as at 7.00pm (AEDT) on Monday, 31 October 2016.
 - (f) If you have any queries on how to cast your votes then call the Company's registered office on +61 3 9824 5254 during business hours.
-

Ordinary business**Financial statements and reports**

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the directors, the auditor's report and the financial report be laid before the annual general meeting. In addition, the Company's constitution provides for these reports to be received and considered at the meeting.
 - 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the annual general meeting on the financial statements and reports.
 - 3 Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports.
 - 4 In addition to asking questions at the meeting, shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, Grant Thornton Audit Pty Ltd, if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the meeting.
- Note: Under section 250PA(1) Corporations Act a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.
- 5 Written questions for the auditor must be delivered by Wednesday, 26 October 2016. Please send any written questions for Grant Thornton Audit Pty Ltd to the Company's registered office.

Resolution 1: Directors' remuneration report

- 6 The Corporations Act requires that the section of the directors' report dealing with the remuneration of each member of the KMP of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption.
- 7 The resolution of shareholders is advisory only and not binding on the Company.
- 8 The Remuneration Report is in the Annual Report. It is also available on the Company's website (www.imugene.com) on the Annual Reports page under Investor Centre. It:
 - (a) explains the board's policies on the nature and level of remuneration paid to directors, company secretaries and senior executives of Imugene;
 - (b) discusses the link between the board's policies and the Company's performance;
 - (c) sets out the remuneration details for each director and for each member of the Company's senior executive management team; and
 - (d) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.

- 9 The chairman will give shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

Directors' recommendation

- 10 As the resolution relates to matters including the remuneration of the directors, the directors abstain from making a recommendation on this resolution as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act.

Re-election of directors

Resolution 2: Re-election of Paul Hopper

- 11 In accordance with article 6.3(c) of the Constitution, Paul Hopper, a director appointed by the Company on 31 October 2012, retires at the close of this annual general meeting and, being eligible, offers himself for re-election under article 6.3(f) of the Constitution.
- 12 Mr Hopper has over twenty years' experience in the management and funding of biotechnology and healthcare public companies both as CEO and Director, with extensive capital markets experience in equity and debt raisings in Australia, Asia, US and Europe. Mr Hopper's sector experience has covered a number of therapeutic areas with a particular emphasis on immunotherapy and cancer vaccines. Mr Hopper has served as CEO and Director of many listed biotechnology and healthcare companies in Australia and the US.

Directors' recommendation

- 13 The directors recommend you vote for this resolution.

Resolution 3: Election of Dr. Anton Uvarov

- 14 In accordance with article 6.3(j) of the Constitution Dr. Uvarov, a director appointed by the board on 5 January 2016, retires at the close of this annual general meeting and, being eligible, offers himself for election as a director under article 6.2(c) of the Constitution. Dr. Uvarov serves as a non-executive director of the Company.
- 15 Dr Uvarov has significant experience as an equity analyst in the healthcare sector, both domestically and internationally. Prior to moving to Australia he was with Citigroup Global Markets where he spent two years as a member of the New York based biotechnology team. He holds a PhD degree in Biotechnology and Medical Genetics from the University of Manitoba, Canada and an MBA degree from the University of Calgary, Canada.

Directors' recommendation

- 16 The directors recommend you vote for this resolution.
-

Special business

Resolution 4: Approval of Employee Share Option Plan

- 17 The purpose of resolution 4 is to seek shareholder approval to establish and maintain the Company's Employee Share Option Plan ("the Plan") to provide ongoing incentives to employees and consultants of the Company. If this Resolution is passed, the Plan will enable the Company to issue options to subscribe for shares in the Company (and to issue Shares upon exercise of such Options) from time to time to employees and consultants as part of a performance based incentive program. The Options will be granted and issued under the Plan at the discretion of the Board. Directors are not eligible to participate in the Plan.
- 18 ASX Listing Rule 7.1 provides that a listed Company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12 month period without the approval of shareholders.
- 19 An exception to Listing Rule 7.1 is Listing Rule 7.2 – Exception 9, which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within three years of the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.
- 20 Resolution 4 seeks Shareholder approval to establish and maintain the Plan and to enable the Company to grant Options in accordance with the Rules of the Plan and as an exception to ASX Listing Rule 7.1 (in accordance with ASX Listing Rule 7.2 – Exception 9).
- 21 The Company has issued the following Options in the previous three years under its current Employee Share Option Plan which was approved at the Company's 2013 AGM:

Date of Issue	Number of Options	Exercise Price	Expiry Date
27 February 2015	4,500,000	\$0.01	10 November 2017

- 22 The Rules of the Plan are set out in Appendix A.

Directors' recommendation

- 23 The directors recommend you vote for this resolution.

Resolution 5: Additional capacity to issue shares under ASX Listing Rule 7.1A

- 24 ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring shareholder approval. Under new ASX Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and have a market capitalisation of \$300 million or less) can issue a further 10% of share capital in 12 months on a non-pro rata basis. The Company is an eligible entity as at the date of this notice of meeting and must remain compliant with the requirements of ASX Listing Rule 7.1A to be able to utilise the additional capacity to issue shares under that Listing Rule.
- 25 Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of ASX Listing Rule 7.3A the Company provides the following information:

Minimum price at which the equity securities may be issued	<p>The issue price of each share must be no less than 75% of the volume weighted average price for the shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> (a) the date on which the price, at which the securities are to be issued, is agreed; or (b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.
Risk of economic and voting dilution	<p>An issue of shares under ASX Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none"> (a) the market price for shares may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A; and (b) the equity securities may be issued at a price that is at a discount to the market price for the shares on the issue date. <p>Under ASX Listing Rule 7.3A.2, a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>

Date by which the Company may issue the securities	<p>The period commencing on the date of the annual general meeting (to which this notice relates) at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and (b) the date of the approval by holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 or 11.2. <p>The approval under ASX Listing Rule 7.1A will cease to be valid if holders of the Company's ordinary securities approve a transaction under ASX Listing Rules 11.1.2 or 11.2.</p>
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>It is the board's current intention that any funds raised under an issue of securities will be applied towards the commercialisation of the Company's lead product HER-Vaxx. This would principally include:</p> <ul style="list-style-type: none"> (a) research and development; (b) regulatory and reimbursement approvals; (c) maintenance of intellectual property; and (d) staff and office costs, audit and compliance expenses, and ASX fees. <p>The Company reserves the right to issue shares for non-cash consideration, including for payment of service or consultancy fees and costs.</p>
Details of the Company's allocation policy for issues under approval	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to ASX Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to factors including but not limited to the following:</p> <ul style="list-style-type: none"> (a) the methods of raising funds that are available to the Company including, but not limited to, rights issues or other issues in which existing security holders can participate; (b) the effect of the issue of the ASX Listing Rule 7.1A shares on the control of the Company; (c) the financial situation and solvency of the Company; and (d) advice from corporate, financial and broking advisers (if applicable). <p>The allottees under the ASX Listing Rule 7.1A facility have not been determined as at the date of this notice of meeting but may include existing substantial shareholders and new shareholders who are not related parties or associates of a related party of the Company.</p>

Previous approvals under ASX Listing Rule 7.1A

Approval was previously obtained at the Company's annual general meeting in November 2015.

Information under ASX Listing Rule 7.3A.6(a)

- 26 The table below shows the total number of equity securities issued in the 12 months before the date of the AGM and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities on issue at the commencement of the 12 month period	1,841,134,740*
Equity securities issued in the 12 month period	371,177,356
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	20.16%

* Comprising an aggregate of 1,732,134,740 shares and 109,000,00 options.

Information under ASX Listing Rule 7.3A.6(b)

- 27 The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period before the date of the AGM.

Date of issue, class and type of equity security and number issued	A. 171,177,356 options on 9/11/15. B. 200,000,000 options on 9/11/15.
Summary of terms	A. Options with and exercise price of \$0.015 and an expiry date of 30 March 2017. B. Options with and exercise price of \$0.015 and an expiry date of 30 March 2017.
Names of persons who received securities or basis on which those persons were determined	A. Bonus issue to shareholders B. Sophisticated Investors and clients of Forrest Capital.
Issue price and discount to market price (if any)	A. Nil. Free (loyalty) Options issued to shareholders. B. Nil. Issued as free attaching Options to 400,000,000 Shares issued at \$0.0075 per Share in October 2015, as approved by Shareholders.

<i>For cash issues</i>	
Total cash consideration received	A. Nil B. Nil
Approximate amount of cash consideration spent	A. N/A B. N/A
Use of cash consideration	A. N/A B. N/A
Intended use for remaining amount of cash (if any)	A. N/A B. N/A
<i>For non-cash issues</i>	
Non-cash consideration paid	A. No consideration B. No consideration
Current value of that non-cash consideration	A. N/A B. N/A

Information under ASX Listing Rule 7.3A.2

- 28 The table below shows the dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable “A” calculated under the formula in ASX Listing Rule 7.1A(2) as at the date of this notice.
- 29 The table shows two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders’ meeting.

- 30 The table also shows two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.0045 50% decrease in issue price	\$0.009 issue price	\$0.018 100% increase in issue price
Current Variable A * 1,732,134,740 shares	10% Voting Dilution	173,213,474 shares	173,213,474 shares	173,213,474 shares
	Funds raised	\$779,461	\$1,558,921	\$3,117,843
50% increase in current Variable A * 2,598,202,110 shares	10% Voting Dilution	259,820,211 shares	259,820,211 shares	259,820,211 shares
	Funds raised	\$1,169,191	\$2,338,382	\$4,676,764
100% increase in current Variable A * 3,464,269,480 shares	10% Voting Dilution	346,426,948 shares	346,426,948 shares	346,426,948 shares
	Funds raised	\$1,558,921	\$3,117,843	\$6,235,685

* Current Variable A refers to the current number of shares on issue as the date of preparing this notice of meeting (22 September 2016).

- 31 The table has been prepared on the assumptions set out below.
- The Company issues the maximum number of shares available under the 10% ASX Listing Rule 7.1A approval.
 - No options are exercised to convert into shares before the date of the issue of the shares available under ASX Listing Rule 7.1A.
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular shareholder by reason of share issue under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the meeting.
 - The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
 - The issue of shares under ASX Listing Rule 7.1A consists only of ordinary shares in the Company.

- (g) The issue price is \$0.009, being the closing price of the shares on ASX on 21 September 2016.

32 As resolution 5 is a special resolution it must be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

Directors' recommendation

The Directors recommend that you vote for this resolution.

<p>This is an important document. It should be read in its entirety. If you are in doubt as to the course you should follow, consult your financial or other professional adviser.</p>
--

APPENDIX A

IMUGENE LIMITED

ACN: 009 179 551

EMPLOYEE SHARE OPTION PLAN

PLAN RULES

1. Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise:

Application Form means a form for the application for an Option in respect of an Offer made to an Eligible Employee, or other person who is declared by the Board to be eligible to participate in the Plan;

ASIC means the Australian Securities and Investments Commission;

ASX means the Australian Securities Exchange Limited;

Board means the board of directors of the Company or a committee of the Board appointed to administer the Plan;

Class Order means Class Order 03/184 issued by ASIC as amended or replaced;

Closing Date means the closing date for acceptance of an Offer;

Company or Imugene means Imugene Limited ACN 009 179 551;

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

Director means a director of the Company

Eligible Employee means an employee or executive (including a director employed in an executive capacity) of an Employer Company who is declared by the Board to be an Eligible Employee for the purposes of the Plan;

Employer Company means the Company, a Subsidiary or any other company approved by the Board in which the Company holds not less than 20 per cent of the voting shares;

Exchange means any stock exchange on which the shares of the Company become listed;

Exercise Condition means, in respect of any Option, one or more conditions that must be met before the Option may be exercised, as determined by the Board in its absolute discretion;

Exercise Period means, in respect of any Option, the period designated by the Board and notified in writing to the Participant as being the period during which the Participant may exercise the Option or any part of it in accordance with rule 9;

Exercise Price means, in respect of any Offer, the price per Share calculated in accordance with rule 6, subject to any adjustment in accordance with rule 11;

Expiry Date means the final date to exercise an Option;

Grant Date, in relation to an Option, means the date on which the Option is granted in accordance with rule 8.1;

Listing Rules means the rules of the Exchange and, if the Exchange is ASX, means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

Market Price, in relation to a Share, on a particular day means:

- a) If there was at least one transaction on the Exchange during the 5 business days before that day, the weighted average of the prices at which a Share was traded on the Exchange during the 5 business days before that day, or;
- b) If there were no transactions on the Exchange in that 5 business days in Shares, the last price at which an offer was made on the Exchange in that period to buy a Share;

Offer means an invitation to an Eligible Employee, or other person declared by the Board to be eligible to apply for an Option under the Plan;

Option means right to acquire a Share;

Participant means an Eligible Employee, or other person declared by the Board to be eligible, who has been granted an Option under the Plan;

Plan means the Company's Employee Share Option Plan constituted by these rules as amended from time to time;

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

Subsidiary has the meaning given to that term in section 9 of the Corporations Law;

Takeover Bid has the same meaning as in section 9 of the Corporations Law;

Total Exercise Amount means, in relation to each Option, the Exercise Price multiplied by the number of Shares for which the Option is being exercised; and

Trigger Event means:

- a) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- b) the announcement of a takeover bid or receipt by the Company of a bidder's

statement in respect of the Company; or

the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

1.2 Interpretation

- a) The singular includes the plural and conversely.
- b) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- c) A reference to a rule is a rule of these Rules.

1.3 Governing Law

This Plan and any Options issued under it are governed by the laws of Victoria.

2 Total number of Shares

The Company must take reasonable steps to ensure that:

- a) The total numbers of Shares which are the subject of unexercised Options granted under this Plan, when aggregated with the Shares which have been issued on exercise of the Options granted under this Plan, during the three years preceding the date on which an Option is issued, do not exceed ten per cent (10%) percent of the total number of issued Shares in the capital of the Company at the date of issue of any Option; and
- b) The number of Shares which are the subject of unexercised Options granted under this Plan when aggregated with the number of Shares which are the subject of unexercised Options granted under this Plan in the preceding 5 years (or any other employee share plan extended only to Eligible Employees) and the number of Shares that would be issued if each unexercised option granted under this Plan or under any other employee incentive scheme of the Company were to be exercised or accepted, does not exceed 5% of the total number of Shares on issue at the time of an Offer (but disregarding any offer of Shares or options to acquire Shares that can be disregarded pursuant to the Class Order).

3 Eligibility

The Board may in its absolute discretion:

- a) Declare that an employee or executive of an Employer Company is an Eligible Employee; and
- b) Declare that any other person is eligible to participate in the Plan provided such participation will not require compliance with Chapters 6D.2, 6D.3 and 7.9 of the Corporations Act.

4 Shares comprised in each Option

- a) Subject to rule 2 and paragraph (b), the Board must decide, in its absolute discretion, the number of Shares the subject of an Option to be offered to an Eligible Employee, or other person declared by the Board to be eligible, in accordance with the Plan.
- b) In making a decision under paragraph (a), the Board may take into account the actual and potential contribution of the Eligible Employee, or other person declared by the Board to be eligible, to the growth of an Employer Company.

5 Offer

5.1 Offer to participate

The Board may, from time to time, at its absolute discretion, make an Offer (in such form as the Board decides from time to time) to:

- a) Eligible Employees; and/or;

Other persons who the Board has declared to be eligible, inviting applications for the number of Options specified in the Offer.

5.2 Information about Options

In respect of each Offer, the Board must advise each person to whom the Offer is made under rule 5.1 of the following information relevant to an Option that may be granted under the Plan, namely:

- a) The Exercise Price;
- b) The designated Exercise Period;
- c) The number of Shares for which the Participant will be entitled to subscribe upon the exercise of the Option;
- d) The Closing Date;
- e) The Expiry Date; and
- f) Any designated Exercise Condition.

6 Exercise Price

The Exercise Price of Options issued pursuant to the Plan will be, at the discretion of the Board equal to or greater than the Market Price on the Grant Date.

7 Market Price

During the Exercise Period, the Board will, make available to the Eligible Employee, the Market Price of Shares in the same class as those offered subject to the Options, within a reasonable time of the Eligible Employee making such a request.

8 Application for Options

8.1 Requirements for Application

Each application for an Option must:

- a) Be made on an Application Form;
- b) Conform with any instructions contained in the Application Form or in the Offer; and
- c) Be received by the Board at the specified place prior to the Closing Date.

8.2 Formal Application

Each Application Form when properly completed and signed by the Participant in accordance with rule 7.1 constitutes an application for the grant of an Option to subscribe for the Shares at the Exercise Price.

8.3 Payment for Grant of Option

Unless the Board otherwise determines, no payment is required at the time an Option is granted.

9 Grant of Options

9.1 Date of Grant

Upon acceptance of a duly signed and completed Application Form, together with any monies payable in respect of the Options applied for, the Company may grant Options to the Eligible Employee, or other person declared by the Board to be eligible, as specified in the Offer, with effect from the date the Board determines, on the terms of the Plan and terms of the Offer.

9.2 Certificate

On the grant of the Option, the Company must issue to the Participant a certificate evidencing the Option and the number of Shares for which the Participant is entitled to subscribe.

9.3 Personal

An Option granted under the Plan is personal to the Participant and may not be assigned to or exercised by any other person or body corporate.

10 Exercise of Options

10.1 Right to Exercise

Subject to rule 9.3, a Participant may exercise the Option, or any part of it, in the applicable Exercise Period, provided any exercise is for a minimum of a marketable parcel (as defined in the Listing Rules) of Shares or such other number or multiple of a number as the Board may determine.

10.2 Exercise Periods

Options may only be exercised during the applicable Exercise Period. The Exercise Period of Options will be determined by the Board at its absolute discretion.

10.3 Restrictions on Exercise

Except where an Option becomes exercisable by virtue of the provisions of rule no 12, an Option may not be exercised unless at that time any Exercise Conditions imposed by the Board have been satisfied. Exercise Conditions of Options will be determined by the Board at its absolute discretion.

10.4 Lapse

Any Option not exercised on or before the Expiry Date automatically lapses.

10.5 Notice of Exercise

- a) In order to exercise an Option, the Participant (or his or her personal representative in the case of a deceased Participant) must deliver to the Company a completed and signed notice of exercise in a form prescribed by the Board and made available to the Participants, together with the Total Exercise Amount. All payments made pursuant to this rule shall be made by cheque, bank draft or postal order made out in favour of the Company.

- b) If a Participant exercises only part of the Option, the Company must issue to the Participant a new certificate evidencing the remaining number of Shares for which the Participant is entitled to subscribe.

10.6 Allotment of Shares

Subject to rule 9.6, upon receipt of the Total Exercise Amount the Company must promptly allot to the Participant the Shares for which the Participant is entitled to subscribe.

10.7 Quotation of Shares

After Shares have been allocated pursuant to rule 9.6, if the Company's Shares are listed on the Exchange at the date of allotment, the Company will apply for listing of the Shares on the Exchange within the timeframe required by the Listing Rules.

11 New Issues

There is no inherent right in the Option to participate in any new issues of Shares which may be offered to shareholders from time to time prior to the exercise of the Option.

12 Rights of Participant upon exercise of Option

12.1 Ranking of Shares

The Shares to be allotted upon the exercise of an Option will upon allotment rank equally in all respects with the then existing ordinary issued Shares in the capital of the Company and will be subject to the provisions of the Constitution of the Company.

12.2 Adjustment for Rights issue

As required by the Exchange if:

- a) Shares are offered pro rata for subscription by the Company's shareholders generally by way of a rights issue; and
- b) The price at which each Share is so offered is less than the Market Price on the day of public announcement of the rights issue.

The Exercise Price applicable to each Share shall be reduced in accordance with the Listing Rules.

12.3 Adjustment for Bonus Issue

In the event of a Bonus Issue of Shares being made pro-rata to ordinary shareholders (other than issue in lieu of dividends), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue. No adjustment will be made to the exercise price per share of the Option.

12.4 Subdivision or consolidation

If, prior to the expiry or lapse of any Options there is a pro rata issue (except a bonus issue) to the holders of Shares in the Company, the Exercise Price of the options may be reduced in accordance with the ASX Listing Rules.

12.5 Return of capital

If the Company make a return of capital to its shareholders generally, the Exercise Price applicable to each Share comprised in the Option will be reduced by the amount of the capital returned in respect of each Share.

12.6 Other reconstruction

If there occurs any other reconstruction of the capital of the Company affecting issued Shares, the Shares comprised in the Option and the Exercise Price applicable to each such Share will be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred to the Participant which are not conferred on holders of issued Shares, and (subject to the provisions of that reconstruction with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) in all other respects the terms of the Options shall remain unchanged.

12.7 No additional Rights

The Plan shall afford a Participant no additional rights to compensation or damages as a consequence of the termination of his or her employment or appointment for any reason whatsoever.

13 Trigger Event

Notwithstanding the Terms and Conditions, upon the occurrence of a Trigger Event, the Directors may determine:

- a) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the Board will forthwith

advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or

- b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Board shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

14 Duration of the Plan

- a) The Plan will continue in operation at the Board's discretion.
- b) If for any reason the Plan terminates or is discontinued, such termination or discontinuance will not prejudice the rights of the Participants to whom Options have been granted.

15 Amendment of the Plan

The Board may at any time and from time to time by resolution, revoke, add to or vary any of the rules of the Plan or all or any of the rights or obligations of the Participants or any of them provided the interests of the Participants are not, in the opinion of the Board, materially prejudiced by such addition or variation.

16 Administration

The Plan will be administered by the Board or a committee appointed by the Board in its absolute discretion with such powers and duties as are conferred upon it.

17 Notices and Correspondence

17.1 Notice to Company

Any notice required to be given by a Participant under the Plan or any correspondence to be made between a Participant and the Company or the Board may be given or made to the principal office of the Company or such other address as may be notified in writing.

17.2 Notice to the Participant

Any notice required to be given by the Company or the Board to the Participant or any correspondence to be made between the Company or the Board and a Participant may be given or made by the Board on behalf of the Company.

18 Disputes

Any disputes or differences of any nature arising under the Plan must be referred to the Board and its decision will be final and binding in all respects.

19 Advice

Participants should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the plan.

20 Taxation

Neither the Company nor its Directors are liable for taxes assessed against or imposed upon a Participant arising from participation in the Plan and neither the Company nor its Directors represents or warrants that any person will gain any financial or taxation advantage by participating in the Plan.

21 Listing Rules and Constitution

The terms and conditions as set out in these Rules are subject to the Listing Rules of the Exchange and the Company's Constitution.

AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

IMU

Holder Number:

Vote by Proxy

STEP 1: Please appoint a Proxy

Appoint a proxy, by paper:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **11.15 am (AEDT) on Wednesday, 2 November 2016 at Grant Thornton Australia, Level 17, 383 Kent Street, Sydney NSW 2000** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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

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

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Voting Direction

Resolutions

For Against Abstain

1 Adoption of Remuneration Report

☐ ☐ ☐

2 Re-election of Mr. Paul Hopper

☐ ☐ ☐

3 Election of Dr. Anton Uvarov

☐ ☐ ☐

4 Approval of Employee Share Option Plan

☐ ☐ ☐

5 Approval of additional capacity to issue shares under Listing Rule 7.1A (Special Resolution)

☐ ☐ ☐

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

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016


Email Address

HOW TO COMPLETE THIS PROXY VOTING FORM

LODGING YOUR PROXY VOTE

This Proxy Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by 11.15am (AEDT) on Monday, 31 October 2016, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting Forms received after that time will not be valid for the scheduled Meeting.

Voting Forms can be lodged:

 **BY MAIL**
Imugene Limited
PO Box 8694
Armadale VIC 3143

 **BY HAND**
Imugene Limited
Suite 1, 1233 High Street, Armadale VIC 3143

 **BY FAX**
+ 61 (03) 9822 7735

YOUR NAME AND ADDRESS.

This is your name and address as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services on 1300 288 664 or you may copy this form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

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