



Immuron Limited

ACN: 063 114 045

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting:	Wednesday, 25 th November 2015
Time of Meeting:	9:30am AEDT Registration from 9:15am AEDT
Place of Meeting:	Giorgios Restaurant Function Room, 1235 High Street, Armadale Victoria, 3143

This is an important document. It should be read in its entirety.
If you are in doubt as to the course you should follow, consult your financial or other professional adviser.

NOTICE OF 2015 ANNUAL GENERAL MEETING

IMMURON LIMITED
ACN: 063 114 045

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2015 Annual General Meeting of Immuron Limited ACN 063 114 045 will be held at Giorgios Restaurant Function Room, 1235 High Street, Armadale Victoria, 3143 on Wednesday, 25th November 2015 at 9:30am AEDT.

The attached Explanatory Memorandum is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Memorandum is to be read in conjunction with this Notice.

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.

ORDINARY BUSINESS

2015 Annual Financial Statements

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors' and the reports of the Directors and Auditors.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's annual financial statements and reports.

A representative of Company's Auditor, William Buck Audit (VIC) Pty Ltd, will be present at the Meeting and Shareholders will have an opportunity to ask the Auditor's representative questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

The Immuron Limited 2015 Annual Report can be viewed online at the Company's website www.immuron.com on the "Company Securities Exchange Announcements" page under "Investor Centre".

Resolution 1 Adoption of Remuneration Report

To consider and, if thought fit, to pass, the following resolution as a non-binding ordinary resolution:

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2015 included in the Directors' Report, which is attached to the Company's Annual Financial Report as required under section 300A of the Corporations Act, be adopted by the Company."

Voting Exclusion Statement:

In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (Excluded Persons).

However, the Company need not disregard a vote if:

- it is cast by an Excluded 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 a direction on the proxy form to vote as the proxy decides.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 6 of this Notice of Annual General Meeting.

Further details in respect of Resolution 1 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

NOTICE OF 2015 ANNUAL GENERAL MEETING

Resolution 2 Re-Election of Non-Executive Director – Mr. Daniel Pollock

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

"That, for the purposes of ASX Listing Rule 14.4, clause 13.3(b) of the Constitution and for all other purposes, Mr. Daniel Pollock, a Non-Executive Director of the Company retires and, being eligible, be re-elected as a Director of the Company."

Further details in respect of Resolution 2 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 3 Election of Director – Mr. Peter Anastasiou

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

"That, Mr. Peter Anastasiou, who was appointed to fill a casual vacancy position on the board and being eligible for election in accordance with Rule 13.1 of the Company's Constitution and for all other purposes, offers himself for election, be elected as a Director."

Further details in respect of Resolution 3 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 4 Approve the Issue of Shares to Grandlodge Pty Ltd or its Nominee

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

"That, for the purpose of ASX Listing Rule 7.1 and all other purposes, the issue of 546,875 Shares to Grandlodge Pty Ltd, as referred to in the Explanatory Memorandum, is approved."

Voting Exclusion Statement:

In accordance with the Corporations Act the Company will disregard any votes cast on this resolution by Grandlodge Pty Ltd or its nominee (if any) and any of its nominees' associates.

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

Further details in respect of Resolution 4 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 5 Issue of Unlisted Options to Directors

The Board of Immuron resolved, subject to shareholder approval, to issue a total collective pool of 6 million unlisted options as announced to the ASX on 6th August 2015. The options will be exercisable at \$0.50 per option which represents a 170% premium to the 5 day Volume Weighted Average Price (VWAP) for the 5 business days immediately preceding the 6th August 2015 when the issue was resolved and announced.

These options to be issued to the Directors of the Company, will expire 4 years from the date of their issuance.

These unlisted options are to be issued to the Directors in lieu of additional cash remuneration in recognition of the additional services which each director has performed which have been deemed far in excess of those services usual for Non-Executive Directors of a company with Immuron's positioning, together with additional services that will be required to be exerted over the coming 12 - 24 months.

NOTICE OF 2015 ANNUAL GENERAL MEETING

The Board believes that the proposed issuance of unlisted options provides a cost effective incentive-based form of remuneration for the Directors which aligns their interests and remuneration, to the achievement of operational milestones, share price appreciation and improved overall shareholder value. The full terms and conditions of the Unlisted Options are set out in the Annexure to this Explanatory Memorandum.

Resolution 5A Issue of Unlisted Options to Dr. Roger Aston

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

"THAT, for the purposes of ASX Listing Rule 10.11, shareholders approve the issue of 3,000,000 Unlisted Options in the Company to Dr. Roger Aston, a director of the Company, and/or his nominee, on the basis as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of Annual General Meeting."

Voting Exclusion and Restriction Statement:

The Company will, for the purposes of the ASX Listing Rule 14.11, disregard any votes cast on Resolution 5A by:

- persons who are to receive securities in relation to the Company; or
- an associate of those persons.

However, for the purposes of the ASX Listing Rules, the Company need not disregard a vote on Resolution 5A 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 Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with Section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment on any of Resolution 5A if:

- the proxy is either a member of the Company's KMP or a closely related party of a KMP; and
- the appointment does not specify the way the proxy is to vote on the resolutions.

However, for the purposes of Section 250BD of the Corporations Act, the above prohibition does not apply if:

- the proxy is the Chairman of the meeting; and
- the appointment expressly authorises the Chairman to exercise the proxy even if each of the resolutions is connected directly or indirectly with the remuneration of a KMP for the Company or if the Company is part of a consolidated entity, for the entity.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 6 of this Notice of Annual General Meeting.

Further details in respect of Resolution 5A are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 5B Issue of Unlisted Options to Mr. Peter Anastasiou

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

"THAT, for the purposes of ASX Listing Rule 10.11, shareholders approve the issue of 1,000,000 Unlisted Options in the Company to Mr. Peter Anastasiou, a director of the Company, and/or his nominee, on the basis as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of Annual General Meeting."

Voting Exclusion and Restriction Statement:

The Company will, for the purposes of the ASX Listing Rule 14.11, disregard any votes cast on Resolution 5B by:

- persons who are to receive securities in relation to the Company; or
- an associate of those persons.

However, for the purposes of the ASX Listing Rules, the Company need not disregard a vote on Resolution 5B 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 Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with Section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment on any of Resolution 5B if:

- the proxy is either a member of the Company's KMP or a closely related party of a KMP; and
- the appointment does not specify the way the proxy is to vote on the resolutions.

NOTICE OF 2015 ANNUAL GENERAL MEETING

However, for the purposes of Section 250BD of the Corporations Act, the above prohibition does not apply if:

- the proxy is the Chairman of the meeting; and
- the appointment expressly authorises the Chairman to exercise the proxy even if each of the resolutions is connected directly or indirectly with the remuneration of a KMP for the Company or if the Company is part of a consolidated entity, for the entity.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 6 of this Notice of Annual General Meeting.

Further details in respect of Resolution 5B are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 5C Issue of Unlisted Options Mr. Stephen Anastasiou

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

"THAT, for the purposes of ASX Listing Rule 10.11, shareholders approve the issue of 1,000,000 Unlisted Options in the Company to Mr. Stephen Anastasiou, a director of the Company, and/or his nominee, on the basis as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of Annual General Meeting."

Voting Exclusion and Restriction Statement:

The Company will, for the purposes of the ASX Listing Rule 14.11, disregard any votes cast on Resolution 5C by:

- persons who are to receive securities in relation to the Company; or
- an associate of those persons.

However, for the purposes of the ASX Listing Rules, the Company need not disregard a vote on Resolution 5C 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 Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with Section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment on any of Resolution 5C if:

- the proxy is either a member of the Company's KMP or a closely related party of a KMP; and
- the appointment does not specify the way the proxy is to vote on the resolutions.

However, for the purposes of Section 250BD of the Corporations Act, the above prohibition does not apply if:

- the proxy is the Chairman of the meeting; and
- the appointment expressly authorises the Chairman to exercise the proxy even if each of the resolutions is connected directly or indirectly with the remuneration of a KMP for the Company or if the Company is part of a consolidated entity, for the entity.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 6 of this Notice of Annual General Meeting.

Further details in respect of Resolution 5C are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

Resolution 5D Issue of Unlisted Options to Mr. Daniel Pollock

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

"THAT, for the purposes of ASX Listing Rule 10.11, shareholders approve the issue of 1,000,000 Unlisted Options in the Company to Mr. Daniel Pollock, a director of the Company, and/or his nominee, on the basis as set out in the Explanatory Memorandum which accompanies and forms part of the Notice of Annual General Meeting."

Voting Exclusion and Restriction Statement:

The Company will, for the purposes of the ASX Listing Rule 14.11, disregard any votes cast on Resolution 5D by:

- persons who are to receive securities in relation to the Company; or
- an associate of those persons.

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However, for the purposes of the ASX Listing Rules, the Company need not disregard a vote on Resolution 5D 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 Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with Section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment on any of Resolution 5D if:

- the proxy is either a member of the Company's KMP or a closely related party of a KMP; and
- the appointment does not specify the way the proxy is to vote on the resolutions.

However, for the purposes of Section 250BD of the Corporations Act, the above prohibition does not apply if:

- the proxy is the Chairman of the meeting; and
- the appointment expressly authorises the Chairman to exercise the proxy even if each of the resolutions is connected directly or indirectly with the remuneration of a KMP for the Company or if the Company is part of a consolidated entity, for the entity.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 6 of this Notice of Annual General Meeting.

Further details in respect of Resolution 5D are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

SPECIAL BUSINESS

Resolution 6 Approval of additional capacity to issue shares under ASX Listing Rule 7.1A

To consider and if thought fit, pass the following resolution as a special resolution:

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

Voting Exclusion Statement:

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on this Resolution by a person who may participate in the 10% placement issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons.

As at the date of this Notice of Meeting the Company has no specific plans to issue equity securities under the 10% placement issue and therefore it is not known who (if any) may participate in a potential (if any) issue of equity securities under the 10% placement issue.

However, the Company will not disregard a vote if:

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

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions on page 6 of this Notice of Annual General Meeting.

Further details in respect of Resolution 6 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

NOTICE OF 2015 ANNUAL GENERAL MEETING

1. Proxy Instructions

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder. Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded. A proxy may, but need not, be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the office of the Company's Company Secretaries on +61 (0)3 9822 7735 not less than 48 hours before 25th November 2015.

The proxy form must be signed by the Shareholder (or in the case of a joint holding, by each joint holder) 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.

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

The appointment of one or more duly appointed proxies will not preclude a Shareholder from attending this meeting and voting personally. If the Shareholder votes on a resolution, the proxy must not vote as the Shareholder's proxy on that resolution.

A proxy form is attached to this Notice.

2. Undirected Proxies

The Chairman of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions (this includes Resolution 1).

If you appoint the Chairman of the meeting as your proxy (or if he may be appointed by default), but you do not direct the Chairman how to vote in respect of Resolution 1 your election to appoint the Chairman as your proxy will be deemed to constitute an express authorisation by you directing the Chairman to vote your proxy in favour of all of Resolution 1 (unless you have exercised your right to direct the Chairman otherwise in respect of a particular Resolution by marking the 'against' or 'abstain' column in respect of any of the relevant resolutions).

This express authorisation acknowledges that the Chairman may vote your proxy even if he or she has an interest in the outcome of Resolution 1, even if the Resolutions are connected directly or indirectly with remuneration of a member of the KMP of the Company (or if the Company is part of a consolidated entity, for the entity) and accordingly your votes will be counted in calculating the required majority if a poll is called.

3. Corporate Representatives

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the constitution of the Company. Attorneys are requested to bring the original or a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required for corporate representatives and attorneys.

NOTICE OF 2015 ANNUAL GENERAL MEETING

4. Determination of Voting Entitlement

For the purpose of section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Board has determined that Shareholders entered on the Company's Register of Members as Monday 23rd November 2015 at 9.30am (Melbourne, Victorian, daylight saving time) are entitled to attend and vote at the meeting.

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

5. Questions and Comments by Shareholders at the Meeting

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, William Buck Audit (VIC) Pty Ltd. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to William Buck Audit (VIC) Pty Ltd if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2015. Relevant written questions for the external auditor must be received by the Company by no later than 9:30am AEDT on 18th November 2015. A representative of William Buck Audit (VIC) Pty Ltd will provide answers to the questions at the Meeting.

For and on behalf of the Board of Directors;



Peter Vaughan
Company Secretary
Immuron Limited

Dated: Friday, 23rd October 2015

NOTICE OF 2015 ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PURPOSE OF INFORMATION

This Explanatory Memorandum ("this Memorandum") accompanies and forms part of the Company's Notice of the 2015 Annual General Meeting ("AGM") to be held at Giorgios Restaurant Function Room, 1235 High Street, Armadale Victoria, 3143 on Wednesday 25th November 2015 at 9:30am (Melbourne, Victorian, daylight saving time).

The Notice of the 2015 Annual General Meeting incorporates, and should be read together with, this Memorandum.

ORDINARY BUSINESS

Resolution 1 Adoption of Remuneration Report

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2015.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of the vote on this resolution is advisory only and not binding on the Company or the Board.

The Corporations Act provides that members of the Key Management Personnel (as set out on page 16 of the Company's 2015 Annual Report, and is defined in the Corporation Act to include the Chairman) whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report.

However, Sections 250U to 250Y of Corporations Act provide for a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report must contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2016 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2015 Annual Report which can be viewed online at the Company's website, www.immuron.com.

As set out in the Notice of Annual General Meeting, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

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

NOTICE OF 2015 ANNUAL GENERAL MEETING

Resolution 2 Re-Election of Non-Executive Director – Mr. Daniel Pollock

Under clause 13.3 of the Constitution and ASX Listing Rule 14.4, no Director shall retain office for a period in excess of three years (or beyond the third annual general meeting) without submitting himself or herself for re-election. A Director who retires from office by rotation and is eligible for re-election may offer him or herself for re-election.

Accordingly, Daniel Pollock retires by rotation in accordance with clause 13.3 of the Constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election.

<i>Appointed to the Board</i>	11 October 2012
<i>Qualifications</i>	LL.B; Dip L.P
<i>Experience</i>	<p>Mr Pollock is a lawyer admitted in both Scotland and Australia and holding Practising Certificates in both Jurisdictions. He is a sole practitioner in his own legal firm based in Melbourne, Australia which operates internationally and specializes in commercial law.</p> <p>Mr Pollock is Chairman and Company Secretary of Amaero Pty Ltd, a company established to commercialise laser based additive manufacturing emerging from Monash University.</p> <p>He is also Executive Director and co-owner of Great Accommodation P/L a property management business operating in Victoria.</p> <p>Mr Pollock has had historical involvement as a seed investor and Board member of a number of small unlisted companies. The most recent of these was an e-Pharmacy company where he was heavily involved in its commercial growth and ultimate sale to a large listed health services company.</p>
<i>Committees</i>	Chairman and Member of the Company's Audit and Risk Committee; and Member of the Company's Remuneration Committee.

The Directors (with Mr. Daniel Pollock abstaining) recommend that you vote in favour of this Ordinary Resolution.

Resolution 3 Election of Director – Mr. Peter Anastasiou

Mr. Peter Anastasiou was appointed on 21st May 2015 to fill a casual vacancy on the Board, in accordance with the Company's Constitution. Mr. Peter Anastasiou will hold the office under his appointment until the next Annual General Meeting of shareholders and, being eligible, offers himself for election as a Director.

<i>Qualifications</i>	BSc (Hons), Grad. Dip MKTG, MBA
<i>Experience</i>	<p>Mr. Anastasiou has over 20 years' experience in general management, marketing and strategic planning within the healthcare industry.</p> <p>His breadth of experience incorporates medical diagnostics, pharmaceuticals, hospital, dental and OTC products, with companies including the international pharmaceutical company Bristol Myer Squibb.</p> <p>While working with KPMG Peat Marwick as a management consultant, Mr. Anastasiou has previously led project teams in a diverse range of market development and strategic planning projects in both the public and private sector. He is also a director and shareholder of a number of unlisted private companies, covering a variety of industry sectors that include healthcare and funds management.</p> <p>Mr. Anastasiou's companies have participated in several corporate transactions involving business units and brands of multinational and Australian companies</p>
<i>Committees</i>	Nil

The Directors (with Mr. Peter Anastasiou abstaining) recommend that you vote in favour of this Ordinary Resolution.

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Resolution 4 Approve the Issue of Shares to Grandlodge Pty Ltd or its Nominee

In June 2013, the Company entered into a services agreement with Grandlodge Pty Ltd (Grandlodge) for the provision of management, sales and marketing services by Grandlodge to the Company (Services Agreement).

Pursuant to the Services Agreement, Resolution 4 seeks Shareholder approval for the issue of 546,875 Shares at an issue price \$0.16 per Share to Grandlodge as consideration for \$87,500 in fees payable from 1 September 2014 to 31 December 2015. The issue price of \$0.16 per Share was agreed in June 2013, when the Company's share price was trading below \$0.016 (as quoted on ASX), as an incentive based fee structure. The Company agreed to issue Shares as consideration for fees in order to reduce the Company's cash expenditure. Shareholder approval is sought for the purposes of ASX Listing Rule 7.1 and all other purposes. The issue of the Shares will increase Grandlodge holding in the Company by 0.07%, from 13.47% to 13.54%.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 prohibits the Company from issuing or agreeing to issue more than 15% of its issued equity securities in any rolling 12 month period without prior Shareholder approval, unless one of the exceptions in ASX Listing Rule 7.2 applies. Obtaining prior Shareholder approval is one of the exceptions in ASX Listing Rule 7.2.

If Resolution 4 is approved, the 546,875 Shares issued may be treated by the Company as having been made with approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities without the Shares subject of Resolution 4 counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1

Information required by ASX Listing Rule 7.3

The following information is provided in compliance with ASX Listing Rule 7.3:

- a) ASX Listing Rule 7.3.1: Maximum number of securities to be issued
546,875 fully paid ordinary Shares on a pre-consolidation basis
- b) ASX Listing Rule 7.3.2: Date by which the securities are to be issued
If Shareholders approve Resolution 4, the issue and allotment of shares to Grandlodge and/or its nominee will occur no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- c) ASX Listing Rule 7.3.3: Issue price of securities
Shares will be issue at an issue price of \$0.16 per Share
- d) ASX Listing Rule 7.3.4: Name of allottees or basis on which allottees are determined
546,875 ordinary fully paid Shares will be issued to Grandlodge Pty Ltd and/or its nominees
- e) ASX Listing Rule 7.3.5: Terms of securities
The Shares rank equally in all respects with existing quoted Shares
- f) ASX Listing Rule 7.3.6: The intended use of the funds raised
No funds will be raised from the issue of these Shares. However, these Shares will be issued to satisfy fees to Grandlodge incurred by the Company which would otherwise be payable in cash.
- g) ASX Listing Rule 7.3.7: Dates of allotment
If shareholders approve Resolution 4, the issue and allotment of Shares to Grandlodge and/or its nominee will occur no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- h) ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice.

The Directors (with Mr. Peter Anastasiou abstaining) recommend that you vote in favour of this Ordinary Resolution.

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Resolution 5 Issue of Unlisted Options to Directors

The Board of Immuron resolved, subject to shareholder approval, to issue a total collective pool of 6 million Unlisted Options as announced to the ASX on 6th August 2015. The Unlisted Options will be exercisable at \$0.50 per option, which represents a 170% premium to the 5 day Volume Weighted Average Price (VWAP) for the 5 business days immediately preceding the 6th August 2015 when the issue was resolved and announced.

These Unlisted Options to be issued to the Directors of the Company, will expire 4 years from the date of their issuance.

These unlisted options are to be issued to the Directors in lieu of additional cash remuneration in recognition of the additional services which each director has performed which have been deemed far in excess of those services usual for Non-Executive Directors of a company with Immuron's positioning, together with additional services that will be required to be exerted over the coming 12 - 24 months.

Immuron Chairman Dr Roger Aston will receive a total of 3,000,000 Unlisted Options, 2,000,000 of which will vest on 6 August 2016 (subject to a continuous period of 12 months of service as Chairman of the Company up to and including that date), with the remaining 1,000,000 Unlisted Options vesting on 6th August 2017 (subject to completion of 24 months continuous service as Chairman of the Company up to and including that date). For each of the other directors, the 1,000,000 Unlisted Options they will each receive will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date).

The Board believes that the proposed issuance of Unlisted Options provides a cost effective incentive-based form of remuneration for the Directors which aligns their interests and remuneration, to the achievement of operational milestones, share price appreciation and improved overall shareholder value.

Resolution 5A Issue of Unlisted Options to Dr. Roger Aston

ASX Listing Rule 10.11 requires a company to obtain approval of shareholders to issue securities to a related party of the Company. A related party includes a director of the Company. Resolution 5A is proposed to obtain shareholder approval for the total issue of 3,000,000 Unlisted Options exercisable at \$0.50 per option, exercisable within 4 years from the date of their issuance.

- 2,000,000 Unlisted Options, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date) ; and
- 1,000,000 Unlisted Options, which will vest on 6th August 2017 (subject to completion of 24 months continuous service as a Director of the Company up to and including that date),

to Dr. Roger Aston, and/or his nominee(s).

These Options are to be issued to Dr Roger Aston, and/or his nominees, as remuneration in recognition of the additional special exertion services performed since being appointed, which were far over and above those services deemed usual for a director of a company with Immuron's positioning, together with additional services that will be required to be exerted over the coming 3 years. These options are to be issued in lieu of additional cash remuneration.

The following information is provided in accordance with the requirements of ASX Listing Rule 10.13:

- (a) Total issue of 3,000,000 Unlisted Options exercisable at \$0.50 per Option, exercisable within 4 years from the date of their issuance:
 - 2,000,000 Unlisted Options, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date); and
 - 1,000,000 Unlisted Options, which will vest on 6th August 2017 (subject to completion of 24 months continuous service as a Director of the Company up to and including that date);
- (b) the Options will be issued to Dr. Roger Aston and/or his nominee;

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- (c) the Options will be issued no later than one (1) month after the date of the meeting; and
- (d) no funds will be raised by the issue of the Options the subject of Resolution 5A.

ASX Listing Rule 7.1 requires the prior approval of shareholders in General Meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12 month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

As the securities form part of the directors' remuneration, it is not necessary to seek approval under Chapter 2E of the *Corporations Act* to issue the shares in Resolution 5A.

The Directors (with Dr. Roger Aston abstaining) recommend that you vote in favour of this Ordinary Resolution.

Resolution 5B Issue of Unlisted Options to Mr. Peter Anastasiou

ASX Listing Rule 10.11 requires a company to obtain approval of shareholders to issue securities to a related party of the Company. A related party includes a director of the Company. Resolution 5B is proposed to obtain shareholder approval for the total issue of 1,000,000 Unlisted Options exercisable at \$0.50 per option, exercisable within 4 years from the date of their issuance, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date), to Mr. Peter Anastasiou, and/or his nominees.

These Options are to be issued to Mr. Peter Anastasiou, and/or his nominees, as remuneration in recognition of the additional special exertion services performed since being appointed, which were far over and above those services deemed usual for a director of a company with Immuron's positioning, together with additional services that will be required to be exerted over the coming 3 years. These options are to be issued in lieu of additional cash remuneration.

The following information is provided in accordance with the requirements of ASX Listing Rule 10.13:

- (a) Total issue of 1,000,000 Unlisted Options will be exercisable at \$0.50 per option, exercisable within 4 years from the date of their issuance, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date);
- (b) the Options will be issued to Mr. Peter Anastasiou and/or his nominee(s);
- (c) the Options will be issued no later than one (1) month after the date of the meeting; and
- (d) no funds will be raised by the issue of the Options the subject of Resolution 5B.

ASX Listing Rule 7.1 requires the prior approval of shareholders in General Meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12 month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

As the securities form part of the directors' remuneration, it is not necessary to seek approval under Chapter 2E of the *Corporations Act* to issue the shares in Resolution 5B.

The Directors (with Mr. Peter Anastasiou abstaining) recommend that you vote in favour of this Ordinary Resolution.

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Resolution 5C Issue of Unlisted Options to Mr. Stephen Anastasiou

ASX Listing Rule 10.11 requires a company to obtain approval of shareholders to issue securities to a related party of the Company. A related party includes a director of the Company. Resolution 5C is proposed to obtain shareholder approval for the total issue of 1,000,000 Unlisted Options exercisable at \$0.50 per option, exercisable within 4 years from the date of their issuance, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date), to Mr. Stephen Anastasiou, and/or his nominee(s).

These Options are to be issued to Mr. Stephen Anastasiou, and/or his nominee(s), as remuneration in recognition of the additional special exertion services performed since being appointed, which were far over and above those services deemed usual for a director of a company with Immuron’s positioning, together with additional services that will be required to be exerted over the coming 3 years. These options are to be issued in lieu of additional cash remuneration.

The following information is provided in accordance with the requirements of ASX Listing Rule 10.13:

- (a) Total issue of 1,000,000 Unlisted Options will be exercisable at \$0.50 per option, exercisable within 4 years from the date of their issuance, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date);
- (b) the Options will be issued to Mr. Stephen Anastasiou and/or his nominee;
- (c) the Options will be issued no later than one (1) month after the date of the meeting; and
- (d) no funds will be raised by the issue of the Options the subject of Resolution 5C.

ASX Listing Rule 7.1 requires the prior approval of shareholders in General Meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12 month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

As the securities form part of the directors' remuneration, it is not necessary to seek approval under Chapter 2E of the *Corporations Act* to issue the shares in Resolution 5C.

The Directors (with Mr. Stephen Anastasiou abstaining) recommend that you vote in favour of this Ordinary Resolution.

Resolution 5D Issue of options to Mr. Daniel Pollock

ASX Listing Rule 10.11 requires a company to obtain approval of shareholders to issue securities to a related party of the Company. A related party includes a director of the Company. Resolution 5D is proposed to obtain shareholder approval for the total issue of 1,000,000 Unlisted Options exercisable at \$0.50 per option, within 4 years from the date of their issuance, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date), to Mr. Daniel Pollock, and/or his nominee(s).

These Options are to be issued to Mr. Daniel Pollock, and/or his nominees, as remuneration in recognition of the additional special exertion services performed since being appointed, which were far over and above those services deemed usual for a director of a company with Immuron’s positioning, together with additional services that will be required to be exerted over the coming 3 years. These options are to be issued in lieu of additional cash remuneration.

The following information is provided in accordance with the requirements of ASX Listing Rule 10.13:

- (a) Total issue of 1,000,000 Unlisted Options will be exercisable at \$0.50 per option, exercisable within 4 years from the date of their issuance, which will vest on 6th August 2016 (subject to completion of 12 months continuous service as a Director of the Company up to and including that date);

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- (b) the Options will be issued to Mr. Daniel Pollock and/or his nominee;
- (c) the Options will be issued no later than one (1) month after the date of the meeting; and
- (d) no funds will be raised by the issue of the Options the subject of Resolution 5D.

ASX Listing Rule 7.1 requires the prior approval of shareholders in General Meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12 month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

As the securities form part of the directors' remuneration, it is not necessary to seek approval under Chapter 2E of the *Corporations Act* to issue the shares in Resolution 5D.

The Directors (with Mr. Daniel Pollock abstaining) recommend that you vote in favour of this Ordinary Resolution.

SPECIAL BUSINESS

Resolution 6 Approval of additional capacity to issue Shares under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A

In 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over the 12 month period commencing after the annual general meeting at which the additional approval is obtained (Additional Placement Capacity). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' 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' for the purpose of ASX Listing Rule 7.1A. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. Therefore, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 10% of the Company's issued share capital pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1. If the Additional Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company's issued capital pursuant to ASX Listing Rule 7.1.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

Formula for calculating 10% Placement Facility

ASX 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 x D) – E

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

- a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;
- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

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- d) less the number of fully paid shares cancelled in the 12 months.
- e) Note that A is has the same meaning in ASX 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 ASX 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 ASX Listing Rule 7.1 or 7.4.

ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company. The Company has the following classes of quoted equity securities as at the date of this Notice of Meeting;

- Ordinary fully paid shares ASX code IMC

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- Friday, 25th November 2016; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2 or such longer period if allowed by the ASX.

Any approval of the Additional Placement Capacity at this Meeting will cease to be valid if and from the date that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new assets or the settlement of obligations (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for working capital, to fund product research, development and commercialisation programs or for the acquisition of new assets.

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

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The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

The Directors have not decided if they will issue any securities under the Additional Placement Capacity and so allottees under the Additional Placement Capacity have not yet been determined. If Directors decide to issue securities under the Additional Placement Capacity, allottees may include existing Shareholders, existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Table 1 shows the dilution of 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 ASX Listing Rule 7.1A(2).

The table also shows:

- 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
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Table 1

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.2325 50% decrease in Issue Price	\$0.465 Issue Price (current price)	\$0.930 100% increase in Issue Price
Variable A 75,832,732 Shares	10% Voting Dilution	75,832,732 Shares	75,832,732 Shares	75,832,732 Shares
	Funds Raised	\$17,631,110	\$35,262,220	\$70,524,441
50% increase in Variable A 113,749,098 Shares	10% Voting Dilution	113,749,098 Shares	113,749,098 Shares	113,749,098 Shares
	Funds Raised	\$26,446,665	\$52,893,331	\$105,786,661
100% increase in Variable A 151,665,464 Shares	10% Voting Dilution	151,665,464 Shares	151,665,464 Shares	151,665,464 Shares
	Funds Raised	\$35,262,220	\$70,524,441	\$141,048,882

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Table 1 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue as at 11:30am on Wednesday, 21st October 2015.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only shares.
- The issue price of \$0.465 was the closing price of Shares as traded on ASX as at 11:30am on Wednesday, 21st October 2015. This price may fluctuate between the time of preparing this Notice and the date of the Meeting.
- The above table does **not** include the shares which are to be issued as per Resolution 4 and 5.

The Company has previously obtained approval for the Additional Placement Capacity at its 2014 Annual General Meeting. In the 12 months prior to this 2015 Annual General Meeting, the Company has issued (including issues with prior shareholder approval) 941,416 Shares representing 1.26% of Shares on issue 12 months prior to this Meeting (i.e. since 13 November 2014).

The information in the below table is provided in accordance with ASX Listing Rule 7.3A.6 (b):

Date of Issue	Ordinary Shares (ASX:IMC)	Issue Price	Closing Price on day of issue	% Discount / Premium of Issue Price to Closing Price on date of Issue	Issued to / basis of issue	Consideration
21 Nov 14	72,916	Nil	\$0.24	N/A	As per Resolution 3 approved by shareholders at the Annual General Meeting of the company held on Thursday, 13 th November 2014.	Nil
18 Sep 15	218,750	\$0.376	\$0.46	18.26%	Exercise of IMCAI Unlisted Options	\$82,250
30 Sep 15	93,750	\$0.376	\$0.45	16.45%	Exercise of IMCAI Unlisted Options	\$35,250
19 Oct 15	556,000	\$0.376	\$0.56	32.86%	Exercise of IMCAI Unlisted Options	\$209,056

NOTE: Immuron completed 40:1 consolidation on 20th November 2014.

Directors Recommendation

The Directors believe that Resolution 6 is in the best interest of the Company and unanimously recommend that Shareholder vote in favour of this Resolution 6.

A voting inclusion statement is included in this Notice. In accordance with ASX Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

GLOSSARY

In the Notice of Meeting and Explanatory Memorandum the following terms have the following meanings:

AEDT means Australian Eastern Daylight Savings Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the listing rules of ASX.

Board means the board of directors of the Company.

Company or **Immuron** means Immuron Limited (ACN 063 114 045).

Constitution means the Company's constitution.

Corporations Act means Corporations Act 2001 (Cth).

Director means a current director of the Company.

Explanatory Memorandum means the explanatory memorandum to this Notice of Meeting.

Meeting means the 2015 Annual General Meeting of the Shareholders of the Company to be held at 9:30am on Wednesday, 25th November 2015, to which the Notice of Meeting and Explanatory Memorandum relate.

Notice or **Notice of Meeting** means this notice of meeting of the Company Wednesday 21st October 2015.

Resolution means a resolution referred to in the Notice.

Option means an option to acquire a Share

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

Shareholder means a holder of Shares.

Unlisted Option means an Option on the terms and conditions set out in the Annexure to the Explanatory Statement.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.

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ANNEXURE – TERMS AND CONDITIONS OF THE UNLISTED OPTIONS

1. Entitlement

Each Unlisted Option (**Option**) entitles the holder to subscribe for one Share upon exercise of each Option.

2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.50 (**Exercise Price**) per Option and an expiry date of the earlier of:

- (a) Exercisable within 4 years from the date of their issuance
- (b) the date on which the applicable Optionholder specified in the table in item 3 below ceases to hold the office of Chairman or Director of the Company (as applicable), (**Expiry Date**).

The Options will expire on the Expiry Date, and thereafter no party has any claim against any other party arising under or in respect of the Options.

3. Vesting Date

The Options will have the Vesting Dates as set out in the table below.

Optionholder Name	Number of Options	Vesting Date
Dr. Roger Aston	2,000,000	6 th August 2016 (subject to the Optionholder having served continuously as Chairman of the Company during the 12 month period up to and including that date)
	1,000,000	6 th August 2017 (subject to the Optionholder having served continuously as Chairman of the Company during the 24 month period up to and including date)
Mr. Peter Anastasiou	1,000,000	6 th August 2016 (subject to the Optionholder having served continuously as a Director of the Company during the 12 month period up to and including that date)
Mr. Stephen Anastasiou	1,000,000	6 th August 2016 (subject to the Optionholder having served continuously as a Director of the Company during the 12 month period up to and including that date)
Mr Daniel Pollock	1,000,000	6 th August 2016 (subject to the Optionholder having served continuously as a Director of the Company during the 12 month period up to and including that date)

4. Exercise Period

The Options are exercisable at any time after the Vesting Date in item 3 above and on or prior to the Expiry Date.

5. Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised or, an election to use the Cashless Exercise Facility (as defined below) in respect of each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

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6. Cashless Exercise Facility

- (a) The holder of Options may, subject to item 6(c) below, elect to pay the Exercise Price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off.
- (b) If a holder elects to use the Cashless Exercise Facility, the holder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = O \times \frac{(MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options

O = Number of Options

MSP = Market value of the Shares (calculated using the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the exercise date)

EP = Option exercise price

- (c) If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with item 6(b)) is zero or negative, then a holder will not be entitled to use the Cashless Exercise Facility.

7. Shares issued on exercise

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

8. Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

9. Timing of issue of Shares

After an Option is validly exercised, the Company must, as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share; and
- (b) do all such acts matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Share.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the

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Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

11. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

13. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

14. Options not quoted

No application for quotation of the Options will be made by the Company.

15. Options not transferable

Options are not transferable unless they are Vested Options and only with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

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16. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.