

7 October 2016

Dear Shareholder

ANNUAL GENERAL MEETING

I am pleased to invite you to attend the Annual General Meeting of Bionomics Limited, to be held at Crowne Plaza Adelaide, Level 15 Hindmarsh Rooms 1 & 2, 16 Hindmarsh Square Adelaide, South Australia, at 2.00 pm on Tuesday 8 November 2016, and have enclosed the Notice of Meeting and Explanatory Notes.

If you are unable to attend the meeting in person, I encourage you to return the enclosed Proxy form or cast your vote online in accordance with the instructions contained in the Notice of Meeting. The proxy form should be returned in the envelope provided, or faxed to our Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia), so that it is received by 2.00 pm (Adelaide Time) on Sunday 6 November 2016.

I look forward to your attendance at the meeting.

Yours sincerely,



Dr Errol De Souza
Chairman

NOTICE OF ANNUAL GENERAL MEETING 2016

Notice is hereby given that the Annual General Meeting of Bionomics Limited (ACN 075 582 740) ("**the Company**") will be held in the Crowne Plaza Adelaide, Level 15, Hindmarsh Rooms 1 & 2, 16 Hindmarsh Square Adelaide, South Australia, at 2.00 pm on Tuesday 8 November 2016 to transact the business set out below.

Members should refer to the accompanying Explanatory Notes for further information concerning the business to be transacted at this meeting.

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the Company's Financial Report for the financial year ended 30 June 2016 and the accompanying Directors' Report and Auditor's Report.

Note: An electronic copy of the Company's Financial Report is available on our website www.bionomics.com.au.

Resolution 1 – Adoption of Remuneration Report

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

That the Remuneration Report for the year ended 30 June 2016 be adopted.

Note: The vote on this resolution is advisory only and does not bind the directors or the Company.

Resolution 2 – Re-election of Non-Executive Director & Chairman – Dr Errol De Souza

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

That Dr Errol De Souza be re-elected as a director of the Company.

Note: Dr De Souza will be retiring by rotation at the Annual General Meeting as required by the Company's Constitution and, being eligible, offers himself for re-election.

Resolution 3 – Election of Non-Executive Director – Mr Peter Turner

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

That Mr Peter Turner be elected as a director of the Company.

Note: Mr Turner, having been appointed by the directors since the last Annual General Meeting, will be retiring at the Annual General Meeting as required by the Company's Constitution and, being eligible, offers himself for election.

Resolution 4 – Election of Non-Executive Director – Mr David Wilson

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

That Mr David Wilson be elected as a director of the Company.

Note: Mr Wilson, having been appointed by the directors since the last Annual General Meeting, will be retiring at the Annual General Meeting as required by the Company's Constitution and, being eligible, offers himself for election.

Resolution 5 – Election of Non-Executive Director – Mr Alan Fisher

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

That Mr Alan Fisher be elected as a director of the Company.

Note: Mr Fisher, having been appointed by the directors since the last Annual General Meeting, will be retiring at the Annual General Meeting as required by the Company's Constitution and, being eligible, offers himself for election.

SPECIAL BUSINESS

Resolution 6 – Approval of Proposed Issue of Share Options to Dr Errol De Souza

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

That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Dr De Souza of 500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan as described in the Explanatory Notes, is approved.

Resolution 7 – Approval of Proposed Issue of Share Options to Mr Peter Turner

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

That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Mr Turner of 500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan, as described in the Explanatory Notes accompanying the Notice of this Annual General Meeting, is approved.

Resolution 8 – Approval of Proposed Issue of Share Options to Mr David Wilson

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

That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Mr Wilson of 500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan, as described in the Explanatory Notes accompanying the Notice of this Annual General Meeting, is approved.

Resolution 9 – Approval of Proposed Issue of Share Options to Mr Alan Fisher

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

That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Mr Fisher of 500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan, as described in the Explanatory Notes accompanying the Notice of this Annual General Meeting, is approved.

Resolution 10 – Approval of Proposed Issue of Share Options to Dr Deborah Rathjen – Long Term Incentive

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

That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Dr Rathjen of 500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan as described in the Explanatory Notes, is approved.

Resolution 11 – Approval of Proposed Issue of Share Options to Dr Deborah Rathjen – Commercialisation Incentive

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

That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Dr Rathjen of 500,000 share options in the Company pursuant to the Bionomics Limited Employee Share Option Plan as described in the Explanatory Notes, is approved.

VOTING EXCLUSION AND PROHIBITION STATEMENTS

ASX Listing Rules

In relation to Resolutions 6 to 11 inclusive, the Company will disregard votes cast by or on behalf of all directors of the Company and their associates, as required by the ASX Listing Rules.

However, these restrictions will not apply to a vote cast as proxy for a person who is entitled to vote on Resolutions 6 to 11 inclusive, (as applicable); (a) if the vote is cast in accordance with the directions on the proxy form specifying how the proxy is to vote on that Resolution; or (b) if the vote is cast by the Chairman of the meeting, in accordance with a direction on the proxy form to vote as the proxy decides on that Resolution.

A summary of the Employee Share Option Plan is set out in Schedule 2 of the Explanatory Notes to the 2014 AGM Notice of Meeting, dated 10 October 2014.

Corporations Act

Voting by KMP or closely related parties – Resolution 1

As required by section 250R (4) of the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a person who is disclosed in the Remuneration Report as one of the key management personnel of the Company (including the directors), or a closely related party of that person as these persons are not entitled to vote on the resolution in any capacity.

However, under section 250R(5) these restrictions will not apply to a vote cast as proxy for a person who is entitled to vote on Resolution 1: (a) if the vote is cast in accordance with a direction on the proxy form specifying how the proxy is to vote on Resolution 1; or (b) if the Chairman of the meeting is appointed proxy and the appointment does not specify the way the proxy is to vote and expressly authorises the Chairman to vote as he decides on Resolution 1 (even though Resolution 1 is connected directly or indirectly with the remuneration of members of the Company's key management personnel, including the Chairman).

Chairman or KMP as proxy - Resolutions 1, 6, 7, 8, 9, 10 & 11.

Subject to the paragraph below, under section 250BD of the Corporations Act, the Company's key management personnel and their closely related parties are not permitted to cast a vote as a proxy for a person, if that person has not included a direction on how to vote on Resolutions 1, 6, 7, 8, 9, 10 and 11 in the proxy form.

Where the Chairman of the meeting is appointed or becomes a proxy, the Chairman is permitted by section 250BD and intends to vote undirected proxies in favour of Resolutions 1, 6, 7, 8, 9, 10 and 11 as the Chairman will be expressly authorised to exercise such proxies even though Resolutions 1, 6, 7, 8, 9, 10 and 11 are connected directly or indirectly to the remuneration of a member of the Company's key management personnel (which includes the Chairman).

"Key management personnel" are the directors of the Company (including the Chairman of the meeting) and those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

"Closely related parties" are the closely related parties of the key management personnel as defined in the Corporations Act, and include their spouses, children, dependants, certain other family members and controlled companies. The key management personnel are identified as such in the Remuneration Report.

PROXIES, POWERS OF ATTORNEY AND CORPORATE REPRESENTATIVES

A member who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote

for the member at the meeting. The proxy need not be a member of the Company and may be an individual or a body corporate.

A member who is entitled to cast more than one vote at the meeting may appoint two separate proxies to vote on their behalf. Where two proxies are appointed, the member may specify the proportion or number of votes each proxy is appointed to exercise failing which each proxy may exercise half of the member's votes. Fractions of votes will be disregarded. If a single proxy is appointed by a member that proxy may vote on a show of hands. If two proxies are appointed by a member, neither proxy may vote on a show of hands.

An appointed proxy has the same rights as the member to speak at the meeting and to join in a demand for a poll.

In order to record a valid vote, members will need to take the following steps:

- Cast your vote online by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed proxy form; or
- Custodian voting - For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions; or
- Complete and lodge the proxy form with the Company at the address or facsimile number specified below, along with any power of attorney or notarially certified copy of a power of attorney (if the proxy form is signed pursuant to a power of attorney), by no later than 48 hours before the Annual General Meeting (i.e. *by no later than 2.00 pm (Adelaide time), Sunday 6 November 2016*):

Bionomics Limited
C/- Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001

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

A member who is a body corporate may appoint an individual as a representative to exercise the member's voting rights at the Annual General Meeting pursuant to section 250D of the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the meeting.

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purpose of the Corporations Act, the Company has determined that all securities of the Company that are quoted securities at 2.00 pm (Adelaide time) on Sunday 6 November 2016 will be taken, for the purpose of the Annual General Meeting, to be held by the persons who held them at that time.

QUESTIONS AND COMMENTS BY MEMBERS

In accordance with the Corporations Act, the Chairman of the Annual General Meeting will allow a reasonable opportunity for members at the meeting to ask questions about, or make comments on, the management of the Company.

Similarly, the Chairman will allow a reasonable opportunity for members at the meeting to ask questions of a representative of the Company's Auditors, Deloitte Touche Tohmatsu, relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditors in relation to the conduct of the audit.

Pursuant to the Corporations Act, members may submit a written question to the Company's Auditors relevant to the content of the Auditor's Report to be considered at the Annual General

Meeting or the conduct of the audit of the Financial Report to be considered at the Annual General Meeting.

Questions to the Company's Auditors must be given to the Company no later than 5.00pm (Adelaide time) Tuesday 1 November 2016. The Company may examine the contents, or make a copy, of any question so submitted. A list of relevant written questions (prepared by the Company's Auditors) will be made available to members attending the Annual General Meeting at the start of the meeting.

The Chairman of the Annual General Meeting will allow a reasonable opportunity at the meeting for a representative of the Company's Auditors to answer any written questions submitted in accordance with the above procedure. If the Company's Auditor has prepared written answers to written questions, the Chairman may allow these to be tabled at the meeting and such written answers will be made available to members as soon as practicable after the meeting.

Please send any written questions for the Company's Auditors to:

Bionomics Limited
31 Dalglish Street
Thebarton SA 5031
Or facsimile: (08) 8354 6150
Or email: info@bionomics.com.au

no later than 5:00pm (Adelaide time) on Tuesday 1 November 2016.

By order of the Board.

Jack Moschakis
Company Secretary

Adelaide 7 October 2016

EXPLANATORY NOTES FOR THE 2016 ANNUAL GENERAL MEETING OF BIONOMICS LTD (ACN 075 582 740)

These Explanatory Notes have been prepared to assist shareholders with their consideration of the resolutions set out in the Notice of Annual General Meeting dated 7 October 2016.

ORDINARY BUSINESS

Financial Statements and Reports

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires the Company's Financial Report, the accompanying Auditor's Report and the Directors' Report for the year ended 30 June 2016 to be laid before the Annual General Meeting.

An electronic copy of the Company's Financial Report (and accompanying Auditor's Report and Directors' Report) is available on our website www.bionomics.com.au

A reasonable opportunity for discussion of the Company's Financial Report (and accompanying Auditor's Report and Directors' Report) will be provided at the Annual General Meeting. There will be no formal resolution put to the meeting in relation to this item of ordinary business.

RESOLUTION 1: Adoption of Remuneration Report

The Remuneration Report for the year ended 30 June 2016 is set out in the 2015-16 financial statements, which are available on Bionomics' website at www.bionomics.com.au

Pursuant to section 250R (2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote at the Company's Annual General Meeting. The vote on the proposed resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration practices and policies.

Pursuant to the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") to decide whether an extraordinary general meeting of shareholders (**EGM**) is to be held within 90 days of the date of that AGM to consider the election of the Company's directors (other than the CEO and Managing Director). If a spill resolution is passed (that is, more than 50% of votes cast are in favour), all of the Company's directors (other than the CEO and Managing Director) will cease to hold office at the end of the EGM, unless re-elected at that meeting.

The Chairman will allow a reasonable opportunity for members to discuss the Remuneration Report.

RESOLUTION 2: Re-election of Non-Executive Director & Chairman – Dr Errol De Souza

Dr De Souza will retire by rotation at the Annual General Meeting as required by the Company's Constitution and, being eligible, offers himself for re-election.

Dr De Souza was appointed to the Board on 28 February 2008 and last elected at the Annual General Meeting held on 19 November 2013. Dr De Souza was unanimously elected Chairman of the Board by the directors commencing 1 September 2016.

Dr De Souza is a leader in the development of therapeutics for treatment of central nervous system (CNS) disorders. He is currently Executive Chairman of nLife Therapeutics and is the former President and CEO of US biotech companies Biodel Inc. (NASDAQ:BIOD), Archemix Corporation and Synaptic Pharmaceutical Corporation (NASDAQ:SNAP). Dr De Souza formerly held senior management positions at Aventis and its predecessor Hoechst Marion Roussel Pharmaceuticals, Inc. Most recently, he was Senior Vice President and Site Head of US Drug Innovation and Approval

(R&D), at Aventis, where he was responsible for the discovery and development of drug candidates through Phase IIa clinical trials for CNS and inflammatory disorders. Prior to Aventis, he was a co-founder and Chief Scientific Officer of Neurocrine Biosciences (NASDAQ:NBIX). Dr De Souza has served on multiple editorial boards, National Institutes of Health (NIH) Committees and is currently a Director of several public and private companies.

Dr De Souza is also a member of the Audit & Risk Management Committee.

Dr De Souza is based in Cambridge, MA, USA.

The Board (with Dr De Souza abstaining), recommends that shareholders vote in favour of the re-election of Dr De Souza.

RESOLUTION 3 – Election of Non-Executive Director – Mr Peter Turner

Mr Turner is a former senior executive with global experience in CSL, a large multinational organisation in the biopharmaceutical industry. He has been an executive director and COO of CSL and was the founding President of CSL Behring working in Europe and the United States from 2000 to 2011. Mr Turner provided strategic, technical and commercial leadership and was responsible for the integration of large company acquisitions in Europe, the United States and Japan. He has been responsible for significant company re-structuring and turnaround and has overseen thirteen new product launches in the United States, Europe and more in other jurisdictions. During his tenure overseas, sales grew from US\$140 million to US\$3.4 billion. Mr Turner is a non-executive director of Virtus Health and the Chair of NPS MedicineWise. He is a former Chair of Ashley Services Group.

Mr Turner is also Chairman of the Remuneration Committee.

Mr Turner is based in Melbourne, Australia.

The Board (with Mr Turner abstaining), recommends that shareholders vote in favour of the election of Mr Turner.

RESOLUTION 4 – Election of Non-Executive Director – Mr David Wilson

Mr Wilson is Chairman and founding partner of WG Partners and has over 30 years' experience in global investment banking with specialist knowledge in life sciences financing and M+A. Previously Mr Wilson was CEO of Piper Jaffray Limited, where he also served as Global Chairman of Healthcare and on the Group Leadership Team. Mr Wilson has held senior positions at ING Barings as Joint Head of UK Investment Banking Group, Deutsche Bank as Head of Small Companies Corporate Finance and UBS as Head of Small Companies Corporate Broking. Mr Wilson was previously Senior Independent Director of Optos plc prior to its successful sale of Nikon Corporation for \$400 million as well as a non-executive director of BerGenBio AS. He is currently on the Board of Governors of Harris Academy Bromley.

Mr Wilson is also a member of the Audit & Risk Management Committee.

Mr Wilson is based in London, England.

The Board (with Mr Wilson abstaining), recommends that shareholders vote in favour of the election of Mr Wilson.

RESOLUTION 5 – Election of Non-Executive Director – Mr Alan Fisher

Mr Fisher spent 24 years at world-leading accounting firm Coopers & Lybrand including as Lead Advisory Partner Corporate Finance where he headed and grew the Melbourne Corporate Finance Division. Following this tenure Mr Fisher developed his own business as a corporate adviser and for the past 19 years has specialised in M&A, business turnarounds and capital raising for small cap companies. Mr Fisher, a Chartered Accountant, is currently a Non-Executive Chairman for Centrepont Alliance Limited, Non-Executive Director and Chair of the Audit & Risk Committee of IDT Australia Limited and Non-Executive Chairman of The Australian Renewable Fuels Limited. He is also currently the Managing Director of Melbourne-based DMC Corporate.

Mr Fisher will succeed Mr Tappenden as Chair of the Audit & Risk Management Committee.

Mr Fisher is based in Melbourne, Australia.

The Board (with Mr Fisher abstaining), recommends that shareholders vote in favour of the election of Mr Fisher.

SPECIAL BUSINESS

BACKGROUND TO RESOLUTIONS 6, 7, 8, 9, 10 and 11

Resolutions 6, 7, 8, 9, 10 and 11 set out in the Notice of Annual General Meeting are being put before shareholders for the purpose of ASX Listing Rule 10.14 and for all other purposes.

Listing Rule 10.14 requires a listed company to obtain shareholder approval for the issue of securities under an employee incentive scheme such as the Bionomics Employee Share Option Plan (**Option Plan**) to certain parties, which includes a director, or an associate of a director, of the Company. A summary of the Employee Share Option Plan is set out in Schedule 2 of the Explanatory Notes to the 2014 AGM Notice of Meeting, dated 10 October 2014.

As a consequence, the Company is required to obtain shareholder approval before issuing share options to Dr De Souza, Mr Turner, Mr Wilson, Mr Fisher and Dr Rathjen under the Employee Share Option Plan.

Under Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have in a general meeting approved the giving of that financial benefit to the related party in accordance with section 208 of the Corporations Act.

Dr De Souza, Mr Turner, Mr Wilson, Mr Fisher and Dr Rathjen are each a related party of the Company due to the fact they are directors of the Company. The issue of share options to Dr De Souza, Mr Turner, Mr Wilson, Mr Fisher and Dr Rathjen constitutes a “financial benefit” as described in the Corporations Act. Accordingly, the proposed issue of share options to Dr De Souza, Mr Turner, Mr Wilson, Mr Fisher and Dr Rathjen will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the directors that the exemptions under section 211 of the Corporations Act (remuneration and reimbursement) apply to the proposed option issue pursuant to Resolutions 6, 7, 8, 9, 10 and 11. Accordingly, the directors are not seeking shareholder approval under section 208 of the Corporations Act, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.14.

RESOLUTION 6: Approval of Proposed Issue of Share Options to Dr Errol De Souza (ASX Listing Rule 10.14)

Resolution 6 seeks shareholder approval for the proposed issue of share options to Dr De Souza under the Option Plan.

Dr De Souza was appointed Chairman of the Board by the directors, from 1 September 2016. Consistent with past practice, the Chairman is entitled to a total of 1,000,000 share options and hence Dr De Souza is entitled to be issued 500,000 share options in addition to the 500,000 share options issued to him as a Non-Executive Director and approved at the 2008 Annual General Meeting.

The directors consider that these share options are appropriate and aligns the interests of Dr De Souza with the interests of the Company’s shareholders in building sustainable value. The rationale for issuing these share options is to reward performance whilst at the same time preserving the Company’s cash.

The non-executive directors have approved, subject to approval by the Company’s shareholders, the offer to Dr De Souza of 500,000 share options on the following terms:

Non-Executive Director	Number of Share Options	Exercise Period
Dr Errol De Souza	500,000	<ul style="list-style-type: none"> • for 100,000 options, a 5 year period commencing from the first anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the second anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the third anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the fourth anniversary of the date of acceptance; and • for 100,000 options, a 5 year period commencing from the fifth anniversary of the date of acceptance.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rule 10.15:

- (a) the maximum number of share options that may be acquired is 500,000;
- (b) each share option will be issued for no consideration and will, if exercised at any time during the share option exercise period (as described in the table above), entitle Dr De Souza to subscribe for a fully paid ordinary share in the Company at a price of \$0.2613 per share. The exercise price of \$0.2613 per share option is based on a seven (7) day VWAP of the Company's shares prior to Dr De Souza's commencement as Chairman of the Board;
- (c) details of share options issued to directors since last approval are; Dr Rathjen was issued with 60,000 bonus share options as part of her total remuneration package for the year ended 30 June 2015 in recognition of her performance during that year, for no consideration (but with an exercise price of \$0.4211 per share option), after approval was obtained at the 2015 Annual General Meeting;
- (d) the directors of the Company as listed below are each entitled to participate in the Option Plan:

Dr Errol De Souza
Dr Deborah Rathjen
Mr Trevor Tappenden
Mr Peter Turner
Mr David Wilson
Mr Alan Fisher
- (e) a voting exclusion statement in respect of this Resolution is set out in the Notice of Annual General Meeting;
- (f) there is no loan in relation to the acquisition by Dr De Souza; and
- (g) if Resolution 6 is approved, the share options are expected to be issued by 16 December 2016 (and in any event, by no later than 8 November 2017).

The share options will not be quoted on the ASX.

The Board (with Dr De Souza abstaining), recommends that shareholders vote in favour of the proposed issue of share options to Dr De Souza.

RESOLUTION 7: Approval of Proposed Issue of Share Options to Mr Peter Turner (ASX Listing Rule 10.14)

Resolution 7 seeks shareholder approval for the proposed issue of 500,000 share options to Mr Peter Turner under the Option Plan. Under the Australian Securities Exchange Corporate Governance

Principles and Recommendations, the guidelines for non-executive director remuneration provide that non-executive directors should normally be remunerated by way of fees, should not participate in schemes designed for remuneration of executives and should not receive options. However, in view of the special circumstances of the Company, namely:

- the Company does not presently have net earnings and its cash is at a premium; and
- the Company considers it essential to attract and retain high calibre non-executive directors and to provide those directors with a competitive level of remuneration,

the issue of options is in the best interests of the Company, and aligns the interests of non-executive directors with the interests of the Company's shareholders.

The Company proposes to issue share options to Mr Turner as follows:

Non-Executive Director	Number of Share Options	Exercise Period
Mr Peter Turner	500,000	<ul style="list-style-type: none"> • for 100,000 options, a 5 year period commencing from the first anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the second anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the third anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the fourth anniversary of the date of acceptance; and • for 100,000 options, a 5 year period commencing from the fifth anniversary of the date of acceptance.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rule 10.15:

- the maximum number of share options that may be acquired is 500,000;
- each share option will be issued for no consideration and will, if exercised at any time during the share option exercise period (as described in the table above), entitle Mr Turner to subscribe for a fully paid ordinary share in the Company at a price of \$0.3130 per share. The exercise price of \$0.3130 per share option is based on a seven (7) day VWAP of the Company's shares prior to the acceptance by Mr Turner of the invitation to join the Board (subject to approval by shareholders);
- refer to Resolution 6 paragraph (c) above for details of issues since last approval;
- the directors of the Company as listed below are each entitled to participate in the Option Plan:

Dr Errol De Souza
 Dr Deborah Rathjen
 Mr Trevor Tappenden
 Mr Peter Turner
 Mr David Wilson
 Mr Alan Fisher
- a voting exclusion statement in respect of this Resolution is set out in the Notice of Annual General Meeting;
- there is no loan in relation to the acquisition by Mr Turner; and

- (g) if Resolution 7 is approved, the share options are expected to be issued by 16 December 2016 (and in any event, by no later than 8 November 2017).

The share options will not be quoted on the ASX.

The Board (with Mr Turner abstaining), recommends that shareholders vote in favour of the proposed issue of share options to Mr Turner.

RESOLUTION 8: Approval of Proposed Issue of Share Options to Mr David Wilson (ASX Listing Rule 10.14)

Resolution 8 seeks shareholder approval for the proposed issue of 500,000 share options to Mr David Wilson under the Option Plan. Under the Australian Securities Exchange Corporate Governance Principles and Recommendations, the guidelines for non-executive director remuneration provide that non-executive directors should normally be remunerated by way of fees, should not participate in schemes designed for remuneration of executives and should not receive options.

However, in view of the special circumstances of the Company, namely:

- the Company does not presently have net earnings and its cash is at a premium; and
- the Company considers it essential to attract and retain high calibre non-executive directors and to provide those directors with a competitive level of remuneration,

the issue of options is in the best interests of the Company, and aligns the interests of non-executive directors with the interests of the Company's shareholders.

The Company proposes to issue share options to Mr Wilson as follows:

Non-Executive Director	Number of Share Options	Exercise Period
Mr David Wilson	500,000	<ul style="list-style-type: none">• for 100,000 options, a 5 year period commencing from the first anniversary of the date of acceptance;• for 100,000 options, a 5 year period commencing from the second anniversary of the date of acceptance;• for 100,000 options, a 5 year period commencing from the third anniversary of the date of acceptance;• for 100,000 options, a 5 year period commencing from the fourth anniversary of the date of acceptance; and• for 100,000 options, a 5 year period commencing from the fifth anniversary of the date of acceptance.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rule 10.15:

- (a) the maximum number of share options that may be acquired is 500,000;
- (b) each share option will be issued for no consideration and will, if exercised at any time during the share option exercise period (as described in the table above), entitle Mr Wilson to subscribe for a fully paid ordinary share in the Company at a price of \$0.3130 per share. The exercise price of \$0.3130 per share option is based on a seven (7) day VWAP of the Company's shares prior to the acceptance by Mr Wilson of the invitation to join the Board (subject to approval by shareholders);

- (c) refer to Resolution 6 paragraph (c) above for details of issues since last approval;
- (d) the directors of the Company as listed below are each entitled to participate in the Option Plan:

 Dr Errol De Souza
 Dr Deborah Rathjen
 Mr Trevor Tappenden
 Mr Peter Turner
 Mr David Wilson
 Mr Alan Fisher
- (e) a voting exclusion statement in respect of this Resolution is set out in the Notice of Annual General Meeting;
- (f) there is no loan in relation to the acquisition by Mr Wilson; and
- (g) if Resolution 8 is approved, the share options are expected to be issued by 16 December 2016 (and in any event, by no later than 8 November 2017).

The share options will not be quoted on the ASX.

The Board (with Mr Wilson abstaining), recommends that shareholders vote in favour of the proposed issue of share options to Mr Wilson.

RESOLUTION 9: Approval of Proposed Issue of Share Options to Mr Alan Fisher (ASX Listing Rule 10.14)

Resolution 9 seeks shareholder approval for the proposed issue of 500,000 share options to Mr Alan Fisher under the Option Plan. Under the Australian Securities Exchange Corporate Governance Principles and Recommendations, the guidelines for non-executive director remuneration provide that non-executive directors should normally be remunerated by way of fees, should not participate in schemes designed for remuneration of executives and should not receive options. However, in view of the special circumstances of the Company, namely:

- the Company does not presently have net earnings and its cash is at a premium; and
- the Company considers it essential to attract and retain high calibre non-executive directors and to provide those directors with a competitive level of remuneration,

the issue of options is in the best interests of the Company, and aligns the interests of non-executive directors with the interests of the Company's shareholders.

The Company proposes to issue share options to Mr Fisher as follows:

Non-Executive Director	Number of Share Options	Exercise Period
Mr Alan Fisher	500,000	<ul style="list-style-type: none"> • for 100,000 options, a 5 year period commencing from the first anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the second anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the third anniversary of the date of acceptance; • for 100,000 options, a 5 year period commencing from the fourth anniversary of the date of acceptance; and • for 100,000 options, a 5 year period commencing from the fifth anniversary of the date of acceptance.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rule 10.15:

- (a) the maximum number of share options that may be acquired is 500,000;
- (b) each share option will be issued for no consideration and will, if exercised at any time during the share option exercise period (as described in the table above), entitle Mr Fisher to subscribe for a fully paid ordinary share in the Company at a price of \$0.2613 per share. The exercise price of \$0.2613 per share option is based on a seven (7) day VWAP of the Company's shares prior to the acceptance by Mr Fisher of the invitation to join the Board (subject to approval by shareholders);
- (c) refer to Resolution 6 paragraph (c) above for details of issues since last approval;
- (d) the directors of the Company as listed below are each entitled to participate in the Option Plan:

Dr Errol De Souza
Dr Deborah Rathjen
Mr Trevor Tappenden
Mr Peter Turner
Mr David Wilson
Mr Alan Fisher
- (e) a voting exclusion statement in respect of this Resolution is set out in the Notice of Annual General Meeting;
- (f) there is no loan in relation to the acquisition by Mr Fisher; and
- (g) if Resolution 9 is approved, the share options are expected to be issued by 16 December 2016 (and in any event, by no later than 8 November 2017).

The share options will not be quoted on the ASX.

The Board (with Mr Fisher abstaining), recommends that shareholders vote in favour of the proposed issue of share options to Mr Fisher.

RESOLUTION 10: Approval of Proposed Issue of Share Options to Dr Deborah Rathjen – Long Term Incentive (ASX Listing Rule 10.14)

Resolution 10 seeks shareholder approval for the proposed issue of share options to Dr Deborah Rathjen, the Chief Executive Officer and Managing Director of the Company.

The Company proposes to issue 500,000 share options to Dr Rathjen under the Option Plan for no consideration (but with an exercise price and other terms as described below). The Board considers that such an arrangement is in the Company's interests as it aligns the interests of Dr Rathjen with the interests of the Company's shareholders.

The non-executive directors have approved, subject to approval by the Company's shareholders, the issue to Dr Rathjen of 500,000 share options on the following terms; 500,000 share options of which one quarter (125,000 options) will vest each year for four years, commencing one year from the date of issue, and have an exercise period commencing from the vesting date and ending five years after the date of vesting. Each of these share options entitle Dr Rathjen to subscribe for a fully paid ordinary share in the Company at a price of \$0.60 per share at any time during the share option exercise period. The Board considers the quantum and terms of the options to be reasonable and an important part of Dr Rathjen's remuneration package. Share options are a cost effective way of aligning the interests of the Chief Executive Officer and Managing Director with that of its shareholders whilst maintaining the Company's cash reserves.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rule 10.15:

- (a) the maximum number of share options that may be acquired is 500,000;
- (b) each share option will be issued for no consideration and will, if exercised at any time during the share option exercise period, entitle Dr Rathjen to subscribe for a fully paid ordinary share in the Company at a price of \$0.60 per share. As at the date the Board resolved to issue the options to Dr Rathjen (subject to shareholder approval), the seven (7) day VWAP of the Company's shares was \$0.2743 per share;
- (c) refer to Resolution 6 paragraph (c) above for details since last approval;
- (d) the directors of the Company as listed below are each entitled to participate in the Option Plan:

Dr Errol De Souza
Dr Deborah Rathjen
Mr Trevor Tappenden
Mr Peter Turner
Mr David Wilson
Mr Alan Fisher
- (e) a voting exclusion statement in respect of this Resolution is set out in the Notice of Annual General Meeting;
- (f) there is no loan in relation to the acquisition by Dr Rathjen; and
- (g) if Resolution 10 is approved, the share options are expected to be issued by 16 December 2016 (and in any event, by no later than 8 November 2017).

The share options will not be quoted on the ASX.

The Board (with Dr Rathjen abstaining), recommends that shareholders vote in favour of the proposed issue of share options to Dr Rathjen.

RESOLUTION 11: Approval of Proposed Issue of Share Options to Dr Deborah Rathjen – Commercialisation Incentive (ASX Listing Rule 10.14)

Resolution 11 seeks shareholder approval for the proposed issue of share options to Dr Deborah Rathjen, the Chief Executive Officer and Managing Director of the Company.

The Company proposes to issue 500,000 share options to Dr Rathjen under the Option Plan for no consideration (but with an exercise price and other terms as described below) as an incentive to successfully commercialise key assets of the Company as described further below. The Board considers that such an arrangement is in the Company's interests as it aligns the interests of Dr Rathjen with the interests of the Company's shareholders in building sustainable value.

The non-executive directors have approved, subject to approval by the Company's shareholders, the issue to Dr Rathjen of 500,000 share options on the following terms; providing an incentive to commercialise key assets, the 500,000 share options will have an exercise period commencing when the key commercialisation milestone is achieved and ending on the date that is five years after the date of issue of the share options. Each of these share options entitles Dr Rathjen to subscribe for a fully paid ordinary share in the Company at a price of \$0.60 per share at any time during the share option exercise period. The share options may only be exercised by Dr Rathjen if the Company has completed a major partnering deal for one of Bionomics' clinical stage assets BNC 101,105 or 210, on market terms that are acceptable to the Company. If the hurdle is not achieved within three years, the 500,000 share options will lapse.

The following information is provided in relation to the terms of the share options and for the purposes of ASX Listing Rule 10.15:

- (a) the maximum number of share options that may be acquired is 500,000;
- (b) each share option will be issued for no consideration and will, if exercised at any time during the share option exercise period, entitle Dr Rathjen to subscribe for a fully paid ordinary share in the Company at a price of \$0.60 per share. As at the date the Board resolved to issue the options to Dr Rathjen (subject to shareholder approval), the seven (7) day VWAP of the Company's shares was \$0.2743 per share;
- (c) refer to Resolution 6 paragraph (c) above for details since last approval;
- (d) the directors of the Company as listed below are each entitled to participate in the Option Plan:
 - Dr Errol De Souza
 - Dr Deborah Rathjen
 - Mr Trevor Tappenden
 - Mr Peter Turner
 - Mr David Wilson
 - Mr Alan Fisher
- (e) a voting exclusion statement in respect of this Resolution is set out in the Notice of Annual General Meeting;
- (f) there is no loan in relation to the acquisition by Dr Rathjen; and
- (g) if Resolution 11 is approved, the share options are expected to be issued by 16 December 2016 (and in any event, by no later than 8 November 2017).

The share options will not be quoted on the ASX.

The Board (with Dr Rathjen abstaining), recommends that shareholders vote in favour of the proposed issue of share options to Dr Rathjen.

Adelaide
7 October 2016

Bionomics

ABN 53 075 582 740



Limited

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

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

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

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000



BNO

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

Proxy Form

XX



Vote and view the annual report online

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

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

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 2:00pm (Adelaide time) Sunday 6 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

I ND

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 Bionomics 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 Bionomics Limited to be held at **Crowne Plaza Adelaide, Level 15, Hindmarsh Rooms 1 & 2, 16 Hindmarsh Square, Adelaide, SA on Tuesday, 8 November 2016 at 2:00pm (Adelaide time)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 6, 7, 8, 9, 10 & 11** (except where I/we have indicated a different voting intention below) even though **Items 1, 6, 7, 8, 9, 10 & 11** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 6, 7, 8, 9, 10 & 11** 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
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Non-Executive Director & Chairman - Dr Errol De Souza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Non-Executive Director - Mr Peter Turner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Election of Non-Executive Director - Mr David Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Election of Non-Executive Director - Mr Alan Fisher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
8	Approval of Proposed Issue of Share Options to Mr David Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Approval of Proposed Issue of Share Options to Mr Alan Fisher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Approval of Proposed Issue of Share Options to Dr Deborah Rathjen - Long Term Incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Approval of Proposed Issue of Share Options to Dr Deborah Rathjen - Commercialisation Incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

6	Approval of Proposed Issue of Share Options to Dr Errol De Souza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval of Proposed Issue of Share Options to Mr Peter Turner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

BNO

999999A

Computershare +