

**MEDIGARD LIMITED**  
**[ABN 49 090 003 044]**

**NOTICE OF GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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**TIME:** 9:30am (AEST)

**DATE:** Tuesday, 31 July 2018

**PLACE:** Woodroffe Hotel  
Corner Garden Street and White Street  
Southport, QLD 4215

**MEDIGARD LIMITED**  
**ABN 49 090 003 044**

**NOTICE OF GENERAL MEETING**

Notice is given that a General Meeting (the **Meeting**) of Medigard Limited (the **Company** or **Medigard**) will be held at Woodroffe Hotel, Corner Garden Street and White Street, Southport, QLD 4215 on Tuesday, 31 July 2018 at 9.30am (AEST).

Further details in respect of each of the Resolutions proposed in this Notice of General Meeting (**Notice**) are set out in the Explanatory Memorandum (the **Memorandum**) accompanying this Notice. The details of the resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

**GENERAL BUSINESS**

**RESOLUTION 1: RE-ELECTION OF DR IAN DIXON**

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

***"That Dr Ian Dixon, a Director appointed to fill a casual vacancy, being eligible for re-election as a Director and offering himself for re-election, be re-elected as a Director of the Company."***

**RESOLUTION 2: APPROVAL TO ISSUE SHARES TO A DIRECTOR – DR CHRISTOPHER BISHOP**

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

***"That for the purposes of ASX Listing Rule 10.11 and all other purposes, shareholders approve the issue of 3,714,285 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share to Dr Christopher Bishop, a director of the Company (and/or his nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice."***

**Voting Exclusion**

*The Company will disregard votes cast in favour of this Resolution by or on behalf of Dr Christopher Bishop and any of his associates.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

**RESOLUTION 3: APPROVAL TO ISSUE SHARES TO A DIRECTOR – MR DONALD CHANNER**

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

***"That for the purposes of ASX Listing Rule 10.11 and all other purposes, shareholders approve the issue of 3,428,571 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share to Mr Donald Channer, a director of the Company (and/or his nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice."***

**Voting Exclusion**

*The Company will disregard votes cast in favour of this Resolution by or on behalf of Mr Donald Channer and any of his associates.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

#### **RESOLUTION 4: APPROVAL TO ISSUE SHARES TO A DIRECTOR – DR IAN DIXON**

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

***“That for the purposes of ASX Listing Rule 10.11 and all other purposes, shareholders approve the issue of 1,428,571 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share to Dr Ian Dixon, a director of the Company (and/or his nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”***

#### **Voting Exclusion**

*The Company will disregard votes cast in favour of this Resolution by or on behalf of Dr Ian Dixon and any of his associates.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

#### **RESOLUTION 5: APPROVAL TO ISSUE SHARES TO AN ALTERNATE DIRECTOR – MS PATRICIA BOERO**

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

***“That for the purposes of ASX Listing Rule 10.11 and all other purposes, shareholders approve the issue of 1,428,571 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share to Ms Patricia Boero, an alternate director of the Company (and/or her nominee(s)), as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”***

#### **Voting Exclusion**

*The Company will disregard votes cast in favour of this Resolution by or on behalf of Ms Patricia Boero and any of her associates.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

#### **RESOLUTION 6: APPROVAL TO ISSUE OPTIONS TO A DIRECTOR – DR IAN DIXON**

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

***“That for the purposes of ASX Listing Rule 10.11 and all other purposes, shareholders approve the issue of:***

***(a) 40,000,000 unlisted options to acquire ordinary shares (each with an exercise price of \$0.10 (10 cents) and expiring five years from the date of issue); and***

***(b) 40,000,000 unlisted options to acquire ordinary shares (each with an exercise price of \$0.20 (20 cents) and expiring five years from the date of issue),***

***to Dr Ian Dixon, a director of the Company (and/or his nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”***

#### **Voting Exclusion**

*The Company will disregard votes cast in favour of this Resolution by or on behalf of Dr Ian Dixon and any of his associates.*

However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

#### **Corporations Act voting restrictions – key management personnel and their closely related parties**

In accordance with the Corporations Act 2001 (Cth), the Company will disregard any votes cast on this Resolution by or on behalf of a member of the Company's key management personnel within the meaning of the Corporations Act (including the Directors) or any of that person's closely related parties within the meaning of the Corporations Act (such as close family members and any controlled companies of those persons) (collectively referred to as "Restricted Voters").

However, the Company need not disregard a vote if:

- it is a cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; and
- it is not cast on behalf of a Restricted Voter.

The Chair of the Meeting may cast votes on this Resolution as proxy where the written appointment of the Chair as proxy (which may include appointment of the Chair as proxy by default in the absence of another person) does not specify how the proxy is to vote on this Resolution but 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 Company's key management personnel.

#### **RESOLUTION 7: RATIFICATION OF A PRIOR ISSUE OF SHARES**

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

***"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 2,857,143 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share, on the terms and conditions set out in the Memorandum which accompanied and formed part of this Notice."***

#### **Voting Exclusion**

The Company will disregard votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or any associates of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

#### **RESOLUTION 8: RATIFICATION OF A PRIOR ISSUE OF SHARES**

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

***"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 4,285,714 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share, on the terms and conditions set out in the Memorandum which accompanied and formed part of this Notice."***

#### **Voting Exclusion**

The Company will disregard votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or any associates of that person.

*However, the Company need not disregard a vote if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

Dated: 25 June 2018

By the order of the Board

Patricia Boero  
Alternate Director and Company Secretary

The accompanying Memorandum and the Proxy and Voting Instructions form part of this Notice.

## PROXY AND VOTING INSTRUCTIONS

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### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.

### Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7:00pm AEST on Sunday, 29 July 2018 (Brisbane time) are entitled to attend and vote at the Meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

### Proxies that are undirected on Resolution 6

Directors of the Company other than the Chair of the meeting, any other key management personnel of the Company or their closely related parties will not be able to vote undirected proxies held by them on Resolution 6. Key management personnel of the Company comprise the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activity of the Company, directly or indirectly.

### How the Chair Will Vote Undirected Proxies

Subject to any applicable voting restrictions, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

**MEDIGARD LIMITED**  
**ABN 49 090 003 044**  
(the **Company** or **Medigard**)

**GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**

**PURPOSE OF INFORMATION**

This Explanatory Memorandum (**Memorandum**) accompanies and forms part of the Company's Notice of General Meeting (**Notice**) for the General Meeting (**Meeting**) to be held at Woodroffe Hotel, Corner Garden Street and White Street, Southport, QLD 4215 on Tuesday, 31 July 2018 at 9.30am (AEST). The Notice incorporates, and should be read together, with this Memorandum.

**BUSINESS**

**RESOLUTION 1 – RE-ELECTION OF A DIRECTOR – DR IAN DIXON**

Resolution 1 is proposed for the re-election of Dr Ian Dixon as a Director of the Company.

Dr Dixon was appointed as a Director to fill a casual vacancy on the Company's Board on 21 November 2017. As he was appointed after the publication of the Notice of the 2017 General Meeting he was unable to be re-elected at that meeting. He was re-appointed by the Board immediately after the 2017 AGM.

Dr Dixon is eligible to be re-elected as a Director, and offers himself for re-election.

The Directors, other than Dr Dixon who abstained from making a recommendation, recommend shareholders vote in favour of Resolution 1.

**RESOLUTIONS 2 TO 5 – APPROVAL FOR ISSUES OF SHARES TO DIRECTORS/ALTERNATE DIRECTOR**

Resolutions 2 to 5 seek shareholder approval for the issue of fully paid ordinary shares at \$0.0175 (1.75 cents) per share to Directors (including an alternate Director) and/or their respective nominee(s), each a related party of the Company.

**Background**

On 31 October 2017, the Company announced a placement of 8,571,428 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share. 2,857,143 of these shares were issued to an unrelated sophisticated investor on 20 November 2017. This prior share issue is sought to be ratified under Resolution 6. The Company received commitments for the remaining 5,714,285 shares from a combination of Mr Donald Channer (3,428,571 shares) and Dr Christopher Bishop (2,285,714 shares). The issue of shares in response to these commitments was subject to shareholder approval.

On 23 November 2017, the Company announced a further placement of 8,571,428 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) per share. 4,285,714 of these shares were issued to two unrelated sophisticated investors on 4 December 2017. This prior share issue is sought to be ratified under Resolution 8. The Company received commitments for the remaining 4,285,714 shares from a combination of Dr Christopher Bishop (1,428,571 shares), Dr Ian Dixon (1,428,571 shares) and Ms Patricia Boero (1,428,571 shares). The issue of shares in response to these commitments was subject to shareholder approval.

The proposed issues of shares under Resolutions 2 to 5 are in satisfaction of the commitments made by the named parties to subscribe for shares in the Company as set out above.

The parties who are proposed to receive shares under Resolutions 2 to 5 have already paid the subscription sum corresponding with their commitment, which is treated as an interest free loan and is repaid in full upon and subject to shareholder approval being obtained and the shares being issued.

### **ASX Listing Rules**

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. For the purposes of Listing Rule 10.11, a related party includes a Director and/or alternate Director of the company, an entity over which a Director has control and an entity which ASX believes, or has reasonable grounds to believe, is likely to become a related party of the company in the future.

Shareholder approval is being sought under Listing Rule 10.11 and as such approval is not required under ASX Listing Rule 7.1.

### **Corporations Act**

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members. Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)).

Each party proposed to receive shares under Resolutions 2 to 5 are Directors or an Alternate Director of the Company and are therefore related parties of the Company for the purposes of Chapter 2E of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes issuing shares to a related party.

Section 210 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party where the financial benefit is on terms that would be reasonable if the company and the related party were dealing at arm's length.

The Company considers the proposed issues of securities the subject of Resolutions 2 to 5 will be made on arm's length as they are on the same terms as issues of fully paid ordinary shares made to unrelated sophisticated investors. The issues made to the unrelated, sophisticated investors were announced at the same time as the commitments made by those parties proposed to receive shares under Resolutions 2 to 5. Ratification of these issues is sought under Resolutions 7 and 8. The Company considers the proposed issue falls within the exception set out in section 210 of the Corporations Act.

The nature of the financial benefit to be given to the Directors proposed to be issued shares under Resolutions 2 to 5 is interest in the fully paid ordinary shares they (or their nominee(s)) subscribe for.

### **Resolution 2: Approval to issue shares to a Director – Dr Christopher Bishop**

Resolution 2 seeks shareholder for the issue of 3,714,285 fully paid ordinary shares to Dr Christopher Bishop, a Director of the Company (and/or his nominee(s)), at an issue price of \$0.0175 (1.75 cents per share), representing a total subscription amount of \$65,000 (excluding costs).



If approval is obtained under Resolution 2, Dr Bishop (and/or his nominee(s)) will be issued 3,714,285 fully paid ordinary shares in the Company. As noted above, subscription funds have already been paid to and received by the Company as a loan which is repaid upon the issue of shares.

ASX Listing Rule 10.13 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include the following information:

- The shares will be issued to Dr Christopher Bishop, a Director of the Company (and/or his nominee(s));
- The maximum number of securities to be issued is 3,714,285 fully paid ordinary shares;
- The shares will be issued as soon as practicable following the Meeting however in any event no later than one (1) month after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC);
- The shares will be issued at \$0.0175 (1.75 cents) per share, which amount has been paid;
- The shares will, upon issue, rank equally with and have the same terms and rights as the existing issued fully paid ordinary shares of the Company;
- Funds raised have (or will) be applied to the Company's working capital requirements; and
- A voting exclusion is contained in the Notice accompanying this Memorandum.

The Directors, other than Dr Bishop who abstains from voting on Resolution 2, recommend shareholders vote in favour of Resolution 2.

### **Resolution 3: Approval to issue shares to a Director – Mr Donald Channer**

Resolution 3 seeks shareholder for the issue of 3,428,571 fully paid ordinary shares to Mr Donald Channer, a Director of the Company (and/or his nominee(s)), at an issue price of \$0.0175 (1.75 cents per share), representing a total subscription amount of \$60,000 (excluding costs).

If approval is obtained under Resolution 3, Mr Channer (and/or his nominee(s)) will be issued 3,428,571 fully paid ordinary shares in the Company. As noted above, subscription funds have already been paid to and received by the Company as a loan which is repaid upon the issue of shares.

ASX Listing Rule 10.13 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include the following information:

- The shares will be issued to Mr Donald Channer, a Director of the Company (and/or his nominee(s));
- The maximum number of securities to be issued is 3,428,571 fully paid ordinary shares;
- The shares will be issued as soon as practicable following the Meeting however in any event no later than one (1) month after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC);
- The shares will be issued at \$0.0175 (1.75 cents) per share, which amount has been paid;

- The shares will, upon issue, rank equally with and have the same terms and rights as the existing issued fully paid ordinary shares of the Company;
- Funds raised have (or will) be applied to the Company's working capital requirements; and
- A voting exclusion is contained in the Notice accompanying this Memorandum.

The Directors, other than Mr Channer who abstains from voting on Resolution 3, recommend shareholders vote in favour of Resolution 3.

#### **Resolution 4: Approval to issue shares to a Director – Dr Ian Dixon**

Resolution 4 seeks shareholder for the issue of 1,428,571 fully paid ordinary shares to Dr Ian Dixon, a Director of the Company (and/or his nominee(s)), at an issue price of \$0.0175 (1.75 cents per share), representing a total subscription amount of \$25,000 (excluding costs).

If approval is obtained under Resolution 4, Dr Dixon (and/or his nominee(s)) will be issued 1,428,571 fully paid ordinary shares in the Company. As noted above, subscription funds have already been paid to and received by the Company as a loan which is repaid upon the issue of shares.

ASX Listing Rule 10.13 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include the following information:

- The shares will be issued to Dr Ian Dixon, a Director of the Company (and/or his nominee(s));
- The maximum number of securities to be issued is 1,428,571 fully paid ordinary shares;
- The shares will be issued as soon as practicable following the Meeting however in any event no later than one (1) month after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC);
- The shares will be issued at \$0.0175 (1.75 cents) per share, which amount has been paid;
- The shares will, upon issue, rank equally with and have the same terms and rights as the existing issued fully paid ordinary shares of the Company;
- Funds raised have (or will) be applied to the Company's working capital requirements; and
- A voting exclusion is contained in the Notice accompanying this Memorandum.

The Directors, other than Dr Dixon who abstains from voting on Resolution 4, recommend shareholders vote in favour of Resolution 4.

#### **Resolution 5: Approval to issue shares to an Alternate Director – Ms Patricia Boero**

Resolution 5 seeks shareholder for the issue of 1,428,571 fully paid ordinary shares to Ms Patricia Boero, an alternate Director of the Company (and/or her nominee(s)), at an issue price of \$0.0175 (1.75 cents per share), representing a total subscription amount of \$25,000 (excluding costs).

If approval is obtained under Resolution 5, Ms Boero (and/or her nominee(s)) will be issued 1,428,571 fully paid ordinary shares in the Company. As noted above, subscription funds have already been paid to and received by the Company as a loan which is repaid upon the issue of shares.

ASX Listing Rule 10.13 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include the following information:

- The shares will be issued to Ms Patricia Boero, an alternate Director of the Company (and/or her nominee(s));
- The maximum number of securities to be issued is 1,428,571 fully paid ordinary shares;
- The shares will be issued as soon as practicable following the Meeting however in any event no later than one (1) month after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC);
- The shares will be issued at \$0.0175 (1.75 cents) per share, which amount has been paid;
- The shares will, upon issue, rank equally with and have the same terms and rights as the existing issued fully paid ordinary shares of the Company;
- Funds raised have (or will) be applied to the Company's working capital requirements; and
- A voting exclusion is contained in the Notice accompanying this Memorandum.

The Directors recommend shareholders vote in favour of Resolution 5. Ms Boero did not participate in the making of the recommendation.

#### **RESOLUTION 6: APPROVAL TO ISSUE OPTIONS TO A DIRECTOR – DR IAN DIXON**

Resolution 6 seeks shareholder approval for the issue of:

- 40,000,000 unlisted options to acquire ordinary shares, each with an exercise of \$0.10 (10 cents) and expiring five years from the date of issue; and
- 40,000,000 unlisted options to acquire ordinary shares, each with an exercise of \$0.20 (20 cents) and expiring five years from the date of issue,

to Dr Ian Dixon, a Director of the Company (and/or his nominee(s)). The issue of unlisted options form part of Dr Dixon's engagement as an Executive Director of the Company and were set out in the Company's announcement on 21 November 2017. The issue of the unlisted options the subject of Resolution 6 are subject to the Company obtaining shareholder approval for the issue.

#### **Corporations Act**

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members. Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)).

Dr Dixon is a Director of the Company and is therefore a related party of the Company for the purposes of Chapter 2E of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes issuing securities or granting an option to a related party.

Section 211 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party where the financial benefit is reasonable remuneration.

The issue of unlisted options to Dr Dixon pursuant to Resolution 6 is considered to be reasonable remuneration in accordance with section 211 of the Corporations Act, having regard to the position of Dr Dixon, the responsibility he has and in future is likely to have in relation to the Company and the overall remuneration package he is receiving from the Company. Regard has also been had to the Company needing to effectively incentivise its Directors whilst aligning the incentive with increase shareholder value and the desirability to preserve cash resources within the Company.

**If you do not direct the Chairman how to vote on Resolution 6, you expressly authorise the Chairman to exercise your proxy on Resolution 6 even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.**

### **ASX Listing Rules**

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. For the purposes of Listing Rule 10.11, a related party includes a Director of the company, an entity over which a Director has control and an entity which ASX believes, or has reasonable grounds to believe, is likely to become a related party of the company in the future.

Shareholder approval is being sought under Listing Rule 10.11 and as such approval is not required under ASX Listing Rule 7.1.

ASX Listing Rule 10.13 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include the following information:

- The unlisted options will be issued to Dr Ian Dixon, a Director of the Company (and/or his nominee(s));
- The maximum number of securities to be issued is 80,000,000 unlisted options to acquire fully paid ordinary shares;
- The unlisted options will have the following exercise price and expiry date:
  - 40,000,000 unlisted options with an exercise price of \$0.10 (10 cents), expiry date 5 years from the date of issue; and
  - 40,000,000 unlisted options with an exercise price of \$0.20 (20 cents) and expiry date 5 years from the date of issue.
- The unlisted options will be issued as soon as practicable following the Meeting, in any event no later than one (1) month after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC);
- Full terms of the unlisted options are set out in Annexure 1. Shares issued upon exercise of options will rank equally with and have the same terms and rights as the existing issued fully paid ordinary shares of the Company;

- No funds will be raised from issue of the unlisted options. Any funds raised upon exercise of the unlisted options are intended to be applied to the working capital requirements of the Company at the time of exercise; and
- A voting exclusion under the ASX Listing Rules and a voting restriction under the Corporations Act are contained in the Notice accompanying this Memorandum.

#### **RESOLUTION 7: RATIFICATION OF A PRIOR ISSUE OF SHARES**

Resolution 7 seeks shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the prior issue of 2,857,143 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) to an unrelated sophisticated investor. The Appendix 3B for the issue was announced to ASX on 20 November 2017.

The 2,857,143 fully paid ordinary shares were issued without shareholder approval under the Company's 15% capacity pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of the twelve (12) month period.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 (if applicable). The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- the total number of fully paid ordinary shares in the Company that were issued was 2,857,143;
- the shares were issued at \$0.0175 (1.75 cents) per share, raising \$50,000 before costs;
- the shares allotted and issued were fully paid ordinary shares that rank equally with and have the same terms and rights as the existing issued fully paid ordinary shares of the Company;
- the shares were allotted and issued to an unrelated sophisticated investor;
- Funds raised have (or will) be applied to the Company's working capital requirements; and
- A voting exclusion is contained in the Notice accompanying this Memorandum.

The Directors unanimously recommend shareholders vote in favour of Resolution 7.

#### **RESOLUTION 8: RATIFICATION OF A PRIOR ISSUE OF SHARES**

Resolution 8 seeks shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the prior issue of 4,285,714 fully paid ordinary shares at an issue price of \$0.0175 (1.75 cents) to two unrelated sophisticated investors. The Appendix 3B for the issue was announced to ASX on 4 December 2017.

The 4,285,714 fully paid ordinary shares were issued without shareholder approval under the Company's 15% capacity pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the

number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of the twelve (12) month period.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 (if applicable). The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- the total number of fully paid ordinary shares in the Company that were issued was 4,285,714;
- the shares were issued at \$0.0175 (1.75 cents) per share, raising \$75,000 before costs;
- the shares allotted and issued were fully paid ordinary shares that rank equally with and have the same terms and rights as the existing issued fully paid ordinary shares of the Company;
- the shares were allotted and issued to two unrelated sophisticated investors;
- Funds raised have (or will) be applied to the Company's working capital requirements; and
- A voting exclusion is contained in the Notice accompanying this Memorandum.

The Directors unanimously recommend shareholders vote in favour of Resolution 8.

Note: Unless otherwise specified all monetary amounts are expressed in Australia dollars.

## ANNEXURE A

### OPTION TERMS

(refer to Resolution 4)

- Each option entitles the holder to acquire one ordinary fully paid share in the capital of the Company.
- The options will expire on the respective dates specified in Resolution 6 in the Notice of Meeting of which this Annexure A forms part (each respectively "the Expiry Date").
- Options can be exercised by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company. Any option that has not been exercised prior to the applicable Expiry Date automatically lapses. Holders shall not be entitled to exercise their options (and the Company will not be required to issue shares upon such exercise) if it would be unlawful to do so.
- The exercise price of each option is as specified for the respective option in Resolution 6 in the Notice of Meeting of which this Annexure A forms part.
- The exercise price is payable in full on exercise, unless the Holder at its absolute discretion elects in writing that options are exercised without payment of cash so that the number of shares received by the Holder (or its nominee) is equal to the number that would be received if a specified number of options (not greater than all the options then held by the Holder) were to be exercised and the number of shares required to pay the total exercise price at the then market price of the Company's ordinary shares were immediately sold at that market price (resulting, in effect, in the non-cash exercise of the specified number of options).
- The options are not transferable without the prior written consent of the Company (which may be given or withheld at the Company's discretion and subject to conditions, and is subject to the Corporations Act, the listing rules of ASX or other financial market to which the Company is admitted (if applicable), and the Constitution of the Company). The Company does not intend to seek quotation of the options, and does not represent that the options will be listed or tradeable on any financial market.
- All shares issued upon valid exercise of options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. If at the time of exercise the Company is admitted to the official list of ASX or another financial market, the Company will apply for official quotation by ASX (or other financial market operator if applicable) of all shares issued upon exercise of options, subject to any restriction obligations imposed by ASX or the applicable market operator.
- The options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant options.
- There are no participation rights or entitlements inherent in the options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising options. Subject to any waiver granted by ASX or other financial market operator if applicable (if the Company is admitted to the official list of ASX or another financial market) the Company will send notices to the holder of options within the time (if any) specified in the listing rules of ASX for offers of securities made to shareholders during the currency of the options.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the exercise price of the options or both shall be reconstructed. If at the time of the reconstruction the Company is admitted to the official list of ASX (or another financial market) the reconstruction shall be in accordance with the listing rules of ASX, or listing rules of the other financial market, as applicable, applying to a reorganisation of capital at the time of the reconstruction.



#### All Correspondence to:

-  **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:30am (AEST) on Sunday 29 July 2018.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9:30am (AEST) on Sunday 29 July 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
-  **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.



**Your Address**  
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.  
**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

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

the Chair of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **Woodroffe Hotel, Corner Garden Street and White Street, Southport, QLD 4215 on Tuesday, 31 July 2018 at 9:30am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

**STEP 2 VOTING DIRECTIONS**  
 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Re-Election of Dr Ian Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue shares to a Director – Dr Christopher Bishop	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue shares to a Director – Mr Donald Channer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue shares to a Director – Dr Ian Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue shares to an Alternate Director – Ms Patricia Boero	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue options to a Director – Dr Ian Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of a Prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of a Prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2018