

ASX ANNOUNCEMENT

**NOTICE OF ANNUAL GENERAL MEETING
SHAREHOLDERS TO VOTE ON NAME CHANGE TO ADMEDUS LTD**

- **Allied Healthcare Group proposes name change to Admedus Ltd**
- **New name suggested as part of a global branding programme**
- **AGM to be held 20th November in Perth**

Brisbane, Australia, 21st October 2013

Allied Healthcare Group (ASX: AHZ) today announced a proposed name change to **Admedus Ltd** in order to give the Company a clear identity and differentiation as it expands into global markets.

Shareholders will be asked to vote on the proposed name change at next month's Annual General Meeting (AGM). The date of the AGM was also announced - it will be held in Perth at the Duxton Hotel, 1 St George Terrace, at 12 noon on November 20th.

If approved by shareholders, Allied Healthcare Group Ltd would be called Admedus Ltd and its subsidiary businesses would be referred to as Admedus divisions.

The proposed name change will provide the Company with clear distinction in international markets at a time when the Company is actively launching its lead regenerative tissue product CardioCel® into the European market. Allied is aiming to gain approval and launch into the North American market in 2014.

Allied CEO Mr Lee Rodne said "the move would prevent confusion in these important markets, where there are already a number of companies operating that have the same, or similar names, to Allied Healthcare Group".

"As the Company has made preparations for entering these important markets, we have noted a number of companies with very similar names to Allied and so there is a potential for confusion and unnecessary distraction to our marketing efforts for CardioCel®," said Mr Rodne.

"Renaming the Company Admedus Ltd will ensure we avoid these potential problems.

"The Company is at an exciting point in its growth and this change will allow us to clearly differentiate our products and our message as we enter new markets."

For more information, please contact:

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The proposed corporate livery, pending Shareholder approval



It is the aim of the Company to become a global brand that will ultimately be recognisable by use of the trademark "A"

About Allied Healthcare Group Limited

Allied Healthcare Group Limited (ASX: AHZ) is a diversified healthcare company focused on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow its product and service offerings and expanding revenues from its existing profitable medical sales and distribution business. The Company has assets from Research & Development through Clinical Development as well as Sales, Marketing and Distribution.

Allied Healthcare Group is in the process of commercialising its innovative tissue engineering technology for regenerative medicine. Allied also has major interest in developing the next generation of vaccines with a Brisbane-based research group led by Professor Ian Frazer. The vaccine programmes target disease with significant global potential like Herpes and Human Papilloma virus.

Further information on the Company can be found on www.alliedhealthcaregroup.com.au.

About the technology

The technology is based on 6 granted US patents protecting its codon optimisation DNA technology, which enhances protein expression in the cell or tissue targeted and results in an improved humoral response. The second component of the technology, also patent protected, is to use a mixture of DNAs encoding ubiquitinated and non ubiquitinated proteins. This strategy enhances the degradation of the protein and optimises T cell responses, while preserving structural epitopes necessary for B cells responses, resulting in vaccines with prophylactic and therapeutic potential.

About Genital Herpes

This disease often results in recurrent painful sores in the genital area. HSV-2 is the major causative agent of genital herpes. As well as pain and discomfort to infected individuals, the virus can have serious health implications for babies born to infected women. Herpes is also believed to aid in the transmission of HIV. Current herpes treatment involves the use of antiviral drugs which can reduce, but not eliminate, outbreaks and shedding and therefore do not prevent spread of the disease. According to research reported in Biomed Central's journal BMC Infectious Diseases, the economic burden of genital HSV infection and resulting complications has been estimated to be greater than \$1 billion annually in the USA alone.

Allied's Regenerative Medicine Division

Allied's regenerative tissue engineering technology started as a research program in in 2001 focusing on tissue engineering and regenerative medicine based around the proprietary ADAPT[®] Tissue Engineering Process. The lead programme CardioCel[®] has successfully completed a number of animal studies and a Phase II human clinical trial. CardioCel[®] is a cardiovascular patch used to repair paediatric heart deformities. These deformities range from routine "Hole in the Heart" operations to major vessel outflow tract repairs. The CardioCel[®] patch may also be used to repair leaking heart valves in paediatric patients. CardioCel[®] has been shown to allow tissue regeneration once implanted. Some researchers postulate that stem cells play an active role in tissue regeneration*, suggesting that CardioCel[®] facilitates endogenous stem cells and other cells to regenerate and repair damaged tissue.

The division is based on the patented ADAPT[®] Tissue Engineering Process as a platform technology to produce implantable tissue patches for use in various soft tissue repair applications and for the production of replacement tissue heart valves. The ADAPT[®] technology is used to process animal derived tissues to produce unique implantable tissue patches that are compatible with the human body. The technology has a number of advantages over current tissue treatment processes on the market, most notably the reduction of calcification post implantation. This technology has the potential for medical professionals to use regenerative products instead of synthetic products currently used in soft tissue repair.

* Körbling&Estrov, 2003. Adult Stem Cells for Tissue Repair — A New Therapeutic Concept? NEJM Volume 349:570-582, August 7, 2003, , Number 6

ALLIED HEALTHCARE GROUP LIMITED

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**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

AND

EXPLANATORY MEMORANDUM

TO BE HELD AT 12 NOON (WST) ON 20 NOVEMBER 2013

AT

**DUXTON HOTEL
1 ST GEORGES TERRACE PERTH
WESTERN AUSTRALIA**

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

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 (08) 9266 0100

ALLIED HEALTHCARE GROUP LIMITED

ACN 088 221 078

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Allied Healthcare Group Limited (**Company**) will be held at 12noon (WST) on Wednesday, 20 November 2013 at Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 18 November 2013 at 5.00pm (WST).

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

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2013, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Change of Company Name

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

"That in accordance with section 157 of the Corporations Act and for all other purposes, Shareholders adopt Admedus Limited as the name of the Company on the terms and conditions in the Explanatory Memorandum."

4. Resolution 3 – Re-election of Director – Mr Christopher Catlow

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

"That in accordance with article 15.2 of the Constitution and for all other purposes, Mr Christopher Catlow, a Director, retires and being eligible pursuant to article 15.3 of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

5. Resolution 4 – Re-election of Director – Mr Graeme Rowley

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

"That in accordance with article 15.2 of the Constitution and for all other purposes, Mr Graeme Rowley, a Director, retires and being eligible pursuant to article 15.3 of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

6. Resolution 5 – Authority to Issue Shares to Mr Christopher Catlow

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

"That in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Shares to Mr Christopher Catlow (or his nominee) in lieu of directors' fees on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Catlow and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chairman as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

7. Resolution 6 – Authority to Issue Shares to Mr Graeme Rowley

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

"That in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Shares to Mr Graeme Rowley (or his nominee) in lieu of directors' fees on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Rowley and any of his associates.

However, the Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or

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

8. Resolution 7 – Authority to Issue Shares to Mr Peter Turvey

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

"That in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Shares to Mr Peter Turvey (or his nominee) in lieu of directors' fees on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Turvey and any of his associates.

However, the Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

9. Resolution 8 – Authority to Grant Options to Mr Christopher Catlow

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

"That in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of Options to Mr Christopher Catlow (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director and any associate of a Director.

However, the Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

10. Resolution 9 – Authority to Grant Options to Mr Graeme Rowley

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

" That in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of Options to Mr Graeme Rowley (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director and any associate of a Director.

However, the Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

11. Resolution 10 – Authority to Grant Options to Mr Peter Turvey

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

" That in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of Options to Mr Peter Turvey (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director and any associate of a Director.

However, the Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

12. Resolution 11 – Authority to Grant Options to Mr Lee Rodne

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

" That in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of Options to Mr Lee Rodne (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director and any associate of a Director.

However, the Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

13. Resolution 12 – Authority to Grant Options to Mr Michael Bennett

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

" That in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of Options to Mr Michael Bennett (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director and any associate of a Director.

However, the Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

14. Resolution 13 – Ratification of Prior Placement

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

"That in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 85,048,500 Shares on the terms and conditions in the Explanatory Memorandum."

The Company will disregard any votes cast on this Resolution by any person (and any associate of such person) who participated in the issue of the Shares under the Prior Placement.

The Company will not disregard a vote if:

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

15. Resolution 14 – Ratification of Prior Issue of Securities to Employees

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

"That in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of 367,347 Shares on the terms and conditions in the Explanatory Memorandum."

The Company will disregard any votes cast on this Resolution by any person (and any associate of such person) who participated in the issue of the Shares, the subject of this Resolution.

The Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

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

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

16. Resolution 15 – Approval of 10% Placement Facility

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

"That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

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

Dated 18 October 2013

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'S. Mann', written in a cursive style.

Stephen Mann
CFO/Company Secretary

ALLIED HEALTHCARE GROUP LIMITED

ACN 088 221 078

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Duxton Hotel, Perth WA on Wednesday, 20 November 2013 at 12 noon (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Change of Name
Section 6:	Resolution 3 – Re-election of Director – Mr Christopher Catlow
Section 7:	Resolution 4 – Re-election of Director – Mr Graeme Rowley
Section 8	Resolution 5 – Authority to Issue Shares to Mr Christopher Catlow
	Resolution 6 – Authority to Issue Shares to Mr Graeme Rowley
	Resolution 7 – Authority to Issue Shares to Mr Peter Turvey
Section 9	Resolution 8 – Authority to Grant Options to Mr Christopher Catlow
	Resolution 9 – Authority to Grant Options to Mr Graeme Rowley
	Resolution 10 – Authority to Grant Options to Mr Peter Turvey
	Resolution 11 – Authority to Grant Options to Mr Lee Rodne
	Resolution 12 – Authority to Grant Options to Mr Michael Bennett
Section 10	Resolution 13 – Ratification of Prior Placement of Shares
Section 11	Resolution 14 – Ratification of Prior Issue of Securities to Employees
Section 12	Resolution 15 – Approval of 10% Placement Facility

Schedule 1:	Definitions
Schedule 2	Summary of Option Terms
Schedule 3	Listing Rule 7.3A.6 Disclosure

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

2. Action to be taken by Shareholders

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

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy forms must be received by the Company no later than 12.00 noon (WST) on Monday 18 November 2013, being at least 48 hours before the meeting.

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

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250R and 250BD of the Corporations Act, a vote on Resolutions 1 and 5 to 12 (inclusive) must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolutions 1 and 5 to 12 (inclusive) if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1 and 5 to 12 (inclusive) and:

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

The Chairman intends to exercise all available proxies in favour of Resolutions 1 and 5 to 12 (inclusive).

3. Annual Report

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is online at www.alliedhealthcaregroup.com.au and click on the direct link;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

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

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

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

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

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

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

The Company's Remuneration Report did not receive a Strike at the 2012 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2014 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary Resolution.

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

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

5. Resolution 2 – Change of Company Name

In accordance with section 157 of the Corporations Act, if a company wants to change its name it must pass a special resolution adopting a new name.

As the Company expands its activities and moves into international jurisdictions it is unable to consistently use the Company's current name. As a consequence the Company is in the process of re-badging the businesses as Admedus which will provide the Company with a unique and recognisable brand and clearly distinguish the Company and its products in international markets.

Resolution 2 seeks Shareholder approval for the change of name of the Company to Admedus Limited.

Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The change of name will take effect from when ASIC alters the details of the Company's registration.

6. Resolution 3 – Re-election of Director – Mr Christopher Catlow

Article 15.2 of the Constitution requires that one third of the Directors must retire at each annual general meeting (to the nearest one-third).

A retiring Director is eligible for re-election pursuant to Article 15.3 of the Constitution.

Mr Christopher Catlow retires by rotation and being eligible, seeks re-election, in accordance with the Constitution.

The Board believes that Mr Catlow has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders.

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

The Board unanimously supports the re-election of Mr Catlow.

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

7. Resolution 4 – Re-election of Director – Mr Graeme Rowley

Article 15.2 of the Constitution requires that one third of the Directors must retire at each annual general meeting (to the nearest one-third).

A retiring Director is eligible for re-election pursuant to article 15.3 of the Constitution.

Mr Graeme Rowley retires by rotation and being eligible, seeks re-election, in accordance with the Constitution.

The Board believes that Mr Rowley has performed the duties and responsibilities of a director diligently and professionally, in the best interests of all Shareholders.

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

The Board unanimously supports the re-election of Mr Rowley.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

8. Resolutions 5 to 7 (inclusive) – Approval to Issue Shares to Directors

8.1 General

Resolutions 5 to 7 (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to \$115,000 worth of Shares to Messrs Catlow, Rowley and Turvey (or their nominees) in lieu of directors' fees payable to Messrs Catlow, Rowley and Turvey during current financial year (together the **Directors' Shares**).

Subject to Shareholder approval of Resolutions 5 to 7 (inclusive), the number of Directors' Shares to be issued to each of Messrs Catlow, Rowley and Turvey (or their nominees) will be calculated in accordance with the formula in the below table:

Director (or nominee)	No of Shares
Mr Christopher Catlow	No. of Shares = <u>\$45,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue.
Mr Graeme Rowley	No. of Shares = <u>\$35,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue.
Mr Peter Turvey	No. of Shares = <u>\$35,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue.
Total	No. of Shares = <u>\$115,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue.

The issue price of each Director Share will be equal to the 5 day VWAP of Shares immediately before the date of the issue. No funds will be raised from the issue of the Directors' Shares as they are being issued for nil cash consideration but as part of the consideration for the services to be provided by the Directors during the current financial year.

The Company has sought a waiver of Listing Rule 10.13.5 from ASX in order to permit the Company to include a formula for calculating the issue price of the Directors' Shares which is based on a future average market price.

In the event ASX does not grant the waiver of Listing Rule 10.13.5, the Company intends to set the issue price of the Directors' Shares prior to the date of the Meeting.

8.2 Section 208 of Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Directors' Shares as the exception in section 211 of the Corporations Act applies. The Directors' Shares are being issued in lieu of directors' fees payable to Messrs Catlow, Rowley and Turvey and is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

8.3 Listing Rule 10.11

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders.

A “related party” for the purposes of the Corporations Act is defined widely and includes a director of a public company and former directors of a public company.

Messrs Catlow, Rowley and Turvey are Directors of the Company and as such are related parties of the Company.

The effect of passing Resolutions 5 to 7 (inclusive) will be to allow the Company to issue up to \$115,000 worth of Shares to Messrs Catlow, Rowley and Turvey (or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1. As Shareholder approval is being sought under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

If Shareholders do not approve Resolutions 5 to 7 (inclusive), the Company will not issue the Directors' Shares to Messrs Catlow, Rowley and Turvey (or their nominees).

Resolutions 5 to 7 (inclusive) are ordinary resolutions. Mr Christopher Catlow, Mr Graeme Rowley and Mr Peter Turvey have an interest in Resolutions 5, 6 and 7 respectively and therefore believe it inappropriate to make a recommendation. The other Directors are unanimously in favour of the grant of the Directors' Shares under Resolutions 5 to 7 (inclusive) and unanimously recommend that Shareholders vote in favour of Resolutions 5 to 7 (inclusive).

The Chairman intends to cast all available proxies in favour of Resolutions 5 to 7 (inclusive).

8.4 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Directors' Shares will be issued to Messrs Catlow, Rowley and Turvey (and/or their nominees).
- (b) The maximum number of Shares to be issued to each of Messrs Catlow, Rowley and Turvey (and/or their nominees) will be calculated as follows:

Director (or nominee)	No. Shares
Mr Christopher Catlow	No. of Shares = <u>\$45,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue.
Mr Graeme Rowley	No. of Shares = <u>\$35,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue.
Mr Peter Turvey	No. of Shares = <u>\$35,000</u> Issue Price Issue Price = 5 day VWAP of Shares immediately before the date of the issue.

- (c) The Directors' Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Directors' Shares will be issued at an issue price equal to the 5 day VWAP of Shares immediately before the date of the issue.
- (e) The Directors' Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) A voting exclusion statement is included in the Notice for each of Resolutions 5 to 7 (inclusive).
- (g) No funds will be raised from the issue of the Directors' Shares as they are being issued for nil cash consideration but as part of the consideration for the services to be provided by the Directors during the current financial year.

9. Resolutions 8 to 12 (inclusive) – Approval to Grant Options to Directors

9.1 General

Resolutions 8 to 12 (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 for the grant of Options to Messrs Catlow, Rowley, Turvey, Rodne and Bennett (or their nominees) as part of the consideration for the services to be provided by the Directors during the current financial year pursuant to the terms of the Employee Share Option Plan (together the **Directors' Options**).

Subject to Shareholder approval of Resolutions 8 to 12 (inclusive), the number of Directors' Options to be issued to each of Messrs Catlow, Rowley, Turvey, Rodne and Bennett (or their nominees) shall be as set out in the table below and the terms of such Options shall be as set out in Schedule 2.

Director (or nominee)	Number of Options
Mr Christopher Catlow	900,000
Mr Graeme Rowley	500,000
Mr Peter Turvey	500,000
Mr Lee Rodne	3,800,000
Mr Michael Bennett	1,300,000
Total	7,000,000

No funds will be raised from the grant of the Directors' Options as they are being granted for nil cash consideration as part of the consideration for the services to be provided by the Directors during the current financial year.

9.2 Section 208 of Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed grant of the Directors' Options as the exception in section 211 of the Corporations Act applies. The Directors' Options are being granted as part of the consideration for employee services received by the Company from each of Messrs Catlow, Rowley, Turvey, Rodne and Bennett and the grant is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

9.3 Listing Rule 10.14

Listing Rule 10.11 restricts the Company from issuing securities to a related party of the Company, unless approval is obtained from Shareholders.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and former directors of a public company.

Messrs Catlow, Rowley, Turvey, Rodne and Bennett are Directors of the Company and as such are related parties of the Company.

The effect of passing Resolutions 8 to 12 (inclusive) will be to allow the Company to grant up to (in aggregate) 7,000,000 Options to Messrs Catlow, Rowley, Turvey, Rodne and Bennett (or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1. As Shareholder approval is being sought under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

If Shareholders do not approve Resolutions 8 to 12 (inclusive), the Company will not issue the Directors' Options to Messrs Catlow, Rowley, Turvey, Rodne and Bennett (or their nominees).

Resolutions 8 to 12 (inclusive) are ordinary resolutions. The Chairman intends to cast all available proxies in favour of Resolutions 8 to 12 (inclusive).

9.4 Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.14 as follows:

- (a) The Directors' Options will be granted to Messrs Catlow, Rowley, Turvey, Rodne and Bennett (and/or their nominees).
- (b) The number of Directors' Options to be issued to each of Messrs Catlow, Rowley, Turvey, Rodne and Bennett (or their nominees) shall be as set out in the table in Section 8.1 and the terms of such Options shall be as set out in Schedule 2.

- (c) Since 20 November 2012, there have not been any Options granted under the Employee Share Option Plan to Directors or any of their associates as defined in Listing Rule 10.14.2.
- (d) Each of the Directors and any nominee of a Director (approved by the Board) is eligible to participate in the Employee Share Option Plan.
- (e) Each Director Option will upon exercise entitle the holder to subscribe for one Share at the Exercise Price. As a result no funds will be raised from the grant of the Directors' Options as they are being granted as part of the consideration for the services to be provided by the Directors during the current financial year.
- (f) A voting exclusion statement is included in the Notice for each of Resolutions 8 to 9 (inclusive).
- (g) The Directors' Options will be granted no later than twelve months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

10. Resolution 13 – Ratification of Prior Placement

10.1 General

On 21 December 2012 the Company announced that it had issued 85,048,500 Shares each at an issue price of \$0.02 (**Prior Placement**) to raise \$1,700,970 (before costs). The Shares under the Prior Placement were issued to various institutional and professional investors who are not related parties or associates of related parties of the Company.

The funds raised under the Prior Placement were used to progress the Coridon's Herpes (Herpes Simplex Virus Type 2) program through Phase I trials as well as accelerate the development of it next general HPV (Human Papillomavirus) vaccine towards clinical studies.

Resolution 13 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of Shares under the Prior Placement.

10.2 Listing Rule 7.4

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

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

The effect of passing Resolution 13 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 13 is an ordinary resolution. The Directors of the Company believe that the ratification proposed in Resolution 13 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 13.

The Chairman will cast all available proxies in favour of Resolution 13.

10.3 Specific information required by Listing Rule 7.5

Listing Rule 7.5 requires information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4 as follows:

- (a) 85,048,500 Shares were issued on 21 December 2012.
- (b) The Shares under the Prior Placement were issued at an issue price of \$0.02 per Share.
- (c) The Shares under the Prior Placement are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Shares under the Prior Placement were allotted and issued by way of placements to various sophisticated investors who are not related parties or associates of related parties of the Company.
- (e) The funds raised were used to progress the Coridon's Herpes (Herpes Simplex Virus Type 2) program through Phase I trials as well as accelerate the development of its next general HPV (Human Papillomavirus) vaccine towards clinical studies.
- (f) A voting exclusion statement is included in the Notice for Resolution 13.

11. Resolution 14 – Ratification of Prior Issue of Securities to Employees

11.1 General

The Company issued 367,347 Shares each with a deemed issue price of \$0.049 (based on a 5 day VWAP at 30 June 2013) on 4 July 2013 (**Employee Shares**) to certain employees of the Company as part of their remuneration package.

Resolution 14 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employee Shares.

11.2 Listing Rule 7.4

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

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

The effect of passing Resolution 14 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

The Directors are unanimously in favour of the ratification of the issue of Employee Shares proposed in Resolution 14 and unanimously recommend that Shareholders vote in favour of Resolution 14.

Resolution 14 is an ordinary resolution. The Chairman will cast all available proxies in favour of Resolution 11.

11.3 Specific information required by Listing Rule 7.5

Listing Rule 7.5 requires information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4 as follows:

- (a) The Employee Shares were issued on 4 July 2013.
- (b) The Employee Shares were issued at a deemed issue price of \$0.049 per Share based on a 5 day VWAP at 30 June 2013.
- (c) The Employee Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Employee Shares were granted and issued to various employees of the Company who are not related parties or associates of related parties of the Company.
- (e) No funds will be raised from the issue of the Employee Shares as they were issued for nil cash consideration but as part of the consideration for the services provided by employees of the Company.
- (f) A voting exclusion statement is included in the Notice for Resolution 14.

12. Resolution 15 – Approval of 10% Placement Facility

12.1 General

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

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

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 12.2(c) below).

The Directors of the Company believe that Resolution 15 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 15.

12.2 Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) **Equity Securities**

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

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

(c) **Formula for calculating 10% Placement Facility**

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

$$(A \times D) - E$$

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

- (A) plus the number of 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% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

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.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

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

At the date of this Notice, the Company has on issue 1,044,021,861 Shares and therefore has a capacity to issue:

- (i) subject to Shareholder approval being sought under Resolutions 9 and 10, 156,603,279 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolutions 9, 10 and 11, 104,402,186 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 12.2(c) above).

(e) **Minimum Issue Price**

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph 12.2(e)(i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

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

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

or such longer period if allowed by ASX (**10% Placement Period**).

12.3 Listing Rule 7.1A

The effect of Resolution 15 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 15 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

12.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 15 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

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

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

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

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.025 50% decrease in Issue Price	\$0.05 Issue Price	\$0.10 100% increase in Issue Price
Current Variable A 1,252,659,566 Shares ¹	10% Voting Dilution	125,265,956 Shares	125,265,956 Shares	125,265,956 Shares
	Funds raised	\$3,131,649	\$6,263,298	\$12,526,596
50% increase in current Variable A 1,878,989,349 Shares	10% Voting Dilution	187,898,934 Shares	187,898,934 Shares	187,898,934 Shares
	Funds raised	\$4,697,473	\$9,394,946	\$18,789,892
100% increase in current Variable A 2,505,319,132 Shares	10% Voting Dilution	250,531,913 Shares	250,531,913 Shares	250,531,913 Shares
	Funds raised	\$6,263,298	\$12,526,596	\$25,053,192

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities;
 - (iii) 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%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) 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.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.05, being the issue price from rights issue closing 18 October 2013.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 15 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities to raise funds for any of the following purposes:

¹ This assumes for the purposes of the dilution table, that the 208,637,705 Shares to be issued on or around 24 October 2013 pursuant to the non-renounceable, fully underwritten rights issue have been issued.

- (i) non-cash consideration for the acquisition of new investments or assets. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised:
 - (A) to further develop and fund clinical studies for ADAPT[®] TEP Products including CardioCel[®];
 - (B) to increase commercialisation activities involving CardioCel[®] and ensuring adequate sales, marketing, clinical, regulatory and research & development resources;
 - (C) to scale-up manufacturing and support for CardioCel[®];
 - (D) to further commercialise next generation therapeutic vaccine technology developed in conjunction with Professor Ian Frazer;
 - (E) to acquire additional inventories for the Company's sales distribution; or
 - (F) for costs associated with due diligence and engagement of advisers in connection with any of the above purposes.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (e) In the 12 months preceding the date of this Meeting the Company issued or announced the issue of a total of 450,914,253 Equity Securities which represent 56.2% of the total number of Equity Securities on issue at 20 November 2012. Further detail as required under Listing Rule 7.3A.6 in respect of these Share issues is set out in schedule 3. This includes the issue of 208,637,705 Shares due to occur on or around 24 October 2013 at an issue price of \$0.05 pursuant to a pro-rata non-renounceable, fully underwritten rights issue of one Share for every five Shares held, announced by the Company on 23 September 2013.

- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Schedule 1 - Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 12.1.

10% Placement Period has the meaning given in Section 12.2.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2013.

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

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

Board means the board of Directors.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chair or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Allied Healthcare Group Ltd (ACN 088 221 078).

Constitution means the constitution of the Company as at the commencement of the Meeting.

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

Director means a director of the Company.

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

Directors' Options has the meaning given in section 8.1.

Directors' Shares has the meaning given in section 7.1.

Employee Shares has the meaning given in Section 11.1.

Employee Share Option Plan means the employee share option plan of the Company as approved by Shareholders on 20 November 2012 and amended from time to time in accordance with its terms and all applicable law and regulation.

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

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

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

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

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Option means an option which entitles the holder to subscriber for one Share.

Prior Placement has the meaning given in Section 9.2.

Proxy Form means the proxy form attached to the Notice.

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

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Strike has the meaning given in Section 4.

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

VWAP means volume weight average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

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

Schedule 2 : Terms and Conditions of Directors' Options

1. Summary

The contents of this Schedule 2 are provided by way of summary only. The Directors' Options are granted pursuant to, and governed by the terms of the Employee Share Option Plan. In the event of any inconsistency between the contents of this Schedule and the terms of the Employee Share Option Plan, the latter shall prevail.

2. Entitlement

The Directors' Options entitle the Director Option holder to subscribe for one Share upon the exercise of each Director Option.

3. Exercise Price

The exercise price of each Director Option is 167 per cent. of the Issue Price, where the Issue Price is the 5 day VWAP on the date of the grant of the applicable Director Option (**Exercise Price**). The Exercise Price calculation formula is fixed and not subject to adjustment upon the occurrence of any particular contingencies.

4. Expiry Date

Each Director Option that has not been exercised expires at 5pm (WST) on the date that is 5 years after the date that the Director Option is granted (**Expiry Date**), subject to any prior forfeiture in the event of a takeover as set out below under paragraph 11.

5. Exercise Period

The Directors' Options are exercisable following satisfaction of the vesting conditions in paragraph 5 of this Schedule 2 (as applicable) and prior to the Expiry Date.

6. Vesting Conditions

Subject to paragraph 6 of this Schedule 2, each Director Option holder's Directors' Options shall vest and become exercisable as follows:

Number	Vesting Date ⁽¹⁾
1/3 of Directors' Options	first anniversary of the date of grant
1/3 of Directors' Options	second anniversary of the date of grant
1/3 of Directors' Options	third anniversary of the date of grant

7. Forfeiture of Options

Any Directors' Options which have not vested in accordance with clause 5 of this Schedule 2 and been duly exercised:

- (a) at the time the applicable holder of the Directors' Options ceases to be Eligible Employee, as defined in the Employee Option Plan; or
- (b) ceases to be a Director by reason of removal pursuant to a resolution of the shareholders of the Company; or
- (c) at the time of a determination by the Board that a holder of Directors' Options had acted fraudulently or dishonestly or was in breach of his obligations to the Company,

may lapse, as determined by the Board, in accordance with the terms of the Employee Option Plan.

8. Notice of Exercise

The Directors' Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Employee Option being exercised. Any notice of exercise of an Employee Option received by the Company will be deemed to be a notice of the exercise of that Employee Option as at the date of receipt.

9. Shares issued on exercise

Shares issued on exercise of the Directors' Options rank equally with the Shares of the Company.

10. Timing of issue of Shares

After an Employee Option is validly exercised the Company must as soon as possible issue the Share.

11. Takeover

The Directors' Options may be exercised in the event of a takeover bid which extends to Shares issued and allotted after the date of the bid. In the event that a bidder becomes entitled to exercise compulsory acquisition rights under section 701 of the Corporations Act, the Directors' Options will expire within 30 days thereof.

12. Participation in new issues

There are no participation rights or entitlements inherent in the Directors' Options and the Employee Option holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Directors' Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the Employee Option holder the opportunity to exercise their Directors' Options prior to the date for determining entitlements to participate in any such issue.

13. Adjustments for reorganisation

In the event of any reorganisation of the issued capital of the Company (including consolidation, subdivision, reduction or return) the number of Shares attaching to each Employee Option or the Exercise Price or both will be reorganised at the time of the reorganisation in accordance with the Listing Rules.

14. Directors' Options not transferable

The Directors' Options are not transferable.

Schedule 3 – Listing Rule 7.3A.6 Disclosure

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration	
1.	6 December 2012	3,617,355	Fully paid ordinary shares ranking equally with the Company's existing shares	Directors in lieu of directors' fees	0.0229	Nil	Non-cash consideration (A\$)	Directors services
							Current value of non-cash consideration (A\$)	180,867.75
2.	6 December 2012	13	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.10	Nil	Total consideration(A\$):	1.30
							Amount of consideration spent (A\$):	1.30
							What consideration was spent on:	Working capital
							Intended use for remaining consideration:	NA
3.	21 December 2012	85,048,500	Fully paid ordinary shares ranking equally with the Company's existing shares	Sophisticated investors	0.02	3.3	Total consideration (A\$):	1,700,970.00
							Amount of consideration spent (A\$):	1,700,970.00
							What consideration was spent on:	To support the preparation of the Company's Cardiocel [®] heart patch prior to product launch
							Intended use for remaining consideration:	NA

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration	
4.	29 January 2013	144,760,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Existing shareholders under a Share purchase plan	0.02	7.4	Total consideration (A\$):	2,895,200.00
							Amount of consideration spent (A\$):	2,025,200.00
							What consideration was spent on:	<ul style="list-style-type: none"> - Develop and fund clinical studies for ADAPT[®]. - increase commercialisation activities involving CardioCel[®]. - scale-up manufacturing of CardioCel[®]. - further commercialise next generation therapeutic vaccine.
							Intended use for remaining consideration:	<ul style="list-style-type: none"> - Develop and fund clinical studies for ADAPT[®]. - increase commercialisation activities involving CardioCel[®]. - scale-up manufacturing of CardioCel[®]. - further commercialise next generation therapeutic vaccine.
5.	26 April 2013	2,000,000	Unlisted Options	Tom Riester pursuant to the Company's Employee Share Plan	Nil	Nil	Total consideration (A\$):	Nil
			Exercise Price A\$0.6				Amount of consideration spent (A\$):	NA
			Expiry Date 1 March 2018				What consideration was spent on:	NA

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration	
			The shares issued on exercise of the options will be Fully paid ordinary shares ranking equally with the Company's existing shares				Intended use for remaining consideration:	NA
6.	18 June 2013	15,300,000	Unlisted Options Exercise Price A\$0.6 Expiry Date 18 June 2018 The shares issued on exercise of the options will be fully paid ordinary shares ranking equally with the Company's existing shares	Employees pursuant to the Company's Employee Share Plan	Nil	Nil	Total consideration (A\$):	Nil
							Amount of consideration spent (A\$):	NA
							What consideration was spent on:	NA
							Intended use for remaining consideration:	NA
7.	4 July 2013	367,347	Fully paid ordinary shares ranking equally with the Company's existing shares	Executives of the company following the achievement of key performance indicators stipulated in their contracts	0.049	3.3	Non cash consideration	Executives' services pursuant to service agreements
							Current value of non-cash consideration (A\$):	18,367.35

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration	
8.	26 August 2013	1,250,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	19	Total consideration (A\$):	75,000.00
							Amount of consideration spent (A\$):	75,000.00
							What consideration was spent on:	to increase commercialisation activities involving CardioCel [®] and ensuring adequate sales, marketing, clinical, regulatory and research & development resources
							Intended use for remaining consideration:	NA
9.	29 August 2013	1,000,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	27.4	Total consideration (A\$):	60,000.00
							Amount of consideration spent (A\$):	60,000.00
							What consideration was spent on:	to increase commercialisation activities involving CardioCel [®] and ensuring adequate sales, marketing, clinical, regulatory and research & development resources
							Intended use for remaining consideration:	NA
10.	03 September 2013	1,000,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	39.1	Total consideration (A\$):	60,000.00
							Amount of consideration spent (A\$):	60,000.00

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration	
							What consideration was spent on:	to increase commercialisation activities involving CardioCel [®] and ensuring adequate sales, marketing, clinical, regulatory and research & development resources
							Intended use for remaining consideration:	NA
11.	06 September 2013	3,000,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	36.1	Total consideration (A\$):	180,000.00
							Amount of consideration spent (A\$):	180,000.00
							What consideration was spent on:	to increase commercialisation activities involving CardioCel [®] and ensuring adequate sales, marketing, clinical, regulatory and research & development resources
							Intended use for remaining consideration:	NA
12.	11 September 2013	400,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	33.4	Total consideration (A\$):	24,000.00
							Amount of consideration spent (A\$):	24,000.00
							What consideration was spent on:	to increase commercialisation activities involving CardioCel [®] and ensuring adequate sales, marketing, clinical, regulatory and research & development resources

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration	
							Intended use for remaining consideration:	NA
13.	17 September 2013	333,333	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	32.7	Total consideration (A\$):	19,999.98
							Amount of consideration spent (A\$):	19,999.98
							What consideration was spent on:	Working Capital
							Intended use for remaining consideration:	NA
14.	07 October 2013	500,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	23.1	Total consideration (A\$):	30,000.00
							Amount of consideration spent (A\$):	30,000.00
							What consideration was spent on:	Working Capital
							Intended use for remaining consideration:	NA

Please note, Company announced on 23 September 2013 a pro-rata non-renounceable, fully underwritten rights issue of one Share for every five Shares held. As at the date of this Notice, no Shares have been issued pursuant to this notice and hence have not been included in the figures set out above. It is envisaged that 208,637,705 Shares will be issued on or around 24 October 2013 at an issue price of \$0.05. The Company will use the proceeds to progress the Herpes (Herpes Simplex Virus Type 2) program through Phase 1 trials as well as accelerate the development of its next generation HPV (Human Papillomavirus) vaccine towards clinical

