



NOTICE OF ANNUAL GENERAL MEETING
ATCOR MEDICAL HOLDINGS LIMITED
(ACN 113 252 234)
(“COMPANY”)

Notice is given that the 2015 Annual General Meeting (AGM) of the Company will be held at the offices of PricewaterhouseCoopers, 201 Sussex St, Sydney, NSW 2000 on Friday, 13th November 2015 commencing at 10:00am.

ITEMS OF BUSINESS

1. Remuneration Report

To consider the Remuneration Report as it appears in the Annual Report for the year ended 30 June 2015, and if thought fit, to pass the following non-binding ordinary resolution of the Company in accordance with section 250R of the Corporations Act 2001 (Cth):

“That the Remuneration Report of the Company for the year ended 30 June 2015 be approved”.

2. Re-election of Donal O’Dwyer as a director

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

“To re-elect Mr Donal O’Dwyer as a Director of the Company, who retires as a Director of the Company at this Annual General Meeting in accordance with the Company’s Constitution and, being eligible, offers himself for re-election”;

3. Election of R. King Nelson as a director

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

“To elect Mr King Nelson as a Director of the Company in accordance with the Company’s Constitution”;

4. Ratification of prior share issue Placement for purpose of Listing Rule 7.4: re-set of 15% threshold

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

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the allotment and issue of 10,900,000 Shares on the terms described in the Explanatory Memorandum accompanying this Notice.”

5. Ratification of prior option issues for purpose of Listing Rule 7.4: re-set of 15% threshold

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

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the allotment and issue of 3,100,000 options to subscribe for fully paid ordinary Shares on the terms described in the Explanatory Memorandum accompanying this Notice.”

6. Increase total aggregate pool of directors fees

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

“To approve an increase in the total aggregate maximum amount of director’s fees for all non-executive directors from \$260,000 to \$360,000 per annum.”

7. Approval of allotment of options to a Director, Mr. Duncan Ross: issue to be excluded from 15% threshold

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

“To approve under Listing Rule 10.14:

- (a) the issue of 1,000,000 options over ordinary shares to Mr. Duncan Ross, Chief Executive Officer and Executive Director with an issue date of 13 November 2015 and an exercise price being a 10 per cent premium over the volume weighted average market price for sales of the Company’s Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date. Options issued will be issued under the Company’s Employee Share Option Plan (ESOP); and
- (b) the issue of fully paid shares upon exercise of the Options.

8. Approval of allotment of options to a Director, Mr Donal O'Dwyer: issue to be excluded from 15% threshold

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

"To approve under Listing Rule 10.11:

- (a) the issue of 650,000 options over ordinary shares to Mr Donal O'Dwyer, Chairman and Non-Executive Director with an issue date of 13 November 2015 and an exercise price being a 15 per cent premium over the weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date. Options issued will be separate to options approved under the Company's Employee Share Option Plan (ESOP); and
- (b) the issue of fully paid shares upon exercise of the Options.

9. Approval of allotment of options to a Director, Dr Michael O'Rourke: issue to be excluded from 15% threshold

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

"To approve under Listing Rule 10.11:

- (a) the issue of 450,000 options over ordinary shares to Dr Michael O'Rourke, Non-Executive Director with an issue date of 13 November 2015 and an exercise price being a 15 per cent premium over the weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date. Options issued will be separate to options approved under the Company's Employee Share Option Plan (ESOP); and
- (b) the issue of fully paid shares upon exercise of the Options.

10. Approval of allotment of options to a Director, Dr David Brookes: issue to be excluded from 15% threshold

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

"To approve under Listing Rule 10.11:

- (a) the issue of 450,000 options over ordinary shares to Dr David Brookes, Non-Executive Director with an issue date of 13 November 2015 and an exercise price being a 15 per cent premium over the weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date. Options issued will be separate to options approved under the Company's Employee Share Option Plan (ESOP); and
- (b) the issue of fully paid shares upon exercise of the Options.

11. Approval of allotment of options to a Director, Mr R. King Nelson: issue to be excluded from 15% threshold

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

“Subject to Mr King Nelson’s appointment as a Director of the Company, to approve under Listing Rule 10.11:

- (a) the issue of 450,000 options over ordinary shares to Mr King Nelson, Non-Executive Director with an issue date of 13 November 2015 and an exercise price being a 15 per cent premium over the weighted average market price for sales of the Company’s Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date. Options issued will be separate to options approved under the Company’s Employee Share Option Plan (ESOP); and
- (b) the issue of fully paid shares upon exercise of the Options.

Voting Restrictions:

Resolution 1

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on resolution 1 by any of the key management personnel listed in the Remuneration Report and by any “closely related party” of that person.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote:

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

Resolutions 4 and 5

The Company will disregard any votes cast on Resolutions 4 and 5 by a person who participated in the issue of securities, and any of their associates.

The persons who participated in the issue of securities were institutional, professional, sophisticated or foreign investor clients of Taylor Collison Limited (of the kind exempt from prospectus requirements of the securities legislation in their location), and executives and staff of the Company:

However, the Company need not disregard a vote cast on Resolution 4 and 5 if it is cast by:

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

Resolutions 6, 7, 8, 9, 10 and 11

The Company will disregard any votes cast on resolutions 6, 7, 8, 9, 10 and 11 by:

- o a Director; or
- o his/her associates.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote:

- (a) where the proxy-holder votes in accordance with the directions on the Proxy Form; or
- (b) where the proxy-holder is the person chairing the meeting and votes in accordance with the directions on the Proxy Form to vote as the proxy decides.

Voting Entitlements

For the purpose of the Annual General Meeting, the Company has determined that all securities of the Company that are quoted securities at 7:00pm Australian Eastern Daylight Time on 11 November 2015 will be taken, for the purpose of the AGM, to be held by the persons who were registered holders at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Proxies

A shareholder has the right to appoint a proxy who need not be a shareholder of the Company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form (which is enclosed with this Notice of Meeting) and any power of attorney or authority under which they are signed must be received at the share registry of the Company, c/- Link Market Services Ltd, Locked Bag A14, Sydney South, NSW 1235, Australia or at the Company's Registered Office, Suite 11, 1059-1063 Victoria Rd, West Ryde, NSW 2114, Australia, or by facsimile to Link Market Services Ltd on +61 (2) 9287 0309 or to the Company on +61 (2) 9874 9022 or online at www.linkmarketservices.com.au at least 48 hours prior to the AGM (i.e. by no later than 10:00am Australian Eastern Daylight Time on 11 November 2015) or any adjournment. Any proxy form received after this deadline, including at the Meeting, will be invalid.

By order of the Board



Peter Manley
Company Secretary
13 October 2015



Explanatory Memorandum

Resolution 1 – Remuneration Report

The Corporations Act 2001 (Cth) requires that the section of the Directors' Report concerning the remuneration of Directors and senior executives be put to a non-binding vote of the shareholders. The Remuneration Report may be found on pages 11 to 19 of the Directors' report in the 2015 Annual Report.

Although non-binding, the directors may take into future consideration the shareholders' vote on this matter.

Under what is referred to as the "two strikes rule", if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders must be given the opportunity to vote at the second of those AGMs on a resolution (a spill resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.

There is no requirement to allow for a possible 'spill resolution' at this annual general meeting as the 2014 Remuneration Report was accepted by approximately 99% of shares voted at the 2014 AGM.

The Chair will allow a reasonable opportunity at the AGM for shareholders as a whole to ask questions about or make comments on the Remuneration Report.

The directors will consider the outcome of this vote and any comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 1.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consent to, the Chair to vote in favour of Resolution 1, even though the resolution is connected with remuneration of key management personnel of the Company.

The Directors recommend you vote in favour of Resolution 1.

Resolution 2 - Re-election of Donal O'Dwyer as a director

In accordance with Clause 6.1(f) of the Company's constitution at least one third of directors (not including the Managing Director), rounded down to the nearest whole number, must retire from office at each Annual General Meeting as must any Director who has been in office for three or more years at the conclusion of the meeting or it is three or more AGM's since he or she was last elected to office. Mr Donal O'Dwyer is offering himself for re-election per clause 6.1(i).

A summary of his relevant experience is shown below:

Donal has served on the Board of the AtCor group since September 2004 and as chairman since November 2004. He brings considerable skill and market knowledge to AtCor with past experience including his role as worldwide president of Cordis Cardiology, the cardiology division of Johnson & Johnson. Donal is also a director of 3 other listed health & life science companies - Cochlear Ltd, Mesoblast Ltd and Fisher & Paykel Healthcare Ltd.

Donal is qualified with BEng & MBA.

Donal is currently chairman of the Board and is also a member of the Remuneration & Nomination and Audit & Risk Committees.

The Directors (with Mr O'Dwyer absent and not voting) recommend you vote in favour of Resolution 2.

Retirement of Peter Jenkins

Members are advised that Mr Peter Jenkins, who has served as a Director of the Company since 7 March 2005 and of the Group since January 1999, will not be seeking re-election and has decided to retire with effect from the close of the 2015 Annual General Meeting. The continuing members of the Board would like to record their gratitude for Peter's service on the Board and as Chair of the Remuneration & Nomination Committee.

Resolution 3 – Election of Mr R. King Nelson as a director

In accordance with Clause 6.1(m)(ii) of the Company's constitution, Mr R. King Nelson has been nominated by the Directors for election as a Director to take effect from the close of the 2015 Annual General Meeting, subject to the approval of Resolution 3.

Mr Nelson has more than 30 years of diverse experience and expertise with medical devices. He is currently President and CEO of Uptake Medical Corporation, a company focused on treatments for emphysema and lung cancer. Previously, he served as president and CEO of Kerberos Proximal Solutions, which was acquired by FoxHollow Technologies, and as president and CEO of VenPro, a heart valve business acquired by Medtronic. Both these companies specialized in devices for the cardiovascular system. Prior to that, he spent 19 years with Baxter International and American Hospital Supply Corporation in roles of increasing responsibility that included division president for Dade Diagnostics, Bentley Labs, and Baxter's Perfusion Services.

Mr Nelson also served as chairman of Digirad Corporation (NASDAQ: DRAD) from 2003 to 2012.

King received his bachelor's degree from Texas Tech University and MBA from the University of Miami.

Resolution 4 and 5 - Ratification of prior share issue placement and option issue

Under Listing Rule 7.1, a listed company may not issue shares if the shares issued, when aggregated with other shares issued over the previous 12 months and not subject to an exception to Listing Rule 7.1, exceed 15% of the issued capital of the Company.

Under Listing Rule 7.4, it is possible for shareholders to approve an issue of securities which has already taken place, with the effect that the approved issue will not be counted towards the number of securities for the calculation of the 15% threshold under Listing Rule 7.1.

Resolutions 4 and 5 each relate to past issues of shares or options, and seek to exempt them from being counted towards the 15% limit if future issues are made. The Company has included a table to assist Shareholders in understanding the cumulative effect of Resolutions 4 and 5:

	Number of Shares
Total number of issued Shares pre-placement	169,979,646
Total number of Shares pre-placement if all options exercised	191,657,979
Total number of Shares (fully diluted) including Shares placed in June 2015 plus shares issued via pro-rata issue in July 2015	220,351,372
Total number of Shares (fully diluted) including: <ul style="list-style-type: none">• Shares placed in June 2015;• shares issued via pro-rata issue in July 2015; and• shares that would be issued if options issued to directors under resolutions 6 to 11 inclusive were exercised	223,351,372
Number of Shares which could be allotted in the next 12 months before approval required under Listing Rule 7.1 and in the absence of an exception to Listing Rule 7.1, not counting shares that would be issued if options referred to in resolutions 5 to 11 inclusive were exercised	29,823,455

Resolution 4 – Approval of prior share issue placement

On 17 June 2015, the Company announced that it would issue 10,900,000 fully paid ordinary shares to sophisticated investors, to raise funds (\$1,962,000) to fund costs associated with additional personnel, consulting and other services in preparation for the CPT1 code in the USA; acceleration of the Group's product development program; along with providing additional working capital. These shares were issued within the Company's 15% placement capacity and the issue did not breach Listing Rule 7.1.

Under Listing Rule 7.1, a listed company may not issue shares if the shares issued, when aggregated with other shares issued over the previous 12 months and not subject to an exception to Listing Rule 7.1, exceed 15% of the issued capital of the Company. The placement of shares did not result in the issue of more than 15% of the issued capital of the Company, but the Board would like the flexibility to issue further shares over the next 12 months.

Under Listing Rule 7.4, it is possible for shareholders to approve an issue of securities which has already taken place, for the purposes of excluding that number of securities from the calculation of the 15% threshold under Listing Rule 7.1. If shareholders ratify the issue of shares and approve this resolution, then the shares issued pursuant to the placement will not be taken into account in calculating whether the 15% threshold is exceeded by issues in the 12 months following approval that are not otherwise exempt from Listing Rule 7.1.

Information required under Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided to shareholders so that they can assess the merits of Resolution 4:

- 10,900,000 Shares were allotted;
- the issue price was \$0.18 per Share;
- the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- the Shares were allotted and issued to institutional, professional, sophisticated or foreign investor clients of Taylor Collison Limited (of the kind exempt from prospectus requirements of the securities legislation in their location);
- the Company intends to use the funds raised from this issue towards:
 - (a) Costs for additional personnel, consulting and other services in preparation for the CPT1 code in the USA that is expected to take effect from 1 January 2016;
 - (b) Acceleration of the company's product development program; and
 - (c) provide additional working capital.

Each of the Directors recommends that you vote in favour of Resolution 4. The Board considers that the ratification of the issue of shares described above is beneficial for the Company as it provides the flexibility to issue up to the maximum number of shares permitted under Listing Rule 7.1 in the next 12 months (without further shareholder approval), should it be required.

Resolution 5 - Ratification of prior option issues

The Company has issued 3,100,000 options to executives and staff of the Company during the past 12 months under the terms of the Company Employee Share Option Plan (ESOP). The issue of these options has been taken into account in calculating the threshold of 15% of the issued capital of the Company, but the Board would like the flexibility to issue further shares over the next 12 months without taking into account the number of shares represented by these options.

Under Listing Rule 7.4, it is possible for shareholders to approve a prior issue of securities for the purposes of excluding those securities from the calculation of the 15% threshold under Listing Rule 7.1.

If shareholders approve this resolution, then these options issued during the last 12 months will not be taken into account in calculating whether the 15% threshold is exceeded by issues in the 12 months following approval that are not otherwise exempt from Listing Rule 7.1.

Each of the Directors recommends that you vote in favour of Resolution 5. The Board considers that the ratification of the issue of options described above is beneficial for the Company as it

provides the flexibility to issue up to the maximum number of shares permitted under Listing Rule 7.1 in the next 12 months (without further shareholder approval), should it be required.

Information required under Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided to shareholders so that they can assess the merits of Resolution 5:

- 3,100,000 options were allotted between March and August 2015
- the options were issued at no consideration;
- all options were issued under the terms of the Company's ESOP, the key terms of which are set out in the notes to Resolution 7.
- The options were issued to executives (not including the CEO) and staff of the Company.
- no funds were raised by the issue of options.

Resolution 6 – Increase total aggregate pool of directors' fees

Resolution 6 seeks Shareholder approval to increase the maximum aggregate amount that may be paid to non-executive Directors of the Company in each financial year for all purposes, including for the purposes of Listing Rule 10.17. Listing Rule 10.17 provides that the Company must not increase the maximum aggregate amount of remuneration payable to all non-executive Directors without obtaining the approval of Shareholders. The current maximum aggregate amount available for the remuneration of the non-executive Directors is \$260,000 each year. Details of the remuneration paid to the non-executive Directors of the Company for the year ended 30 June 2015 are disclosed in the Remuneration Report. Subject to Shareholder approval, this maximum aggregate amount will be increased by \$100,000 to \$360,000 (inclusive of superannuation contributions for the benefit of non-executive directors and any fees which a non-executive director agreed to sacrifice for other benefits). No increase in the maximum aggregate remuneration has been sought since the Company was listed in November 2005.

This will allow headroom for future increases in non-executive Director remuneration and the possible appointment of an additional non-executive Director to the Board.

Details of securities issued to non-executive directors under Listing Rule 10.11 and 10.14 with the approval of shareholders within the preceding three years are set out here:

Date	D O'Dwyer	M O'Rourke	P Jenkins	D Brookes
	-	-	-	-

Given their interest in this Resolution, the Directors make no recommendation to Shareholders with respect to Resolution 6.

Resolution 7 – Approval of allotment of Options to a Director, Mr. Duncan Ross

Mr. Duncan Ross, CEO and Executive Director of the Company, has been offered 1,000,000 options over ordinary shares with an exercise price being a 10 per cent premium over the volume weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date, subject to approval by shareholders at the Annual General Meeting. The terms of the offer are governed by the Employee Share Option Plan (ESOP), which is available on request. The key rules of the ESOP are summarized below:

- Each option entitles the holder to receive one ordinary share on exercise (i.e. a maximum total of 1,000,000 ordinary shares would be issued if all options referred to in this resolution 7 were exercised).
- Vesting periods. Twelve months from the issue date the option holder is entitled to exercise one-third of the total options issued. Twenty four months from the issue date the option holder is entitled to exercise two-third of the total options issued. All options are available to exercise by the option holder three years after the issue date.
- Options expire five years from the issue date.
- In the event of a change of control event occurring, all options whether vested or not become exercisable immediately.
- In the event that the option holder leaves the company's employ, any unvested options will be cancelled. The option holder has 30 days from the final day as an employee in which to exercise any vested option. Those not exercised are cancelled.
- Options are being issued for nil consideration and carry no voting rights, nor are they entitled to a dividend.
- The options will not be quoted securities and are not transferable.
- Options do not carry any right to participate in any rights issue.
- Optionholders have no additional rights conferred to participate in other offers of securities.
- In the event of a reorganization of the issued capital of AtCor (including consolidation, subdivision, reduction or return) the outstanding options will be reorganized in the manner required by the Listing Rules at the time of reconstruction.

With respect to the proposed issue of options to Mr. Ross:

- Approval is required under Listing Rule 10.14 for a director to acquire securities (other than by on-market purchase) under the ESOP;
- None of the options, nor shares issued on exercise of options, will be purchased with a loan from the Company;
- If approval is granted, the options will be issued on the date of the Annual General Meeting, 13 November 2015, and in any event no later than 12 months after the date of the Annual General Meeting.
- The people named below are referred to in Listing Rule 10.14 and are entitled to receive options under the AtCor Medical Holdings ESOP. Also shown is options received by each since the last approval under Listing Rule 10.14.

Name	# of options	Issue Price	Exercise price	Issue Date	Expiry Date
D O'Dwyer	-	-	-	-	-
D R Ross	2,100,000	\$0.00	\$0.181	31 October 2013	31 October 2018
M O'Rourke	-	-	-	-	-
P Jenkins	-	-	-	-	-
D Brookes	-	-	-	-	-

The directors (with Mr. Duncan Ross absent and not voting) recommend you vote in favour of Resolution 7.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 7.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to, the Chair to vote in favour of Resolution 7.

Resolution 8 – Approval of allotment of Options to a Director, Mr Donal O’Dwyer

Mr Donal O’Dwyer, Chairman and Non-Executive Director of the Company, has been offered 650,000 options over ordinary shares with an exercise price being a 15 per cent premium over the weighted average market price for sales of the Company’s Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date, subject to ratification by shareholders at the Annual General Meeting. This offer serves the purpose of both aligning Non-Executive Directors’ goals with those of current and future shareholders and is in recognition of the additional time invested in supporting a small organization, including fees foregone in previous periods. The value to the director of the options, based on weighted average market price over 5 trading days prior to 30 September 2015 and applying the Black-Scholes option pricing model, is \$50,960.

The other key terms are described in the additional explanatory notes for Resolutions 8, 9, 10 and 11, appearing at the end of this document.

The directors (with Mr Donal O’Dwyer absent and not voting) recommend you vote in favour of Resolution 8.

If approval is given under Listing Rule 10.11, approval is not required under LR 7.1

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 8.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to, the Chair to vote in favour of Resolution 8.

Resolution 9 – Approval of allotment of Options to a Director, Dr Michael O’Rourke

Dr Michael O’Rourke, Non-Executive Director of the Company, has been offered 450,000 options over ordinary shares with an exercise price being 15 per cent premium over the weighted average market price for sales of the Company’s Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date, subject to ratification by shareholders at the Annual General Meeting. This offer serves the purpose of both aligning Non-Executive Directors’ goals with those of current and future shareholders and is in recognition of the additional time invested in supporting a small organization, including fees foregone in previous periods. The value to the director of the options, based on weighted average market price over 5 trading days prior to 30 September 2015 and applying the Black-Scholes option pricing model, is \$35,280.

The other key terms are described in the additional explanatory notes for Resolutions 8, 9, 10 and 11, appearing at the end of this document.

The directors (with Mr Michael O’Rourke absent and not voting) recommend you vote in favour of Resolution 9.

If approval is given under Listing Rule 10.11, approval is not required under LR 7.1

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 9.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to, the Chair to vote in favour of Resolution 9.

Resolution 10 – Approval of allotment of Options to a Director, Dr David Brookes

Dr David Brookes, Non-Executive Director of the Company, has been offered 450,000 options over ordinary shares with an exercise price being 15 per cent premium over the weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date, subject to ratification by shareholders at the Annual General Meeting. This offer serves the purpose of both aligning Non-Executive Directors' goals with those of current and future shareholders and is in recognition of the additional time invested in supporting a small organization, including fees foregone in previous periods. The value to the director of the options, based on weighted average market price over 5 trading days prior to 30 September 2015 and applying the Black-Scholes option pricing model, is \$35,280.

The other key terms are described in the additional explanatory notes for Resolutions 8, 9, 10 and 11, appearing at the end of this document.

The directors (with Dr David Brookes absent and not voting) recommend you vote in favour of Resolution 10.

If approval is given under Listing Rule 10.11, approval is not required under LR 7.1

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 10.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to, the Chair to vote in favour of Resolution 10.

Resolution 11 – Approval of allotment of Options to a Director, Mr R King Nelson

Mr King Nelson, has been offered 450,000 options over ordinary shares with an exercise price being a 15 per cent premium over the weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date, subject to approval by shareholders of his appointment as a Non-Executive Director of the Company at the Annual General Meeting in accordance with Resolution 3. This offer serves the purpose of aligning Non-Executive Directors' goals with those of current and future shareholders. The value to the director of the options, based on weighted average market price over 5 trading days prior to 30 September 2015 and applying the Black-Scholes option pricing model, is \$35,280.

The other key terms are described in the additional explanatory notes for Resolutions 8, 9, 10 and 11, appearing at the end of this document.

The directors recommend you vote in favour of Resolution 11.

If approval is given under Listing Rule 10.11, approval is not required under LR 7.1

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 11.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to, the Chair to vote in favour of Resolution 11.

Resolutions 8, 9, 10 and 11

The options will be issued outside the framework of the Employee Share Option Plan (ESOP) because the vesting schedule differs from that in the ESOP, and the expiry date is shorter than that under the ESOP. The key terms of the options are summarised below:

- Each option entitles the holder to receive one ordinary share on exercise.
- The options will vest in a single tranche twelve months from the issue date.
- The options expire at the earlier of:
 - (a) 5pm on the 4th anniversary of the issue date; or
 - (b) 5pm on the expiry of 30 days after the date on which the Optionholder ceases to be a director of the Company or any of its subsidiaries, other than as a result of the death of the Optionholder, or such later day as the Board in its absolute discretion determines.
- If a Change of Control, as defined in the ESOP Rules, occurs all unvested options will vest immediately.

The following provisions of following clauses of the ESOP are incorporated in the terms of issue:

6. (allotment and issue)
7. (reconstructions)
8. (bonus issues)
9. (rights issues)
10. (pari passu ranking)
11. (compliance with law)
12. (compliance with trading policy)
13. (calculations)
14. (replacement of certificates)
15. (notices)
16. (advertising laws)
17. (Duties and Taxes)
18. (no assignment)

A full copy of the ESOP rules is available upon request from the Company Secretary.

Resolutions 8, 9, 10 and 11

With respect to the proposed issue of options to Directors:

- Approval is required under Listing Rule 10.11 for a director to acquire securities (other than by on-market purchase);
- If approval is granted, the options will be issued on the date of the Annual General Meeting, 13 November 2015, and in any event by no later than 1 month after the date of the Annual General Meeting.
- No funds are being raised by the issue of the options.

LODGE YOUR VOTE



ONLINE
www.linkmarketservices.com.au



BY MAIL
Atcor Medical Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX
02 9287 0309



BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO
Telephone: 1800 678 246 (free call within Australia)

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am on Wednesday, 11 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE
www.linkmarketservices.com.au

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X9999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Friday, 13 November 2015 at PricewaterhouseCoopers, 201 Sussex Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 6-10: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 6-10, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

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

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of allotment of options to a director, Dr Michael O'Rourke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Donal O'Dwyer as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of allotment of options to a director, Dr David Brookes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of R. King Nelson as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of allotment of options to a director, Mr R King Nelson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior share issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Ratification of prior option issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Increase total aggregate pool of director's fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of allotment of options to a director, Mr Duncan Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of allotment of options to a director, Mr Donal O'Dwyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

