
AVITA MEDICAL LIMITED

ACN 058 466 523

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (Melbourne time)

DATE: 29 November 2016

PLACE: Grant Thornton
Level 30
525 Collins Street
Melbourne, Victoria

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Melbourne time) on 27 November 2016.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."

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

Voting Prohibition Statement:

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

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

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

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – LOUIS PANACCIO

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

"That, for the purpose of clause 56.1 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Louis Panaccio, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPOINTMENT OF DIRECTOR – SUZANNE CROWE

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

"That, for the purpose of clause 54.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Suzanne Crowe, a Director who was appointed casually on 13 January 2016, retires, and being eligible, is elected as a Director."

5. RESOLUTION 4 – APPOINTMENT OF DIRECTOR – LOUIS DRAPEAU

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

“That, for the purpose of clause 54.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Louis Drapeau, a Director who was appointed casually on 13 January 2016, retires, and being eligible, is elected as a Director.”

6. RESOLUTION 5 – APPOINTMENT OF DIRECTOR – DAMIEN MCDONALD

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

“That, for the purpose of clause 54.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Damien McDonald, a Director who was appointed casually on 13 January 2016, retires, and being eligible, is elected as a Director.”

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – OPTIONS

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,156,039 Options on the terms and conditions set out in the Explanatory Statement.”

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

8. RESOLUTION 7 – ADOPTION OF EMPLOYEE SHARE PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – APPROVAL TO ISSUE SHARES TO NON-EXECUTIVE DIRECTOR – LOUIS PANACCIO

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

“That, subject to and conditional on the passing of Resolutions 2 and 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a number of Shares to Louis Panaccio (or his nominee), each year over the next three years for the 2017, 2018 and 2019 financial years under the Employee Share Plan established by the Company, as a swap for all or part of the Directors fees otherwise payable, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in the employee share plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – APPROVAL TO ISSUE SHARES TO NON-EXECUTIVE DIRECTOR – JEREMY CURNOCK COOK

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

“That, subject to the passing of Resolution 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a number of Shares to Jeremy Curnock Cook (or his nominee), each year over the next three years for the 2017, 2018 and 2019 financial years under the Employee Share Plan established by the Company, as a swap for all or part of the Directors fees otherwise payable, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in the employee share plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 10 – APPROVAL TO ISSUE SHARES TO NON-EXECUTIVE DIRECTOR – MICHAEL PERRY

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

“That, subject to the passing of Resolution 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a number of Shares to Michael Perry (or his nominee), each year over the next three years for the 2017, 2018 and 2019 financial years under the Employee Share Plan established by the Company, as a swap for all or part of the Directors fees otherwise payable, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in the employee share plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 11 – APPROVAL TO ISSUE SHARES TO NON-EXECUTIVE DIRECTOR – LOUIS DRAPEAU

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

“That, subject to and conditional on the passing of Resolutions 4 and 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a number of Shares to Louis Drapeau (or his nominee), each year over the next three years for the 2017, 2018 and 2019 financial years under the Employee Share Plan established by the Company, as a swap for all or part of the Directors fees otherwise payable, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in the employee share plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. RESOLUTION 12 – APPROVAL TO ISSUE SHARES TO NON-EXECUTIVE DIRECTOR – DAMIEN MCDONALD

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

“That, subject to the passing of Resolutions 5 and 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a number of Shares to Damien McDonald (or his nominee), each year over the next three years for the 2017, 2018 and 2019 financial years under the Employee Share Plan established by the Company, as a swap for all or part of the Directors fees otherwise payable, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in the employee share plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. RESOLUTION 13 – APPROVAL TO ISSUE SHARES TO NON-EXECUTIVE DIRECTOR – SUZANNE CROWE

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

“That, subject to and condition on the passing of Resolutions 3 and 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a number of Shares to Suzanne Crowe (or her nominee), each year over the next three years for the 2017, 2018 and 2019 financial years under the Employee Share Plan established by the Company, as a swap for all or part of the Directors fees otherwise payable, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in the employee share plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

15. RESOLUTION 14 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Option Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

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

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

16. RESOLUTION 15 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

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

Dated: 20 October 2016

By order of the Board

Gabriel Chiappini
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

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

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

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

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

2.2 Voting consequences

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

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

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

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

2.3 Previous voting results

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – LOUIS PANACCIO

3.1 General

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

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

Louis Panaccio, who has served as a director since 1 July 2014 and was elected at the Company's Annual General Meeting on 21 November 2014, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Panaccio, a successful healthcare businessman with extensive experience progressing companies from concept to commercialisation, was appointed to the role of Chairman of the Board, effective from 1 July 2014. Mr Panaccio possesses more than 30 years' executive leadership experience in healthcare services and life sciences, including approximately 15 years' board-level experience.

Mr Panaccio is currently a Non-Executive Director of ASX50 company and one of the world's largest medical diagnostics companies, Sonic Healthcare Limited, where he has served since 2005. In addition to his Sonic Healthcare Limited role, Mr Panaccio is the Executive Chairman of Health Networks Australia Group, Non-Executive Director Yarra Community Housing, Non-Executive Chairman of Urban Communities Limited and Non-Executive Chairman of Genera Biosystems Limited. Mr Panaccio has also served in executive and board roles with Melbourne Pathology Group, Monash IVF Group, Primelife Corporation Limited and other private entities.

During the past three years Mr Panaccio has served as a Director of two other listed companies, Sonic Healthcare Limited and Genera Biosystems.

3.3 Independence

If elected the board considers Mr Panaccio will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Louis Panaccio and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTIONS 3, 4 AND 5 – APPOINTMENT OF DIRECTORS – PROFESSOR SUZANNE CROWE AND MESSRS LOUIS DRAPEAU AND DAMIEN MCDONALD

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Professor Suzanne Crowe and Messrs Louis Drapeau and Damien McDonald, having been appointed by other Directors on 13 January 2016 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders.

4.2 Qualifications and other material directorships

The qualifications and experience of Professor Crowe and Messrs Drapeau and McDonald are set out below.

Professor Suzanne Crowe

Professor Crowe AM was appointed to the Board on 13 January 2016. Australian-based, she is a physician-scientist and company director with extensive expertise in supporting companies with their medical and scientific strategies. Prof Crowe is an Associate Director of the Burnet Institute, and is a Principal Research Fellow of the Australian National Health and Medical Research Council. She is a Principal Specialist in Infectious Diseases at The Alfred Hospital, Melbourne and Adjunct Professor of Medicine and Infectious Diseases at Monash University, Melbourne, and has published more than 200 peer-reviewed papers. Prof Crowe is a member of the Australian Institute of Company Directors, and is a Director of St Vincents Health Australia. Prof Crowe was appointed as a Member of the Order of Australia (AM) in 2011 to recognise her service to medical research in HIV/AIDS.

Professor Crowe has medical and MD degrees from Monash University, an internal medicine specialist qualification in Infectious Diseases from the Royal Australasian College of Physicians, and a Diploma in Medical Laboratory Technology from the Royal Melbourne Institute of Technology.

Mr Louis Drapeau

Mr Drapeau was appointed to the Board on 13 January 2016 and brings considerable expertise in both the biotech sector and the financial rigour required of US public companies. Based in the US, Mr Drapeau is an Independent Director at AmpliPhi Biosciences Corporation (NYSE), and Independent Director at Bio-Rad Laboratories, Inc. (NYSE). Mr Drapeau has held senior positions with Nektar Therapeutics, Insite Vision Inc. and BioMarin Pharmaceutical, Inc., and has been an Audit Partner at Arthur Andersen LLP. Mr Drapeau has formally been an Independent Director at InterMune, Inc. (NASDAQ), Bionovo, Inc. (NASDAQ), and Inflazyme Pharmaceuticals Ltd (TSE).

Mr Drapeau has an MBA from Stanford University.

Mr Damien McDonald

US-based Mr McDonald was appointed to the Board on 13 January 2016 and has a proven track record of achieving value in the medical device space. Mr McDonald is a Group Executive and Corporate Vice President at NYSE-listed Danaher Corporation, a multinational science and technology innovation company that acquires and produces life science and industrial products and brands. As Group President, Mr McDonald is responsible for a US\$1.2B group of dental consumables companies, for which he executes group strategic planning with full P&L accountability. He has previously worked for Merck &Co, Johnson & Johnson and Zimmer.

Mr McDonald has Bachelor's degrees in both pharmacy and economics from the University of Queensland a Master's degree in International Economics from the University of Wales, and an MBA from IMD of Lausanne, Switzerland.

4.3 Independence

Professor Crowe and Messrs Drapeau and McDonald have no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Professor Crowe and Messrs Drapeau and McDonald will be independent directors.

4.4 Board recommendation

The Board supports the re-election of Professor Crowe and Messrs Drapeau and McDonald and recommends that Shareholders vote in favour of Resolutions 3, 4 and 5.

5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – OPTIONS

5.1 General

On 11 February 2016, the Company issued 2,156,039 Options for nil cash consideration to Lake Street Capital Markets, as part of the agreed consideration for acting as lead agent to the placement undertaken by the Company as announced on 20 October 2015.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

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

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 2,156,039 Options were issued;
- (b) the Options were issued to Lake Street Capital Markets as part of the agreed consideration for acting as lead agent to the placement undertaken by the Company as announced on 20 October 2016 and as such, were issued for nil cash consideration;
- (c) the Options will be issued on the terms and conditions set out in Schedule 3;
- (d) the Options were issued to Lake Street Capital Markets. None of these subscribers are related parties of the Company; and
- (e) the Options were issued for nil cash consideration and as such, no funds were raised.

6. RESOLUTION 7 – ADOPTION OF EMPLOYEE SHARE PLAN

Resolution 7 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Share Plan (**Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

Currently, none of the Directors hold any interest in securities in the Company. If approved, the Share Plan would allow the Board to make offers to each Director at various points throughout each of the next three financial years, to swap all or any part of their Director's fees payable by the Company, for equity in the Company at a price consistent with the prevailing market price of the Company's shares at that time.

The purpose of the Share Plan and the Shares is to promote Share ownership by the Directors.

The Board considers that this is a method of encouraging Directors to invest in the Company. The Share Plan also has the potential to reduce the remuneration payable to the Directors, and therefore has the potential to increase the Company's funds for working capital.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue Shares under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares have previously been issued under the Share Plan. However, Resolutions 8 to 13 seek approval to issue Shares under the Share Plan to the current non-executive directors (**Directors**) Lou Panaccio, Jeremy Curnock Cook, Michael Perry, Louis Drapeau, Damien McDonald and Suzanne Crowe.

Any future issues of Shares under the Share Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 8 to 13 for the issue of Shares to all Director pursuant to the Share Plan.

A summary of the key terms and conditions of the Share Plan is set out in Schedule 2. In addition, a copy of the Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (Gabriel Chiappini). Shareholders are invited to contact the Company if they have any queries or concerns.

7. RESOLUTIONS 8 TO 13 – APPROVAL FOR ISSUE OF SHARES TO NON-EXECUTIVE DIRECTORS

7.1 General

Resolutions 8 to 13 seek approval to enable the Company over the next three financial years to make offers to the following Directors: Lou Panaccio, Jeremy Curnock Cook, Michael Perry, Louis Drapeau, Damien McDonald and Suzanne Crowe, to accept Shares (**Related Party Shares**) in lieu of all or some of their Director's fees at the prevailing price of the Company's Shares under the Share Plan.

Currently, none of the Directors hold any interest in Shares of the Company. If approved, the Share Plan would allow the Board, in line with the Company's corporate governance policies relating to trading windows, to be able to make offers to some or all of the Directors to elect to receive Related Party Shares in the Company in lieu of all or a portion of their salary then owing to them at that time or accrued to that point in time.

The purpose of the Share Plan and the Related Party Shares is to promote Share ownership by the Directors and as a result incentivise the participating Directors to, year-on-year, drive Shareholder value and participate in the future growth of the Company. The Share Plan also has the potential to reduce the remuneration payable to the Directors, and therefore has the potential to increase the Company's funds for working capital.

The number of Related Party Shares to be issued will be determined by the Board based on each Director's fees payable by the Company at the time an offer is made, divided by the ten day volume weighted average price (**VWAP**) of the Company's Shares trading on ASX over the ten trading days immediately before the date the offer is made.

The current aggregate remuneration for non-executive directors of the Company is \$450,000 per year in respect of fees payable. This was approved by Shareholders at the Annual General Meeting held on 29 November 2005.

The maximum number of Related Party Shares that a Director can receive in a financial year will be governed by their Director's fees receivable by them in that year and the offers made by the Company, within the limits of the Share Plan. The current remuneration for the Directors is shown below.

An example, showing how this will be calculated is set out below:

Assuming:

- *Director's fees owing or payable = \$10,000*
- *10 day VWAP of the Company's Shares = \$0.11*

No. of Shares to be offered to the Director would be up to:

\$10,000/\$0.11 = 90,909 Shares with no Director's fees payable.

Based on proposed remuneration figures for the 2017 financial year, and assuming the Directors elect to receive their fees payable pursuant the Share Plan, the maximum number of Related Party Shares that the Directors would receive is set out below:

Director	FY 2017 Remuneration (Proposed)	Number of Related Party Shares to be offered ¹
Lou Panaccio ²	\$86,231	783,918
Jeremy Curnock Cook ²	\$49,808	452,800
Michael Perry ²	USD\$43,600	521,531
Louis Drapeau ²	USD\$43,600	521,531
Damien McDonald ²	USD\$43,600	521,531
Suzanne Crowe ²	USD\$43,600	521,531

Notes:

1. On the basis of a 10 day VWAP of the Company's Shares of \$0.11, over the ten trading days up to 17 October 2016.
2. The Directors' proposed FY2017 remuneration figures are in accordance with the Company's 2016 Annual Report. The proposed FY17 remuneration figures are denominated in the currency in which they are paid. The maximum number of Related Party Shares to be offered to a Director whose fees are denominated in USD will be ascertained by converting their remuneration payable in USD to AUD at a foreign exchange rate of \$0.76. For those Directors, their remuneration payable in AUD, and consequently the maximum number of Related Party Shares they are offered, may fluctuate due to changes in the prevailing AUD/USD foreign exchange rate. The maximum remuneration payable in the above table includes any pension and superannuation amounts due.

Details of the Related Party Shares issued to each Director under the Share Plan will be included in each annual report of the Company relating to the period in which the Related Party Shares are issued, and also that approval of the issue was obtained under Listing Rule 10.14.

Schedule 2 contains a summary of the Share Plan.

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without Shareholder approval.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Related Party Shares constitutes giving a financial benefit and all of the Directors are a related party of the Company by virtue of being a Director.

As all six of the Company's Directors are benefitting from Resolutions 8 to 13 on similar terms, a quorum of Directors cannot be constituted to ascertain whether any exceptions set out in section sections 210 to 216 of the Corporations Act apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Shares to the Directors.

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

7.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15A, the following information is provided in relation to the proposed issue of Shares to the Directors:

- (a) The persons to whom Related Party Shares may be issued are Lou Panaccio, Jeremy Curnock Cook, Michael Perry, Louis Drapeau, Damien McDonald and Suzanne Crowe, all Directors of the Company, or their respective nominees.

- (b) The Company has obtained a waiver from ASX in respect of compliance with Listing Rule 10.15A.2. The waiver allows the Company not to include the maximum number of Related Party Shares that may be acquired by each of the Directors as this number is not presently ascertainable due to it being based on a formula which includes a future share price. The waiver was granted on the basis that the Company sets out the method by which the number of Related Party Shares to be issued will be calculated. The maximum number of Related Party Shares to be issued will be equal to the amount of the Director's fees elected to be swapped divided by the ten day VWAP of the Company's Shares trading on ASX over the ten trading days immediately before the date the offer is made, as shown in the example set out in Section 7.1 above.
- (c) The final number of Related Party Shares issued will be issued at a cost equal to the value of the Director's fees that would otherwise be payable by the Company.
- (d) The consideration payable will be equal to the Director's fees foregone by the Director who accepts an offer. Because no monies are payable, no loans will be contemplated.
- (e) Under the Share Plan, Related Party Shares can be issued to the Company's Directors. No Related Party Shares have yet been issued under the Share Plan.
- (f) Details of any Related Party Shares issued under Resolutions 8 to 13 will be published in each annual report of the Company relating to a period in which Related Party Shares have been issued, together with a statement that the Related Party Shares were issued under Listing Rule 10.14. Any additional persons who become entitled to participate in the Share Plan after Resolutions 8 to 13 are approved and who are not named in this Notice will not participate in the Share Plan until approval is obtained under Listing Rule 10.14.
- (g) Related Party Shares issued under the approvals will be issued no later than three years after the date of this Annual General Meeting.
- (h) The Related Party Shares issued will rank equally with all existing Shares on issue.
- (i) Currently the Directors have no relevant interests in securities of the Company as at the date of this Notice.

- (j) The remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	FY 2017 (Proposed)	FY 2016
Lou Panaccio	\$86,231	\$86,231
Jeremy Curnock Cook	\$49,808	\$49,808
Michael Perry	USD\$43,600	USD\$59,980
Louis Drapeau	USD\$43,600	USD\$27,717
Damien McDonald	USD\$43,600	USD\$27,649
Suzanne Crowe	USD\$43,600	USD\$28,454

- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.15324	22 & 26 April 2016
Lowest	\$0.088	22, 26 & 28 September 2016
Last	\$0.12	19 October 2016

- (l) the Board acknowledges the grant of Related Party Shares to the Directors is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Shares to the Directors is reasonable in the circumstances for the reason set out in paragraph (n);
- (m) the primary purpose of the grant of the Related Party Shares to the Directors is to promote Share ownership by the Directors, and as a result incentivise the participating Directors to, year-on-year, drive Shareholder value and participate in the future growth of the Company.
- (n) Lou Panaccio declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Shares in the Company should Resolution 8 be passed. However, in respect of Resolutions 9 to 13, he recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the issue of Related Party Shares to the Directors will align the interests of the Directors with those of Shareholders;
 - (ii) the grant of the Related Party Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and

- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Shares upon the terms proposed;
- (o) Jeremy Curnock Cook declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Shares in the Company should Resolution 9 be passed. However, in respect of Resolutions 8, 10, 11, 12 and 13, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);
- (p) Michael Perry declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Shares in the Company should Resolution 10 be passed. However, in respect of Resolutions 8, 9, 11, 12 and 13, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);
- (q) Louis Drapeau declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Shares in the Company should Resolution 11 be passed. However, in respect of Resolutions 8, 9, 10, 12 and 13, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);
- (r) Damien McDonald declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Shares in the Company should Resolution 12 be passed. However, in respect of Resolutions 8, 9, 10, 11 and 13, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n); and
- (s) Suzanne Crowe declines to make a recommendation to Shareholders in relation to Resolution 13 due to her material personal interest in the outcome of the Resolution on the basis that she is to be granted Related Party Shares in the Company should Resolution 9 be passed. However, in respect of Resolutions 8, 9, 10, 11 and 12, she recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n).

8. RESOLUTION 14 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN

Resolution 14 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Incentive Option Plan (**Option Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 is set out in section 5.1.

Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 14 is passed, the Company will be able to issue Options under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The Company's Shareholders have not previously approved the Company's adoption of the Option Plan and, as such, no Option Plan have previously been issued under the Option Plan to date.

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Option Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 4. In addition, a copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Option Plan can also be sent to Shareholders upon request to the Company Secretary (Gabriel Chiappini). Shareholders are invited to contact the Company if they have any queries or concerns.

9. RESOLUTION 15 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

9.1 General

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

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

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

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000 (based on the number of Shares on issue and the closing price of Shares on the ASX on 19 October 2016).

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

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

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

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

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

9.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 15:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 9.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

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

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

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 15 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 19 October 2016.

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

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.060 50% decrease in Issue Price	0.1200 Issue Price	0.18 50% increase in Issue Price
636,416,826 (Current Variable A)	Shares issued - 10% voting dilution	63,641,682 Shares	63,641,682 Shares	63,641,682 Shares
	Funds raised	\$3,818,500	\$7,637,001	\$11,455,502
954,625,239 (50% increase in Variable A)	Shares issued - 10% voting dilution	95,462,523 Shares	95,462,523 Shares	95,462,523 Shares
	Funds raised	\$5,727,751	\$11,455,502	\$17,183,254
1,272,833,652 (100% increase in Variable A)	Shares issued - 10% voting dilution	127,283,365 Shares	127,283,365 Shares	127,283,365 Shares
	Funds raised	\$7,637,001	\$15,274,003	\$22,911,005

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

The table above uses the following assumptions:

1. There are currently 636,416,826 Shares on issue as at the date of this Notice of Meeting;
2. The issue price set out above is the closing price of the Shares on the ASX on 19 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(d) **Purpose of Issue under 10% Placement Capacity**

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

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

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

(e) **Allocation policy under the 10% Placement Capacity**

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

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

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2015 (**Previous Approval**).

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

During the 12 month period preceding the date of the Meeting, being on and from 29 November 2015, the Company otherwise issued a total of 140,164,831 Shares and 3,156,039 Options which represents approximately 26.90% of the total diluted number of Equity Securities on issue in the Company on 29 November 2015, which was 542,893,245.

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

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

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

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

9.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 15.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 9.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

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

Company means Avita Medical Limited (ACN 058 466 523).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

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

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

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Option Plan has the meaning set out in Section 8.

Optionholder means a holder of an Option.

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

Proxy Form means the proxy form accompanying the Notice.

Related Party Shares has the meaning set out in Section 7.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

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

Section means a section of the Explanatory Statement.

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

Share Plan has the meaning set out in Section 6.

Shareholder means a registered holder of a Share.

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

WST means Western Standard Time as observed in Perth, Western Australia.

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

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 11 February 2016 Appendix 3B – 12 February 2016	40,000,000	Shares ² (escrowed)	Mr Adam Kelliher under the CEO Long Term Incentive Plan approved by shareholders at 24 August 2015 Shareholder's Meeting	No issue price (non-cash consideration)	Consideration: Nil, the Shares were issued as performance based remuneration under the CEO Long Term Incentive Plan, subject to vesting conditions. Current value ⁶ = \$0.11 per share
	2,156,039	Unquoted Options ³	Advisors pursuant to October 2015 placement	No issue price (non-cash consideration)	Consideration: Nil, the Options were issued to advisors pursuant to the October 2015 placement Current value ⁶ = \$0.0727 per option
	1,000,000	Unquoted Options ⁴	Recipients under Employee Option Plan	No issue price (non-cash consideration)	Consideration: Nil, the Options were issued to employees under the Employee Option Plan Current value ⁶ = \$0.0641 per option
Issue – 7 July 2016 Appendix 3B – 16 June 2016	100,164,831	Shares ²	Eligible Shareholders under the Entitlement Offer dated 16 June 2016	\$0.09 per share (at a discount of 10%)	Amount raised = \$9,014,834 Amount spent = \$NIL Use of funds: Not Applicable Amount remaining = \$9,014,834 Proposed use of remaining funds ⁵ : to support the Company's strategy to launch in the US and push forward with product commercialization

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: AVH (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.126 each, on or before 31 December 2020. The full terms and conditions are disclosed in this Annual General Meeting in Schedule 3.
4. Unquoted Options, exercisable at \$0.16 each, on or before 11 February 2019. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 18 November 2011.

5. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
6. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.11) on 12 October 2016. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 2 – SUMMARY OF EMPLOYEE SHARE PLAN

The key terms of the Employee Share Plan (**Plan**) are as follows:

- (a) **Eligibility:** Participants in the Scheme may be Directors, full-time and part-time employees of the Company or any of its subsidiaries (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Plan. The offer:
 - (i) will invite application for the number of Shares specified in the offer;
 - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;
 - (iv) will specify any restriction conditions applying to the Shares;
 - (v) will specify an acceptance period; and
 - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the actual date of acceptance of the Shares offered under the Offer.
- (e) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
- (f) **Loan:** A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
 - (i) the Loan will be interest free;
 - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;
 - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;

- (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Plan;
 - (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
 - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (g) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board, either:
- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares (with any Loan not being treated as cash consideration but any Loan Amount repayments by the Participant being treated as cash consideration); or
 - (ii) arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of managing the Plan.
- (h) **Sale of Shares to repay Loan:**
- (i) A Loan shall become repayable in full where:
 - (A) the Participant (or, where the Participant is an Associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);
 - (B) the Participant suffers an event of insolvency;
 - (C) the Participant breaches any condition of the Loan or the Plan; or

- (D) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
 - (ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance the Plan.
 - (iii) Where a Loan in relation to Shares becomes repayable and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company must sell the Shares and apply the Sale Proceeds in accordance with the Plan.
- (i) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.
- (j) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Plan when aggregated with:
 - (i) the number of Shares issued during the previous 5 years under the Plan (or any other employee share plan extended only to Eligible Employees); and
 - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any 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 option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).
- (k) **Restriction on transfer:** Participants may not sell or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (l) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (m) **Rights attaching to Shares:** Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

A summary of the terms and conditions of the Options is set out below:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.126 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 4 – SUMMARY OF EMPLOYEE OPTION PLAN

A summary of the terms and conditions of the Employee Incentive Option Plan (**Option Plan**) is set out below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.

- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or Total or Permanent Disability of a Relevant Person; or
 - (II) Retirement or Redundancy of a Relevant Person;
 - (B) a Relevant Person suffering Severe Financial Hardship;
 - (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;

- (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option;
 - (vii) the expiry date of the Option.
- (h) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.
- (i) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (j) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (k) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (l) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Option Plan to effect the establishment of such a trust and the appointment of such a trustee.

Lodge your vote:



Online:
www.investorvote.com.au



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

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(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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For all enquiries call:
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(outside Australia) +61 3 9415 4000

AVH

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

Proxy Form

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Vote and view the annual report online

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

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999 PIN: 99999

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



For your vote to be effective it must be received by 10:00am (AEDT) Sunday, 27 November 2016

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

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

☐

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



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Avita Medical Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Avita Medical Limited to be held at Grant Thornton, Level 30, 525 Collins Street, Melbourne, Victoria on Tuesday, 29 November 2016 at 10:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 7 - 14 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 7 - 14 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 7 - 14 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.

ORDINARY BUSINESS		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval to Issue Shares to Non-Executive Director - Michael Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director - Louis Panaccio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Approval to Issue Shares to Non-Executive Director - Louis Drapeau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Appointment of Director - Suzanne Crowe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Approval to Issue Shares to Non-Executive Director - Damien McDonald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Director - Louis Drapeau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13	Approval to Issue Shares to Non-Executive Director - Suzanne Crowe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Director - Damien McDonald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 14	Approval of Employee Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue - Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 15	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Adoption of Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 8	Approval to Issue Shares to Non-Executive Director - Louis Panaccio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 9	Approval to Issue Shares to Non-Executive Director - Jeremy Curnock Cook	<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

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/

/