
ADMEDUS LIMITED

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**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

AND

EXPLANATORY MEMORANDUM

TO BE HELD AT 11 AM (WST) ON 14 NOVEMBER 2014

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

ADMEDUS LIMITED

ACN 088 221 078

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Admedus Limited (**Company**) will be held at 11.00am (WST) on Friday, 14 November 2014 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 are incorporated in and 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 Wednesday, 12 November 2014 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 2014, which includes the Financial Report, the Directors' Report and the Auditor's Report.

There is no vote on this item of business.

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 for the year ended 30 June 2014 is adopted by the Shareholders."

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

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) 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 a person. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting on Resolution 1, and:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote on Resolution 1; or

- (b) the person is the Chair acting as proxy and the proxy form does not specify the way the Chair is to vote on Resolution 1 and the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Director – Mr Wayne Paterson

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

“That in accordance with clause 15.5 of the Constitution and for all other purposes, Mr Wayne Paterson is re-elected as a Director of the Company.”

4. Resolution 3 – Re-election of Director – Mr John Seaberg

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

“That in accordance with clause 15.5 of the Constitution and for all other purposes, Mr John Seaberg is re-elected as a Director of the Company.”

5. Resolution 4 – Increase aggregate fee pool for Non-Executive Directors

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

“That in accordance with clause 15.8 of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of fees that may be paid to the Company’s non-executive Directors as a whole be increased from A\$250,000 to A\$700,000 per annum (an increase of A\$450,000), effective on and from 1 July 2014.”

Voting Exclusion

In accordance with the Corporations Act and Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4:

- (a) by or on behalf of any Directors or an associate of a Director; or
- (b) as a proxy by a person who is a member of the Key Management Personnel at the date of the Meeting or their Closely Related Parties.

However, the Company will not disregard a vote if:

- (c) 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
- (d) it is cast by the Chair as proxy for a person who is entitled to vote on Resolution 4 and the proxy form expressly authorises the Chair to exercise the proxy even if Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

6. Resolution 5 – Approval 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 and approve the previous issue of 83,000,000 Shares as summarised in the Explanatory Memorandum."

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by or on behalf of a person (and any associate of such person) who participated in the issue of the Shares under the Prior Placement and an associate of those persons.

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 Chair 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.

7. Resolution 6 – Approval of 10% Placement Facility

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

"That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued share 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

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 6 by or on behalf of, 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 (and any associates of such a person), except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 6 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 Chair 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 13 October 2014

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'S. Mann', with a stylized, cursive script.

Stephen Mann
CFO/Company Secretary

ADMEDUS 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 the Duxton Hotel, Perth WA on Friday, 14 November 2014 at 11.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to assist Shareholders in deciding how to vote on the Resolutions set out in the Notice.

The following information is included in this Explanatory Memorandum:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Wayne Paterson
Section 6:	Resolution 3 – Re-election of Director – Mr John Seaberg
Section 7:	Resolution 4 – Increase aggregate fee pool for non-executive Directors
Section 8:	Resolution 5 – Approval of Prior Placement
Section 9:	Resolution 6 – Approval of 10% Placement Facility
Schedule 1:	Definitions
Schedule 2	Listing Rule 7.3A.6 Disclosure

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

Voting by Proxy

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the attached form of proxy.

Information for voting by proxy

Each Shareholder entitled to attend and vote at the Meeting may appoint not more than two proxies to attend and vote instead of such Shareholder.

Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion of the Shareholder's voting rights each proxy may exercise half of the Shareholder's voting rights.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if such appointor is a corporation, as required by its constitution or the hand of its attorney.

A proxy need not be a Shareholder.

In the case of joint Shareholders each Shareholder should sign the proxy form.

Should you wish to direct your proxy how to vote, please indicate your direction in the appropriate box(es) on the proxy form otherwise your proxy will have a discretion to vote as he/she thinks fit.

Where the Chair is appointed as proxy, he will vote in accordance with the Shareholder's directions as specified on the proxy form or, in the absence of direction, the Chair will vote all available proxies in favour of the Resolutions.

Returning proxies

Proxies should be returned as follows:

Online:

At www.investorvote.com.au

By Mobile:

Scan the QR Code on your Proxy form and follow the prompts

By Mail to:

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

By Facsimile Transmission to:

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

By Hand to:

Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth, Western Australia 6000

Custodian voting:

For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

To be effective a completed proxy form and the power of attorney (if any) under which the proxy form is signed (or a certified copy of the power of attorney) must be received by 11.00 am (WST) on 12 November 2014 (being 48 hours before the meeting).

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

In accordance with sections 250R and 250BD of the Corporations Act, the Key Management Personnel and their Closely Related Parties will not be able to vote as your proxy on Resolutions 1 and 4 unless you tell them how to vote, or the Chair is your proxy.

If you intend to appoint a member of the Key Management Personnel or one of their Closely Related Parties as your proxy, you must ensure that you direct them how to vote on Resolutions 1 and 4 otherwise they will not be able to cast a vote as your proxy on those items.

If you appoint the Chair of the meeting as your proxy, you can direct the Chair how to vote by marking one of the boxes for Resolutions 1 and 4 (i.e. to vote 'for', 'against' or 'abstain'). If you appoint the Chair as your proxy or the Chair is appointed as your proxy by default, but you do not mark a voting box for Resolutions 1 and 4, you will be taken to have expressly authorised the Chair to exercise the proxy in respect of that item even though the items are connected with the remuneration of the Key Management Personnel. However, the Chair will not be able to vote on Resolution 4 unless you also mark the second box on the first page of the Proxy Form.

The Chair intends to exercise all available proxies in favour of Resolutions 1 and 4.

2.3 Bodies corporate

A body corporate may appoint an individual as its representative to attend and vote at the Meeting and exercise any other powers the body corporate can exercise at the Meeting. The appointment may be a standing one. The representative should bring to the Meeting evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company.

3. Annual Report

The Annual Report is available on the Company's website at www.admedus.com.au.

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

Shareholders will be given the opportunity to:

- (a) ask questions about or make comments on the management of the Company;
- (b) ask questions about or make comments on the Remuneration Report;
- (c) ask the Company's auditor (who will be present at the Meeting) questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the Financial Report; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

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

- (a) content of the Auditor's Report; and
- (b) conduct of the audit of the Financial Report,

may be submitted by Shareholders entitled to vote at the Meeting 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 adoption of the Remuneration Report to the vote of Shareholders. The Remuneration Report sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors. The Remuneration Report is set out on pages 29 to 35 of the Annual Report, which is available on the Company's website at www.admedus.com.au.

In accordance with subsection 250R(3) of the Corporations Act, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

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

Resolution 1 is an ordinary Resolution.

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair'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 – Re-election of Director – Mr Wayne Paterson

5.1 Background

Clause 15.5 of the Constitution provides that the Directors may appoint a person to be a Director to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office until the next annual general meeting and is then eligible for re-election.

Mr Wayne Paterson was appointed as a Director on 9 October 2014 as an addition to the existing Directors. In accordance with clause 15.5 of the Constitution, Mr Paterson will hold office as a Director until the Meeting. Mr Paterson, is eligible for re-election under clause 15.5 of the Constitution and offers himself for re-election as a Director.

Mr Paterson has been a senior executive in the pharmaceutical industry for over 20 years, with extensive managerial and marketing experience to the emerging, European and US markets.

Mr Paterson has held numerous senior positions in multi-national companies. Throughout his career he has been responsible for building businesses throughout the world, as well as mergers and major restructures.

From 2007 to 2013, Mr Paterson held senior positions at Merck Serono. In his most recent position as President of Europe, Canada and Australia, Mr Paterson managed over \$3 billion in sales with an operational budget of \$500 million. Mr Paterson has also held the position of Global Head of Cardio and Metabolic Care and Medicine, with revenue responsibility of \$1.5 billion, and was responsible for all aspects of company strategy, manufacturing strategies, commercial operations and budgets.

Between 2010 and 2012 Mr Paterson was Head of Emerging Markets including Russia, China, India and Brazil and was a member of the executive board. As President during 2007 until 2010 in Japan, Mr Paterson created Merck Serono Japan and successfully managed all company divisions, launching several major products. In this capacity, Mr Paterson served as Chairman on the board of Merck Serono Japan. Between 1994 and 2005 Mr Paterson was employed by Roche Pharmaceuticals. As Marketing Director in Shanghai, China, Mr Paterson launched eight products during this time, including cardiovascular products.

Mr Paterson is an Australian national and has resided overseas since 1999, having lived in China, Singapore, Korea, Japan, Switzerland and the US. He now lives in Switzerland, where he is CEO and co-founder of a software company that provides solutions to the global pharmaceutical industry.

Mr Paterson holds a Masters in Business Administration from the University of Southern Queensland and a degree in business studies from the Queensland University of Technology. He has also studied business courses at North Western University (Kellogg School of Management) in Chicago, IMD Business School in Switzerland, INSEAD in France and Hong Kong University of Technology.

The Board (excluding Mr Paterson) unanimously supports the re-election of Mr Paterson. If re-elected, Mr Paterson will be an independent director.

The Chair intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Re-election of Director – Mr John Seaberg

6.1 Background

Clause 15.5 of the Constitution provides that the Directors may appoint a person to be a Director to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office until the next annual general meeting and is then eligible for re-election.

Mr John Seaberg was appointed as a Director on 9 October 2014 as an addition to the existing Directors. In accordance with clause 15.5 of the Constitution, Mr Seaberg will hold office as a Director until the Meeting. Mr Seaberg is eligible for re-election under clause 15.5 of the Constitution and offers himself for re-election as a Director.

Mr Seaberg has 37 years' experience in the global medical device industry, with strong development, sales and marketing. He has been involved in both national and multi-national medical device companies, particularly in the cardiovascular space.

From 2007 until May 2014, Mr Seaberg was Founder, Chairman and CEO of NeoChord Inc, a venture capital-backed company commercialising technology developed at the Mayo Clinic for the repair of the mitral valve via minimally invasive techniques.

Previously, Mr Seaberg was employed by Guidant Corp from 1996 until 2006. Guidant was subsequently acquired by Boston Scientific Corp. During his ten years at Guidant, he served in various executive level positions in sales and marketing, including Director of Bradycardia Marketing for Cardiac Rhythm Management (CRM) and Vice President of Sales for Cardiac Surgery.

In 1991, Mr Seaberg was a co-founder of ACIST Medical and served as its first President and CEO. ACIST manufactures and distributes power injection technologies for coronary angiography and was acquired by Bracco Ltd for \$105 million in 2001. He was also the founder and CEO of Seaberg Medical, a regional distributor of implantable cardiovascular devices.

Mr Seaberg served on the board of publicly traded Synovis Life Technologies from 2008 until its sale to Baxter Inc in 2012. At various times, Mr Seaberg served as Chairman of the nominating and governance committee, member of the audit committee and Chairman of the board. Synovis Life Technologies processed bovine tissue for use in various surgical applications.

Currently, Mr Seaberg manages the healthcare consulting practice at Platinum Group and enjoys co-teaching a class at the Carlson School of Business (University of Minnesota) in entrepreneurial studies. Mr Seaberg lives in the USA.

Mr Seaberg holds a Bachelor in Speech Communications from the University of Minnesota and a Masters in Business Administration from the Carlson School of Management at the University of Minnesota.

The Board (excluding Mr Seaberg) unanimously supports the re-election of Mr Seaberg. If re-elected, Mr Seaberg will be an independent director.

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

7. Resolutions 4 – Increase aggregate fee pool for non-executive Directors

It is proposed that the fee pool for Non-Executive Directors be increased from A\$250,000 to A\$700,000 per annum (an increase of A\$450,000), effective from 1 July 2014 (**Fee Pool**). The Fee Pool is inclusive of statutory entitlements (including superannuation).

In accordance with clause 15.8 of the Constitution and Listing Rule 10.17, the Company must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of Shareholders.

The reasons for the proposed increase are as follows:

- (a) the current Fee Pool of A\$250,000 was approved by Shareholders at the Company's Annual General Meeting in 2002. The Board has not sought to increase the total fee pool limit in 12 years, even after the Company listed on the ASX in 2004;
- (b) to provide scope for the expansion of the Board over the next 5 years;
- (c) to ensure that the Fee Pool can accommodate payment of fees to any additional Directors appointed to the Board (noting the proposed re-election of Mr Paterson and Mr Seaberg). Given the increased market capitalisation of the Company and its expanding business, the two new Non-Executive Directors were appointed in October 2014 as Directors of Admedus Ltd, increasing the amount of directors' fees payable; and
- (d) to ensure that the Company maintains the ability to pay competitive fees and attract and retain high calibre non-executive Directors.

Based on the current composition of the Board, and including the fees that will be payable to Mr Paterson and Mr Seaberg if they are re-elected as non-executive Directors, the total fees payable to Directors for the 2014/15 financial year will be approximately \$418,000, which represents 59.7% of the total proposed Fee Pool. The Company does not intend to distribute all of the proposed Fee Pool, if approved, in the current financial year.

The following securities have been issued by the Company with the approval of Shareholders under Listing Rules 10.11 and 10.14 to the non-executive Directors listed below in the 3 years prior to the Meeting:

- (a) Mr Christopher Catlow – 1,903,027 shares and 900,000 options;
- (b) Mr Graeme Rowley – 3,192,854 shares and 500,000 options;
- (c) Mr Peter Turvey – 1,114,470 shares and 500,000 options; and
- (d) Mr Robert Towner – 3,500,000 shares.

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

8. Resolution 5 – Approval of Prior Placement

8.1 General

On 19 May 2014 the Company announced that it had issued 83,000,000 Shares each at an issue price of \$0.10 per Share (**Prior Placement**) to raise \$8,300,000 (before costs). The Shares issued under the Prior Placement were issued to various sophisticated and professional investors who are not related parties or associates of related parties of the Company.

Resolution 5 is proposed to obtain Shareholder approval in accordance with Listing Rule 7.4 for the issue of Shares under the Prior Placement.

8.2 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 Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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 5 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 5 is an ordinary resolution. The Directors believe that the ratification proposed in Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chair will cast all available proxies in favour of Resolution 5.

8.3 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) 83,000,000 Shares were issued on 19 May 2014.
- (b) The Shares issued under the Prior Placement were issued at an issue price of \$0.10 per Share.
- (c) The Shares issued 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 issued 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. These sophisticated investors were clients of Morgans Financial Ltd and other brokers used for the Prior Placement.
- (e) The funds raised under the Prior Placement were used to:

- (i) Expand the Company's sales teams in Europe and the U.S. to increase the marketing efforts for CardioCel.
- (ii) Fund post-market studies and further product development to expand the uses of CardioCel in cardiovascular surgical applications.
- (iii) Fund the Herpes Simplex Virus Type 2 (HSV-2) therapeutic vaccine.

A voting exclusion statement is included in the Notice for Resolution 5.

9. Resolution 6 – Approval of 10% Placement Facility

9.1 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 9.2(c) below).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 6.

9.2 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 Shares issued by the Company in the 12 month period before the date of issue or agreement, under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in that 12 month period;
- (C) plus the number of Shares issued in that 12 month period with approval of Shareholders under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of Shares cancelled in that 12 month period.

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 1,442,422,191 Shares and therefore has a capacity to issue:

- (i) subject to Shareholder approval being given under Resolutions 5 and 6, 216,363,328 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being given under Resolutions 5 and 6, 144,242,219 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 9.2(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 the Equity Securities are to be issued at is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph 9.2(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**).

9.3 Listing Rule 7.1A

The effect of Resolution 6 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 6 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).

9.4 Specific information required by Listing Rule 7.3A

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 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 9.4(a)(i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 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 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		
		\$0.0675 50% decrease in Issue Price	\$0.135 Issue Price	\$0.27 100% increase in Issue Price
Current Variable A 1,442,422,191 Shares	10% Voting Dilution	144,242,219 Shares	144,212,219 Shares	144,212,219 Shares
	Funds raised	\$9,736,349	\$19,472,699	\$38,945,399
50% increase in current Variable A 2,163,633,286 Shares	10% Voting Dilution	216,363,328 Shares	216,363,328 Shares	216,363,328 Shares
	Funds raised	\$14,604,524	\$29,209,049	\$58,418,098
100% increase in current Variable A 2,884,844,382 Shares	10% Voting Dilution	288,484,438 Shares	288,484,438 Shares	288,484,438 Shares
	Funds raised	\$19,472,699	\$38,945,399	\$77,890,798

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 \$0.135, being the issue price based on closing 9 October 2014.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 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:
- (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.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A4 and 3.10.5A upon issue of any Equity Securities.
- (f) 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:
- (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).

- (g) 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.
- (h) In the 12 months preceding the date of this Meeting the Company issued or announced the issue of a total of 186,628,710 Equity Securities which represent 12.9% of the total number of Equity Securities on issue at 14 November 2013. Further detail as required under Listing Rule 7.3A.6 in respect of these Share issues is set out in Schedule 2.
- (i) 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 Equity Security holder or an identifiable class of existing Equity Security holders 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 9.1.

10% Placement Period has the meaning given in Section 9.2.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2014.

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 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 Admedus 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.

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 subscribe for one Share.

Prior Placement has the meaning given in Section 8.

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.

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 – – 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.	16 December 2013	628,710	Fully paid ordinary shares ranking equally with the Company's existing shares	Directors in lieu of directors' fees	0.155	Nil	Non-cash consideration (A\$)	Directors services
							Current value of non-cash consideration (A\$)	97,450
2.	16 December 2013	7,000,000	Unlisted Options Exercise Price: 0.27 Expiry Date: 16 December 2018	Directors under the Company's Employee Share Option Plan (as agreed by Shareholders at the 2013 AGM)	Nil	Nil	Total consideration(A\$):	Nil
							Amount of consideration spent (A\$):	N/A
							What consideration was spent on:	N/A
							Intended use for remaining consideration:	N/A
3.	16 December 2013	400,000	Fully Paid ordinary shares ranking equally with the Company's existing shares	Option holders upon exercise of Options	0.06	60%	Total consideration(A\$):	24,000
							Amount of consideration spent (A\$):	24,000
							What consideration was spent on:	Working capital

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:	N/A
4.	7 March 2014	250,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	62.5%	Total consideration (A\$):	15,000
							Amount of consideration spent (A\$):	15,000
							What consideration was spent on:	Working capital
							Intended use for remaining consideration:	N/A
5.	28 March 2014	2,000,000	Unlisted Options	New employee executive under the Company's Employee Share Option Plan	Nil	Nil	Total consideration (A\$):	Nil
			Exercise Price: A\$0.245				Amount of consideration spent (A\$):	N/A
			Expiry Date: 1 February 2019				What consideration was spent on:	N/A
							Intended use for remaining consideration:	N/A
6.	19 May 2014	83,000,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Sophisticated and professional investors	0.10	Nil	Total consideration (A\$):	8,300,000
							Amount of consideration spent (A\$):	4,001,000
							What consideration was spent on:	- Expanding sales teams in Europe and

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount to market price (per cent.)	Consideration	
							<ul style="list-style-type: none"> - the U.S. to build marketing efforts for CardioCel. - Post-market studies and further product development to expand the use of CardioCel in cardiovascular surgical applications. Fund the HSV-2 therapeutic vaccine. 	
							Intended use for remaining consideration:	<ul style="list-style-type: none"> - Expanding sales teams in Europe and the U.S. to build marketing efforts for CardioCel. - Post-market studies and further product development to expand the use of CardioCel in cardiovascular surgical applications. Fund the HSV-2 therapeutic vaccine.
7.	21 May 2014	3,000,000	Unlisted Options Exercise price: A\$0.17 Expiry Date: 1 July 2018	New employee executives (including members of both the European and U.S. sales and marketing teams for CardioCel) under the Company's Employee Share Option Plan	Nil	Nil	Total consideration (A\$):	Nil
							Amount of consideration spent (A\$):	N/A
							What consideration was spent on:	N/A

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:	N/A
8.	21 May 2014	15,000,000	Unlisted Options Exercise price: A\$0.17 Expiry Date: 1 July 2018	New employee executives (including members of both the European and U.S. sales and marketing teams for CardioCel) under the Company's Employee Share Option Plan	Nil	Nil	Total consideration (A\$):	Nil
							Amount of consideration spent (A\$):	N/A
							What consideration was spent on:	N/A
							Intended use for remaining consideration:	N/A
9.	22 May 2014	300,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	45.5%	Total consideration (A\$):	18,000
							Amount of consideration spent (A\$):	18,000
							What consideration was spent on:	Working capital
							Intended use for remaining consideration:	N/A
10.	11 June 2014	101,000,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Existing Shareholders under a Share Purchase Plan	0.10	15.4%	Total consideration (A\$):	10,100,000
							Amount of consideration spent (A\$):	Nil

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:	- N/A
							Intended use for remaining consideration:	<ul style="list-style-type: none"> - Expanding sales teams in Europe and the U.S. to build marketing efforts for CardioCel. - Post-market studies and further product development to expand the use of CardioCel in cardiovascular surgical applications. Fund the HSV-2 therapeutic vaccine.
11.	18 July 2014	100,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	52%	Total consideration (A\$):	6,000
							Amount of consideration spent (A\$):	6,000
							What consideration was spent on:	Working capital
							Intended use for remaining consideration:	N/A
12.	2 September 2014	950,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.06	61.3%	Total consideration (A\$):	57,000
							Amount of consideration spent (A\$):	57,000
							What consideration was spent on:	Working capital

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:	
13.	6 October 2014	83,333	Fully paid ordinary shares ranking equally with the Company's existing shares	Option holders upon the exercise of Options	0.095	36.7%	N/A	
							Total consideration (A\$):	7,916.64
							Amount of consideration spent (A\$):	7,916.64
							What consideration was spent on:	Working Capital
							Intended use for remaining consideration:	N/A
14.	6 October 2014	200,937	Fully paid ordinary shares ranking equally with the Company's existing shares	Contractor for services	0.1493	Nil	Total consideration (A\$):	30,000
							Amount of consideration spent (A\$):	30,000
							What consideration was spent on:	Consultancy services
							Intended use for remaining consideration:	N/A

