

Notice of Annual General Meeting

Invion Limited ACN 094 730 417

Notice of Annual General Meeting

Invion Limited ACN 094 730 417

Notice is given that the Annual General Meeting of Invion Limited ACN 094 730 417 (**Company**) will be held at:

Location	The offices of McCullough Robertson Lawyers at Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000
Date	Thursday, 8 November 2012
Time	10:30am (Brisbane time)

Ordinary Business

Financial statements and reports

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2012.

Directors' remuneration report

To consider and, if in favour, pass the following resolution in accordance with section 250R(2) of the Corporations Act:

- 1 'That the Remuneration Report be adopted.'

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

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Re-election of Directors

Re-election of Dr Ralph Craven

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

- 2 'That Dr Ralph Craven, a Non-Executive Director and Chairman of the Company, who retires by rotation in accordance with rule 16.1 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Dr Ralph Craven abstaining) unanimously recommend that you vote in favour of this resolution.

Re-election of Mr Warren Brown

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

- 3 'That Mr Warren Brown, a Non-Executive Director, who retires by rotation in accordance with rule 16.1 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Mr Warren Brown abstaining) unanimously recommend that you vote in favour of this resolution.

Special business

Approval of Employee Share Option Plan (ESOP)

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

- 4 'That, for the purposes of being approved as an exemption from Listing Rule 7.1 pursuant to Listing Rule 7.2, exception 9, and for all other purposes, approval is given for the issue of securities and the implementation of the Employee Share Option Plan (**ESOP**) on the terms set out in the Explanatory Memorandum.'

Issue of options to Directors: Dr William Garner and Dr Mitchell Glass

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

- 5 That, pursuant to section 208(1)(a) of the Corporations Act and Listing Rule 10.14, the members of the Company approve the granting of options as follows, in the manner outlined in the Explanatory Memorandum:
- (a) 10,000,000 options to Dr William Garner, Executive Director and Chief Executive Officer;
 - (b) 10,000,000 options to Dr Mitchell Glass, Executive Director and Chief Medical Officer;

Note: if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

Issue of options to Directors: Dr Ralph Craven, Dr James Campbell, Mr Warren Brown and Mr Brett Heading

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

- 6 That, pursuant to section 208(1)(a) of the Corporations Act and Listing Rule 10.14, the members of the Company approve the granting of options as follows, in the manner outlined in the Explanatory Memorandum:
- (a) 1,500,000 options to Dr Ralph Craven, Non-Executive Director and Chairman;
 - (b) 1,500,000 options to Dr James Campbell, Executive Director;
 - (c) 1,000,000 options to Mr Warren Brown, Non-Executive Director; and
 - (d) 1,000,000 options to Mr Brett Heading, Non-Executive Director.

Note: if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

Approval of additional 10% capacity to issue shares under Listing Rule 7.1A

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

- 7 'For the purposes of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, on the terms and conditions set out in the Explanatory Memorandum.'

The Directors unanimously recommend that you vote in favour of this resolution.

Dated

By order of the Board



Melanie Farris

Company Secretary

Voting exclusion statement

Corporations Act

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

Resolutions 4, 5 (a)-(b) and 6 (a)-(d) – The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act.

Resolutions 5(a)-(b) and 6 (a)-(d) – The Company will disregard votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act.

Listing Rules

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

Resolution 4 – Approval of Employee Share Option Plan	Each Director and each of their associates.
Resolutions 5(a)-(b) – Issue of options to Directors	Each Director and each of their associates.

Resolutions 6(a)-(d) – Issue of options to Directors	Each Director and each of their associates.
Resolution 7 - Approval of additional capacity to issue shares under Listing Rule 7.1A	<p>A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or an associate of such person.</p> <p>NB. In accordance with Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.</p>

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Notes

- (a) Terms used in this Notice of Meeting which are defined in the Explanatory Memorandum have the meaning given to them in the Explanatory Memorandum.
- (b) Subject to the Corporations Act, including sections 250R and 250BD, a Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (c) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (d) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (e) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (f) The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 6.00 pm (Brisbane time) on Tuesday, 6 November 2012.
- (g) If you have any queries on how to cast your votes then call the Company Secretary on +61 7 3295 0506 during business hours.

Explanatory Memorandum

Invion Limited ACN 094 730 417 (**Company**)

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at the offices of McCullough Robertson Lawyers at Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Thursday, 8 November 2012 at 10:30am (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, Ernst & Young, if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) of the Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

- 5 Written questions for the auditor must be delivered by Thursday, 1 November 2012. Please send any written questions for Ernst & Young to:

The Company Secretary
Unit 2, 120 Bluestone Circuit
Seventeen Mile Rocks, Queensland 4073

or via email to: investor@invion.com.au

Resolution 1: Remuneration Report

- 6 The Remuneration Report is contained in the annual report. A copy is available on the Company's website.
- 7 The Corporations Act requires that the Remuneration Report be put to a vote of Shareholders.
- 8 The resolution of Shareholders is advisory only and not binding on the Company. The Board will take the discussion at the meeting into consideration when determining the Company's

remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.

- 9 The remuneration report:
- (a) reports and explains the remuneration arrangements in place for non-executive Directors, executive Directors and senior management; and
 - (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within the Company.
- 10 The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the remuneration report.

Directors' Recommendation

- 11 As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding this resolution.

Re-election of Directors

- 12 Rule 16.1 of the Constitution requires that, at every Annual General Meeting, one-third of the Directors (excluding the Managing Director) must retire from office and stand for re-election. Where there are five or fewer Directors (excluding the Managing Director), at least two must retire from office at each Annual General Meeting.
- 13 The Directors to retire under rule 16.1 are those who have been in office the longest since being appointed. The Board has determined that the following Directors will retire from office under rule 16.1 of the Constitution and stand for re-election:
- (a) Dr Ralph Craven; and
 - (b) Mr Warren Brown.

Resolution 2: Re-election of Dr Ralph Craven

- 14 Dr Ralph Craven retires from office under rule 16.1 of the Constitution and stands for re-election.
- 15 Dr Ralph Craven was appointed a non-executive Director of the Company on 4 November 2011, and was appointed Chairman on 1 December 2011. Dr Craven has broad experience as a company director. A highly respected member of the international energy industry, Dr Craven's executive career included being CEO of both Ergon Energy Corporation and Transpower Limited. Dr Craven's current roles include being non-executive director of Senex Energy (ASX:SXY) and Chair of the Audit Committee, non-executive director of Drill Torque (ASX:DTQ), and non-executive director of Windlab Systems Pty Ltd. Previous roles include being Chair of Ergon Energy Corporation Limited and Tully Sugar Limited and Deputy Chair of Arrow Energy (ASX:AOE). Dr Craven is also a board member of the International Electrotechnical Commission, which is the leading global organisation that prepares and publishes international standards for all electrical, electronic and related technologies.
- 16 Special responsibilities:
- (a) Chair of the Board;
 - (b) Audit and Risk Management Committee member; and

- (c) Remuneration and Nominations Committee member.

Directors' Recommendation

- 17 The Directors (with Dr Ralph Craven abstaining), unanimously recommend the re-appointment of Dr Craven to the Board.

Resolution 3: Re-election of Mr Warren Brown

- 18 Mr Warren Brown retires from office under rule 16.1 of the Constitution and stands for re-election.
- 19 Mr Brown has extensive experience in managing large projects and large labour forces. He has strong skills in negotiating contracts and corporate strategy. Mr Brown formed a consulting engineering practice in 1992 that employed 25 people at the time of sale in 2005. Prior to this Mr Brown held a management position at Major Engineering Construction where he was responsible for engineering construction projects throughout Queensland.
- 20 Special responsibilities:
- (a) Chair of the Audit and Risk Management Committee; and
 - (b) Remuneration and Nominations Committee member.

Directors' Recommendation

- 21 The Directors (with Mr Warren Brown abstaining), unanimously recommend the re-appointment of Mr Brown to the Board.

Special business

Resolution 4 - Approval of employee share option plan (ESOP)

- 22 This Resolution seeks shareholder approval for the implementation of a new employee share option plan.

Listing Rule 7.1

- 23 ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. Pursuant to Listing Rule 7.2, exception 9, an issue under an employee incentive plan will not count toward a company's 15% limit provided the plan was approved by shareholders within three years before the date of the securities being issued.
- 24 This resolution proposes that Shareholders consider and approve the ESOP in accordance with Listing Rule 7.2, exception 9, which will enable securities issued under the ESOP in the course of the next three years to be excluded from the Company's 15% limit for the purpose of Listing Rule 7.1.
- 25 The ESOP will allow the company to incentivise directors and employees and allow the Company to maximise the use of its cash resources towards commercialisation of its drug development portfolio.

- 26 No issues of options to directors can be made under the ESOP without separate shareholder approval under the ASX Listing Rules.
- 27 The following information is included for compliance with Listing Rule 7.2, exception 9.
- 28 The Board is proposing to implement a modernised and improved ESOP with rules that are in line with industry standards and that assist in the alignment of shareholder, director and employee interests.
- 29 At this time, no securities have been issued under the revised ESOP plan.

Summary of ESOP rules

Eligibility	Any director, employee or consultant who is decided by the Board to be an Eligible Participant for the purposes of the Plan.
Grant of options	All options are to be offered to eligible employees for no consideration. The offer must be in writing and specify, amongst other things, the number of options for which the eligible employee may apply, the period within which the options may be exercised, any conditions to be satisfied before exercise, the option expiry date (as determined by the Board) and the exercise price of the options.
Exercise	The options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.
Lapse	The options shall lapse in accordance with specific offer terms or events contained in the ESOP rules, including termination of employment or resignation, redundancy, death or disablement (subject to the Board's discretion to extend the term of exercise in restricted cases).
Rights of Participants	<p>Once Shares are allotted upon exercise of the options the participant will hold the Shares free of restrictions. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.</p> <p>Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each Option remains unchanged.</p> <p>In the event of a change of control, the Board shall have discretion to deal with the options, including allowing accelerated vesting or the issue of options in the substituted corporation.</p> <p>A holder of options is not entitled to participate in dividends, a new issue of Shares or other securities made by the Company to Shareholders merely because he or she</p>

	holds options. However, if a pro rata bonus or cash issue of securities is awarded by the Company, the Company in its absolute discretion may adjust the number of Shares over which an option exists and the exercise price in the manner specified in Listing Rule 6.22, in which case written notice will be given to the option holder.
Assignment	The options are not transferable or assignable without the prior written approval of the Board.
Administration	The ESOP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP.
Termination and amendment	The ESOP may be terminated or suspended at any time by the Board. The ESOP may be amended at any time by the Board except where the amendment reduces the rights of the holders of options, including a change to reduce the exercise price, increase the number of Shares to which an eligible employee is entitled or change the exercise period, unless required by the Corporations Act or the Listing Rules.

Directors' Recommendation

- 30 The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Resolution 5 – Issue of options to Directors: Dr William Garner and Dr Mitchell Glass

- 31 Subject to the approval of Shareholders, the Company proposes to issue options to each of the following directors. The options will in each case be issued for nil consideration.
- 32 Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.
- 33 The options shall be issued under and subject to the terms of the ESOP.
- 34 Approval is sought for the grant of the following options as detailed below:

Resolution 5(a) - Issue of 10,000,000 options to Dr William Garner, Managing Director and Chief Executive Officer, on the following terms and conditions:

- (a) each option is to acquire one Share;
- (b) the options are issued for nil consideration;
- (c) the exercise price to acquire a share will be not less than 150% of the ordinary share price on the day of issue, per option. Options are subject to a non-preferred exercise price of \$10 per option which may be paid at any time;

- (d) the options will expire on the date that is 5 years after the date of issue;
- (e) subject to the Director remaining in employment, options issued will vest on the following dates and in the following proportions:
 - (i) 11 months from the date of issue – 20% (2,000,000);
 - (ii) 23 months from the date of issue – 20% (2,000,000);
 - (iii) 35 months from the date of issue – 20% (2,000,000);
 - (iv) 47 months from the date of issue – 20% (2,000,000); and
 - (v) 59 months from the date of issue – 20% (2,000,000).
- (f) the Board may determine how the options are dealt with upon a change in control, including allowing for accelerated vesting;
- (g) in the event that the option holder is no longer employed by the Company, the options will revert to the non-preferred price if not exercised within 30 days from the date of termination of employment;
- (h) the options will not be transferable;
- (i) it is intended that options will be issued on 9 November 2012.

Resolution 5(b) - Issue of 10,000,000 options to Dr Mitchell Glass, Executive Director and Chief Medical Officer, on the following terms and conditions:

- (a) each option is to acquire one Share;
- (b) the options are issued for nil consideration;
- (c) the exercise price to acquire a share will be not less than 150% of the ordinary share price on the day of issue, per option. Options are subject to a non-preferred exercise price of \$10 per option which may be paid at any time;
- (d) the options will expire on the date that is 5 years after the date of issue;
- (e) subject to the Director remaining in employment, options issued will vest on the following dates and in the following proportions:
 - (i) 11 months from the date of issue – 20% (2,000,000);
 - (ii) 23 months from the date of issue – 20% (2,000,000);
 - (iii) 35 months from the date of issue – 20% (2,000,000);
 - (iv) 47 months from the date of issue – 20% (2,000,000); and
 - (v) 59 months from the date of issue – 20% (2,000,000).
- (f) the Board may determine how the options are dealt with upon a change in control, including allowing for accelerated vesting;

- (g) in the event that the option holder is no longer employed by the Company, the options will revert to the non-preferred price if not exercised within 30 days from the date of termination of employment;
- (h) the options will not be transferable;
- (i) it is intended that options will be issued on 9 November 2012.

35 The other general terms for each of the options to be issued under resolutions 5(a)-5(b) are:

- (a) if there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, the rights of each holder of options issued will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation;
- (b) the options do not entitle the holder to participate in any new issues by the Company without exercising the options;
- (c) the options do not confer on the holder any rights to a change in the exercise price of the options or a change to the number of underlying securities over which the options can be exercised except:
 - (i) in the case of a pro rata issue to the holders of shares (except a bonus issue) in which case the exercise price of each option shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and
 - (ii) in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each option is exercisable shall be increased by the number of Shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue;
- (d) all shares issued pursuant to the exercise of options will, subject to the Constitution of the Company, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) *pari passu* with the existing Shares at the date of issue and allotment; and
- (e) the options will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

General Information

36 The Company discloses the following information concerning the value of the options to be issued to each of the Directors. A fair value for the options to be issued has been calculated using the Black Scholes methodology and based on a number of assumptions, set out below. This methodology is commonly used for valuing options and is one of the permitted methodologies under ASIC Regulatory Guide 76. The Board believes this valuation model is appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options.

37 The stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 14 September 2012.

Underlying price	\$0.055
Volatility	70%
Dividend Yield (estimate)	0
Expiry Date	1 December 2017
Exercise (strike) price	\$0.09
Risk free rate	3.20%
Option Value	\$0.023
Number of options issued	1,000,000
Employee benefit expense per 1,000,000 options	\$23,167

Remuneration

38 Excluding the value of the options, the directors currently receive the following emoluments for their respective positions. The amount stated is per annum comprising salary, superannuation contributions and known short and long term incentive payments for the 2012/2013 financial year:

- (a) Dr William Garner, Managing Director and Chief Executive Officer – base salary of US\$270,000, eligible to receive an annual bonus of up to US\$54,000 (up to 20% of base salary) which is contingent on the achievement of performance objectives and is at the discretion of the Board.
- (b) Dr Mitchell Glass, Executive Director and Chief Medical Officer - base salary of US\$240,000, eligible to receive an annual bonus of up to US\$48,000 (up to 20% of base salary) which is contingent on the achievement of performance objectives and is at the discretion of the Board.

Financial Benefit – Details and reasons: Dr William Garner and Dr Mitchell Glass

- 39 The issue of options to Dr Garner and Dr Glass, including for the purposes of section 611 item 7 of the Corporations Act, was approved by Shareholders at the Company's General Meeting held 30 August 2012.
- 40 Information required to be provided to Shareholders under Chapter 2E Corporations Act and ASIC Regulatory Guide 76 in respect of the proposed financial benefit included the key terms of employment agreements to be entered into by the Company with Dr Garner and Dr Glass on the successful completion of the merger.
- 41 Key terms as notified to Shareholders included the base salary and bonus eligibility, as well as the granting of options to purchase up to 10,000,000 shares over a period of five years under the Company's share option plan.
- 42 Approval has been sought for the giving of a financial benefit to related parties under section 208 of the Corporations Act (Cth) 2001 ('Act'). Section 229(3)(f) of the Act provides that the 'issuing of securities or granting of an option to a related party' (which includes a director of an entity) is an example of the giving of a financial benefit.
- 43 Under resolutions 5(a) to (b) as noted above options will be issued to directors of the Company. The amount, terms and value (subject to the stated assumptions) of those options are set out above.

- 44 Further details as to the valuation of the options to be issued under resolutions 5(a)-(b) and 6(a)-(d) are contained below.
- 45 The reasons for giving this financial benefit primarily relate to the terms of the merger as already approved by shareholders on 30 August 2012. Furthermore, given Dr Garner and Dr Glass' ongoing involvement, the option terms are designed to incentivise the directors to maximise the Company's development and growth. The options also accord with the reasons cited below for the issue of options to other directors, including maximising the use of the Company's cash resources towards clinical development.
- 46 On this basis the Company believes the giving of the benefits, as constituted by the issue of the options to the specified directors under resolution 5(a)-(b), is in the best interests of the Company and its shareholders.

Existing interests and the dilutionary effect on other members interests

- 47 The effect that the exercise of the options will have on the interests of the Director relative to other members' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of, the Company during the time between issue and exercise of the option.

Shares	Dr William Garner	Dr Mitchell Glass
The total number of shares on issue in the capital of the Company	384,531,941	384,531,941
Shares currently held by Director*	62,930,193	13,677,032
% of shares currently held by Director	16.37%	3.56%
Options to be issued under this resolution	10,000,000	10,000,000
The total number of shares on issue in the capital of the Company following the exercise of all options held by Director (assuming no other options were exercised)	394,531,941	394,531,941
Shares that will be held following the exercise of all options held by Director	72,930,193	23,677,032
% of Shares that would be held assuming no other options were exercised	18.49%	6.00%

* including indirect interests, and as recorded at 14 September 2012

Directors' Recommendation

- 48 The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Resolution 6 – Issue of options to Directors: Dr Ralph Craven, Dr James Campbell, Mr Warren Brown, Mr Brett Heading

- 49 Subject to the approval of Shareholders, the Company proposes to issue options to each of the following directors. The options will in each case be issued for nil consideration.
- 50 Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.
- 51 The options shall be issued under and subject to the terms of the ESOP.

52 Approval is sought for the grant of the following options as detailed below:

Resolution 6(a) - Issue of 1,500,000 options to Dr Ralph Craven, Non-Executive Director and Chairman, on the following terms and conditions:

- (a) each option is to acquire one Share;
- (b) the options are issued for nil consideration;
- (c) the exercise price to acquire a share will be not less than 150% of the ordinary share price on the day of issue, per option. Options are subject to a non-preferred exercise price of \$10 per option which may be paid at any time;
- (d) the options will expire on the date that is 5 years after the date of issue;
- (e) options issued will vest on the following dates and in the following proportions:
 - (i) 11 months from the date of issue – 20% (300,000);
 - (ii) 23 months from the date of issue – 20% (300,000);
 - (iii) 35 months from the date of issue – 20% (300,000);
 - (iv) 47 months from the date of issue – 20% (300,000); and
 - (v) 59 months from the date of issue – 20% (300,000).
- (f) the Board may determine how the options are dealt with upon a change in control, including allowing for accelerated vesting;
- (g) the options will not be transferable;
- (h) it is intended that options will be issued on 9 November 2012..

Resolution 6(b) - Issue of 1,500,000 options to Dr James Campbell, Executive Director, on the following terms and conditions:

- (a) each option is to acquire one Share;
- (b) the options are issued for nil consideration;
- (c) the exercise price to acquire a share will be not less than 150% of the ordinary share price on the day of issue, per option. Options are subject to a non-preferred exercise price of \$10 per option which may be paid at any time;
- (d) the options will expire on the date that is 5 years after the date of issue;
- (e) options issued will vest on the following dates and in the following proportions:
 - (i) 11 months from the date of issue – 20% (300,000);
 - (ii) 23 months from the date of issue – 20% (300,000);
 - (iii) 35 months from the date of issue – 20% (300,000);
 - (iv) 47 months from the date of issue – 20% (300,000); and

- (v) 59 months from the date of issue – 20% (300,000).
- (f) the Board may determine how the options are dealt with upon a change in control, including allowing for accelerated vesting;
- (g) the options will not be transferable;
- (h) it is intended that options will be issued on 9 November 2012.

Resolution 6(c) - Issue of 1,000,000 options to Mr Warren Brown, Non-Executive Director, on the following terms and conditions:

- (a) each option is to acquire one Share;
- (b) the options are issued for nil consideration;
- (c) the exercise price to acquire a share will be not less than 150% of the ordinary share price on the day of issue, per option. Options are subject to a non-preferred exercise price of \$10 per option which may be paid at any time;
- (d) the options will expire on the date that is 5 years after the date of issue;
- (e) options issued will vest on the following dates and in the following proportions:
 - (i) 11 months from the date of issue – 20% (200,000);
 - (ii) 23 months from the date of issue – 20% (200,000);
 - (iii) 35 months from the date of issue – 20% (200,000);
 - (iv) 47 months from the date of issue – 20% (200,000); and
 - (v) 59 months from the date of issue – 20% (200,000).
- (f) the Board may determine how the options are dealt with upon a change in control, including allowing for accelerated vesting;
- (g) the options will not be transferable;
- (h) it is intended that options will be issued on 9 November 2012.

Resolution 6(d) - Issue of 1,000,000 options to Mr Brett Heading, Non-Executive Director, on the following terms and conditions:

- (a) each option is to acquire one Share;
- (b) the options are issued for nil consideration;
- (c) the exercise price to acquire a share will be not less than 150% of the ordinary share price on the day of issue, per option. Options are subject to a non-preferred exercise price of \$10 per option which may be paid at any time;
- (d) the options will expire on the date that is 5 years after the date of issue;
- (e) options issued will vest on the following dates and in the following proportions:

- (i) 11 months from the date of issue – 20% (200,000);
 - (ii) 23 months from the date of issue – 20% (200,000);
 - (iii) 35 months from the date of issue – 20% (200,000);
 - (iv) 47 months from the date of issue – 20% (200,000); and
 - (v) 59 months from the date of issue – 20% (200,000).
- (f) the Board may determine how the options are dealt with upon a change in control, including allowing for accelerated vesting;
 - (g) the options will not be transferable;
 - (h) it is intended that options will be issued on 9 November 2012.

53 The other general terms for each of the options to be issued under resolutions 6(a)- 6(d) are:

- (a) if there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, the rights of each holder of options issued will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation;
- (b) the options do not entitle the holder to participate in any new issues by the Company without exercising the options;
- (c) the options do not confer on the holder any rights to a change in the exercise price of the options or a change to the number of underlying securities over which the options can be exercised except:
 - (i) in the case of a pro rata issue to the holders of shares (except a bonus issue) in which case the exercise price of each option shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and
 - (ii) in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each option is exercisable shall be increased by the number of Shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue;
- (d) all shares issued pursuant to the exercise of options will, subject to the Constitution of the Company, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) pari passu with the existing Shares at the date of issue and allotment; and
- (e) the options will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

General Information – valuation resolutions 5(a)-(b) and 6(a)-(d)

54 The Company discloses the following information concerning the value of the options to be issued to each of the Directors. A fair value for the options to be issued has been calculated using the Black Scholes methodology and based on a number of assumptions, set out below. This methodology is commonly used for valuing options and is one of the permitted methodologies under ASIC Regulatory Guide 76. The Board believes this valuation model is appropriate to the

circumstances and has not used any other valuation or other models in proposing the terms of the options.

- 55 The stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 14 September 2012.

Underlying price	\$0.055
Volatility	70%
Dividend Yield (estimate)	0
Expiry Date	1 December 2017
Exercise (strike) price	\$0.09
Risk free rate	3.20%
Option Value	\$0.023
Number of options issued	1,000,000
Employee benefit expense per 1,000,000 options	\$23,167

Remuneration

- 56 Excluding the value of the options, the directors currently receive the following emoluments for their respective positions. The amount stated is per annum comprising salary, superannuation contributions and known short and long term incentive payments for the 2012/2013 financial year:

- (a) Dr Ralph Craven, Non-Executive Director and Chairman - \$141,700
- (b) Dr James Campbell, Executive Director- \$163,000
- (c) Mr Warren Brown, Non-Executive Director- \$76,300
- (d) Mr Brett Heading, Non-Executive Director- \$76,300

Financial Benefit – Details and reasons 6(a)-(d)

- 57 Approval has been sought for the giving of a financial benefit to related parties under s208 of the Corporations Act (Cth) 2001 ('Act'). Section 229(3)(f) of the Act provides that the 'issuing of securities or granting of an option to a related party' (which includes a director of an entity) is an example of the giving of a financial benefit.
- 58 Under resolutions 6(a)-(d) as noted above options will be issued to directors of the Company. The amount, terms and value (subject to the stated assumptions) of those options are set out above.
- 59 The reasons for giving this financial benefit are:
- (a) the Company wishes to maximise the use of its cash resources towards clinical development and equity based incentives such as options are used to supplement cash based remuneration;
 - (b) in December 2011, Directors resolved to reduce non-executive directors' fees by 30% with immediate effect. This reduction has been maintained.

- (c) the total quantum of options to be issued to directors under this resolution is moderate in number and with vesting to occur over a five year period, the issue of options will act as both an incentive for future growth of the business and an acknowledgment of performance to date, including:
- (i) the significant reduction in overhead costs and introduction of corporate efficiencies;
 - (ii) the acquisition of a new technology for the company, INV102 and appointments of a highly qualified and experienced CEO and CMO;
 - (iii) the progression of Cpn10 along a regulatory pathway for lupus including a pre-IND meeting scheduled for December 2012;
 - (iv) the receipt of R&D tax rebate funds (\$2.227 million); and
 - (v) an improved Corporate Governance structure
- (d) option terms are designed to incentivise the directors to maximise the Company's development and growth;
- (e) equity based incentives, such as options, assist in the alignment of shareholders and directors' interests;
- (f) the remuneration package is designed to attract and retain suitably qualified and experienced directors, with expertise in growing biotechnology companies;
- (g) the Company believes the associated expense is limited and the nature of the options package proposed is commensurate with market practice.

60 On this basis the Company believes the giving of the benefits, as constituted by the issue of the options to the specified directors under resolution 6(a)-(d), is in the best interests of the Company and its shareholders.

Existing interests and the dilutionary effect on other members interests

61 The effect that the exercise of the options will have on the interests of the Director relative to other members' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of the Company during the time between issue and exercise of the option.

Shares	Dr Ralph Craven	Dr James Campbell	Mr Warren Brown	Mr Brett Heading
The total number of shares on issue in the capital of the Company	384,531,941	384,531,941	384,531,941	384,531,941
Shares currently held by Director*	423,929	50,000	9,952,564	84,040
% of shares currently held by Director	0.11%	0.01%	2.59%	0.021%
Options to be issued under this resolution	1,500,000	1,500,000	1,000,000	1,000,000

The total number of shares on issue in the capital of the Company following the exercise of all options held by Director (assuming no other options were exercised)	386,031,941	386,031,941	385,531,941	385,531,941
Shares that will be held following the exercise of all options held by Director	1,923,929	1,550,000	10,952,564	1,084,040
% of Shares that would be held assuming no other options were exercised	0.50%	0.40%	2.84%	0.28%

* including indirect interests, and as recorded at 14 September 2012

Directors' Recommendation

- 62 The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Resolution 7: Approval of additional 10% capacity to issue shares under Listing Rule 7.1A

- 63 ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. In accordance with new Listing Rules 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) can issue a further 10% of share capital in 12 months on a non-pro rata basis, determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

- A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the 12 months;
 - (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% capacity pursuant to Listing Rule 7.1 without shareholder approval;
 - (D) less the number of fully paid shares cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

64 Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

<p>Minimum price at which the equity securities may be issued</p>	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> (a) the date on which the price at which the securities are to be issued is agreed; or (b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.
<p>Risk of economic and voting dilution</p>	<p>An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none"> (a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and (b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date. <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>
<p>Date by which the Company may issue the securities</p>	<p>The period commencing on the date of the annual general meeting (to which this Notice relates) at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and (b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2. <p>The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
<p>Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration</p>	<p>It is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards the continued commercialisation of the Company's drug development portfolio. This would principally include:</p> <ul style="list-style-type: none"> (a) development activities; (b) clinical trial costs; (c) regulatory approvals; (d) intellectual property portfolio costs; and (e) overhead including staff and office costs, audit and compliance expenses, and ASX fees. <p>The Company reserves the right to issue shares for non-cash consideration, including for payment of service or consultancy fees and costs.</p> <p>The Company also reserves the rights to utilise funds or scrip to acquire complimentary drug assets or intellectual property.</p>
<p>Details of the Company's allocation policy for issues under approval</p>	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <ul style="list-style-type: none"> (a) the methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing security holders can participate; (b) the effect of the issue of the Listing Rule 7.1A shares on the control of

	<p>the Company;</p> <p>(c) the financial situation and solvency of the Company; and</p> <p>(d) advice from corporate, financial and broking advisers (if applicable).</p> <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in its acquisitive growth strategy as outlined above, it is likely that the allottees under the Listing Rule 7.1A facility will be or include the vendors of the relevant target company or companies.</p>
Previous approvals under Listing Rule 7.1A	As this is the Company's first Annual General Meeting since the introduction of Listing Rule 7.1A no approval has previously been sought.

Information under Listing Rule 7.3A.2:

- 65 The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.
- 66 In particular, it assumes that "A" is calculated upon resolutions 4, 5(a)-(b) and 6(a)-(d) inclusive being approved at the Annual General Meeting.
- 67 The table also shows:
- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0275 50% decrease in Issue Price	\$0.055 Issue Price	\$0.11 100% increase in Issue Price
Current Variable A* 384,531,941 Shares	10% Voting Dilution	38,453,194 Shares	38,453,194 Shares	38,453,194 Shares
	Funds raised	\$1,057,462.84	\$2,114,925.67	\$4,229,851.34
50% increase in current Variable A*	10% Voting Dilution	57,679,791 Shares	57,679,791 Shares	57,679,791 Shares

576,797,912 Shares	Funds raised	\$1,586,194.25	\$3,172,388.51	\$6,344,777.01
100% increase in current Variable A*	10% Voting Dilution	76,906,388 Shares	76,906,388 Shares	76,906,388 Shares
769,063,882 Shares	Funds raised	\$2,114,925.67	\$4,229,851.34	\$8,459,702.68

*Note: Current Variable A refers to the calculation required by Listing Rule 7.1A.2, which in the Company's case, given recent approvals obtained at general meetings held on 30 August 2012 equates to the current issued share capital of the Company.

68 The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval.
- (b) No options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A.
- (c) 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%.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Annual General Meeting.
- (e) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (f) The issue of Shares under Listing Rule 7.1A consists only of Shares.
- (g) The issue price is \$0.055, being the closing price of the Shares on ASX on 14 September 2012.

Directors' recommendation

69 The Directors unanimously recommend that you vote in favour of this resolution.

Glossary

Invion Limited ACN 094 730 417

Annual General Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2012 annual report of the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 or the securities market which it operates, as the context requires.
Board	means the board of directors of the Company.
Company	means Invion Limited ACN 094 730 417.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Directors	means the directors of the Company.
ESOP	means the Company's employee share option plan.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means the notice of meeting and includes the Explanatory Memorandum.
Remuneration Report	means the section of the Directors' report for the 2012 financial year that is included under section 300A(1) of the Corporations Act.
Shares	means the existing fully paid ordinary shares in the Company.
Shareholder	means a person who is the registered holder of Shares.



By mail:
Invion Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474 Overseas: +61 2 8280 7454



X99999999999

SHAREHOLDER VOTING FORM

I/We being a member(s) of Invion Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:30am (Brisbane time) on Thursday, 8 November 2012, at McCullough Robertson Lawyers at Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6(a) Issue of options to Dr Ralph Craven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Dr Ralph Craven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6(b) Issue of options to Dr James Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Warren Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6(c) Issue of options to Mr Warren Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of employee share option plan (ESOP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6(d) Issue of options to Mr Brett Heading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(a) Issue of options to Dr William Garner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of additional capacity to issue shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(b) Issue of options to Dr Mitchell Glass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

IMPORTANT - VOTING EXCLUSIONS

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Items 4 and 6(a) above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of these Item and that votes cast by him/her for these Item, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 4 and 6(a) and your votes will not be counted in calculating the required majority if a poll is called on these Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4 and 6(a).

STEP 4

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

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

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Brisbane time) on Tuesday, 6 November 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE > www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Invion Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**