



GENERA BIOSYSTEMS LIMITED
ABN 69 098 663 837

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 24 November 2016

Time of Meeting:
11.30AM (AEDST)

Place of Meeting:
**The offices of Grant Thornton
Rialto – North Tower
Level 30
525 Collins Street
Melbourne Victoria, 3000**

*This Notice of Annual General Meeting and Explanatory Statement 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 advisor without delay*

GENERA BIOSYSTEMS LIMITED

ABN 69 098 663 837

Registered office: Small Technologies Cluster, 1 Dalmore Drive, Scoresby, Victoria, 3179

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Genera Biosystems Limited (the "Company") will be held at the offices of Grant Thornton, Level 30, 525 Collins Street, Melbourne, Victoria at 11.30am (AEDST) on Thursday, 24 November 2016.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2016.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2016 be adopted."

Resolution 2: Re-election of Dr Karl Poetter as a Director of the Company

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

"That Dr Karl Poetter, being a director who retires pursuant to the Constitution of the Company and being eligible for re-election offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 3: Re-election of Mr James Kalokerinos as a Director of the Company

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

"That Mr James Kalokerinos, being a director who retires pursuant to the Constitution of the Company and being eligible for re-election offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 4: Approval to Issue Options

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

"That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the shareholders approve the issue of up to 3,916,667 Options to financiers of the Company's Mezzanine Loan Financing Facility, as described in the Explanatory Statement accompanying this Notice of Meeting."

Resolution 5: Approval to Issue Options to Mr Richard Hannebery (or his nominee)

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

“That pursuant to and in accordance with the ASX Listing Rule 10.11, the Corporations Act 2001 and all other purposes, approval be given to issue 250,000 Options to Mr Richard Hannebery (an Executive Director of the Company) or his nominee, in accordance with the Company’s Mezzanine Loan Financing Facility, as described in the Explanatory Statement accompanying this Notice of Meeting.”

Resolution 6: Approval to Grant Performance Rights to the Chief Executive Officer – Mr Richard Hannebery

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

“That pursuant to and in accordance with the ASX Listing Rule 10.14 and all other purposes, approval be given to grant up to 1,000,000 Performance Rights (being a right to acquire up to 1,000,000 fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) for no consideration to the Company’s Chief Executive Officer, Mr Richard Hannebery, or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting”

SPECIAL BUSINESS

Resolution 7: Approval of 10% Placement Facility

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

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

BY ORDER OF THE BOARD



Melanie Leydin
Company Secretary
21 October 2016

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Computershare Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 11.30am (AEDST) Melbourne time on 22 November 2016. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2

There are no voting exclusions on this resolution.

Resolution 3

There are no voting exclusions on this resolution.

Resolution 4 and 5

The Company will disregard any votes cast on Resolution 4 and 5 by a person who may participate in the relevant proposed issue or an associate of a person who may participate in the proposed issue and by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the relevant resolution is passed. However the Company need not disregard a vote if:

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

Resolution 6

The Company will disregard any votes cast on the subject resolution by Mr Richard Hannebery and/or his associates. However the Company need not disregard a vote if:

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

Resolution 7

The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9763 1287 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2016 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9763 1287, and you may request that this occurs on a standing basis for future years. Alternatively you may access the annual report at the Company's website: www.generabiosystems.com or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Section 250R(3) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2016 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings 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 go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Directors Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

Voting Exclusions

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of Dr Karl Poetter as a Director of the Company

In accordance with ASX Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, Directors must retire after the third Annual General Meeting since they were last elected. Further, in accordance with the Company's

Constitution, at the close of each Annual General Meeting one-third of the Directors, or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire. The Directors to retire by rotation at the Annual General Meeting are those Directors who have been longest in office since their last election. The Managing Director is not subject to retirement by rotation and is, together with any Directors appointed during the year, not taken into account in determining the rotation of retirement of Directors. Dr Karl Poetter being eligible, offers himself for re-election.

Dr Poetter received his Ph.D. in Molecular Genetics in 1989 from The Ohio State University in the United States. His research accomplishments include genomic mapping as well as identification of novel human disease genes. Dr Poetter is the creator of the SiFT® technology and has led the development of the surface chemistry component of the AmpaSand® Beads, as well as the Molecular Biology based applications of the AmpaSand Beads. He is also the co-inventor of Genera's QSand® technology, along with Paul Mulvaney, a Federation Fellow scholar at the University of Melbourne. He is currently an author on 25 international peer-reviewed publications and is a named inventor on 4 international patents.

Directors Recommendations

In respect of Resolution 2, the Directors (excluding Dr Poetter) recommend that shareholders vote in favour of the Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of Dr Poetter's re-election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3: Re-election of Mr James Kalokerinos as a Director of the Company

In accordance with ASX Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, Directors must retire after the third Annual General Meeting since they were last elected. Further, in accordance with the Company's Constitution, at the close of each Annual General Meeting one-third of the Directors, or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire. The Directors to retire by rotation at the Annual General Meeting are those Directors who have been longest in office since their last election. The Managing Director is not subject to retirement by rotation and is, together with any Directors appointed during the year, not taken into account in determining the rotation of retirement of Directors. Mr James Kalokerinos being eligible, offers himself for re-election.

Mr Kalokerinos has over thirty years' experience in business development and sales and marketing, for scientific distribution, in-vitro diagnostics and medical devices companies. He has held both domestic and international board and senior management positions and has extensive experience in growing companies from a zero market presence both in Australia and Internationally. In Australia Mr Kalokerinos was a co-founder of three companies – Techlab Enterprises, Pacific Diagnostics (sold to Baxter International, a Fortune 500 company), and Panbio Ltd (ASX: PBO, sold to NASDAQ listed Inverness Medical Innovations). He has been involved in company merger and acquisitions and various capital raisings including an IPO with Panbio. He presently serves on five company boards involved in manufacturing, in-vitro diagnostics, retail, and horticulture. Mr Kalokerinos holds a BSc and BEcon and is a Fellow of the Australian Institute of Company Directors.

Directors Recommendations

In respect of Resolution 3, the Directors (excluding Mr Kalokerinos) recommend that shareholders vote in favour of the Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Kalokerinos' re-election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 4: Approval to Issue Options

During the previous year, the Company has entered into Loan Agreements with financiers in relation to a Mezzanine Loan Finance Facility (**Facility**), with a total of \$1 million lent to the Company. In accordance with the terms of the Facility, a total of up to 4,167,667 call options with an expiry date of 30 December 2016 and an exercise price of \$0.30 per option were entitled to be issued.

ASX Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued

in that 12 month period under an exception contained in ASX Listing Rule 7.2 or with shareholders' approval. The information for shareholders required by the ASX Listing Rules is:

- (a) the total number of securities which may be issued under Resolution 4 is a maximum of 3,916,667;
- (b) the recipients of the options will be the financiers of the Mezzanine Loan Financing Facility during the year (or their nominees);
- (c) no securities pursuant to Resolution 4 will be issued to Directors of the Company or their associates;
- (d) the Options will be issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the issue will occur on one date;
- (e) the unlisted options are exercisable at \$0.30 (30 cents) on or before 30 December 2016 and apply the terms as set out in Annexure B, Shares issued upon exercise of the options will rank equally with the existing Shares on issue;
- (f) the unlisted options will be issued for a nil consideration and no funds will be raised from their issue however any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise;
- (g) a voting exclusion statement is included in the Notice of General Meeting of which this Explanatory Statement forms part and is set out again below.

Board Recommendation

The Board unanimously recommends that the shareholders vote in favour of Resolution 4.

Voting Exclusions

The Company will disregard any votes cast on Resolution 4 by a person who may participate in the proposed issue or an associate of a person who may participate in the proposed issue and by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However the Company need not disregard a vote if:

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

Resolution 5: Approval to Issue Options to Mr Richard Hannebery (or his nominee)

Further to Resolution 4, it is noted that Mr Richard Hannebery, an Executive Director of the Company, participated in the Mezzanine Loan Financing Facility (**Facility**) and is entitled to receive a total of 250,000 call options in accordance with the Facility terms.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including Options) to a related party of the Company.

If Resolutions 5 is passed, Options will be granted to a Director of the Company, who is a related party of the Company. Accordingly, approval for the grant of these Options is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to the named Directors and Company Secretary as approval is being obtained under ASX Listing Rule 10.11. Accordingly, Shareholders should note that the grant of options and subsequent conversion into fully paid ordinary shares to the Directors will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5:

- (a) the related party is Mr Richard Hannebery and is a related party by virtue of being a Director of the Company;
- (b) the maximum number of Options to be issued by the Company is 250,000 Options;

- (c) the unlisted options are exercisable at \$0.30 (30 cents) on or before 30 December 2016 and apply the terms as set out in Annexure B, Shares issued upon exercise of the options will rank equally with the existing Shares on issue;
- (d) the Options will be issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the issue will occur on one date;
- (e) the Options will be issued for nil cash consideration, accordingly no funds will be raised from the issue of the Options. However, cash will be payable at the time when the Options are exercised with the proceeds being raised from these conversions being utilised to fund working capital requirements;
- (f) the Options will be issued on and subject to the terms described above and in Annexure A.

Board Recommendation

The Board, with Mr Hannebery abstaining, unanimously recommends that the shareholders vote in favour of Resolution 5.

Voting Exclusions

The Company will disregard any votes cast on Resolution 5 by a person who may participate in the proposed issue or an associate of a person who may participate in the proposed issue and by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However the Company need not disregard a vote if:

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

Resolution 6: Approval to Grant Performance Rights to the Chief Executive Officer – Mr Richard Hannebery

Background

Resolutions 6 of this Notice provide for 1,000,000 Performance Rights to be granted to the Chief Executive Officer and Executive Director of the Company, Mr Richard Hannebery (or his nominee) on the terms described below.

Performance Rights are proposed to be granted to Mr Hannebery (or his nominee) to align his interests with the interests of Shareholders. The grant of the Performance Rights (and the subsequent issue of Shares if certain vesting conditions are met) to Mr Hannebery (or his nominee) is a cost effective form of remuneration when compared to the payment of cash consideration.

It should also be noted that the rights will only vest upon achievement of certain performance hurdles as detailed below.

The establishment of an effective performance management system is critical for the Company at this time to ensure that the Company complies with all of its obligations whilst maintaining a focus on future growth opportunities. A key role of the benefactors of this program is to ensure that this objective is achieved. It should be recognised that the achievement of these objectives will be to the benefit of all shareholders, and the conversion of the performance rights can only occur if these benefits are realised.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate Mr Hannebery (or his nominee) in line with current market practices, Performance Rights provide an appropriate and meaningful remuneration component to Directors that is aligned with Shareholder interests.

Terms of Performance Rights

Resolution 6 of this Notice provides for a total of 1,000,000 Performance Rights are to be granted to Mr Hannebery (or his nominee). The Performance Rights will be issued to Mr Hannebery for nil consideration. The vesting of the Performance Rights is contingent on the Company and Mr Richard Hannebery achieving hurdles over the performance period (**Performance Hurdles**). Further details on how Performance Hurdles are calculated are described below.

The full terms of the Performance Rights are set out in Annexure A of this Explanatory Statement.

Mr Richard Hannebery Remuneration Package

Mr Hannebery was appointed as Chief Executive Officer on 15 October 2014. As announced on 23 October 2014, his remuneration package on commencement as CEO of the Company comprises:

- a fixed component of \$180,000 per annum reviewable annually;
- the opportunity to earn an annual short term incentive bonus based on achievement of key performance indicators at the discretion of the Board; and
- an entitlement to receive Performance Rights, subject to shareholder approval.

Approval is being sought in Resolution 6 in respect of the proposed grant of Performance Rights to Mr Hannebery under the Performance Rights Plan as a component of his overall executive remuneration package put in place on his appointment as CEO.

Performance Rights offered

Performance Offered	Rights	Performance Period	Vesting Date
1,000,000		15 October 2016 to 15 December 2017	31 December 2017

The maximum number of Performance Rights that can be granted to Mr Hannebery is 1,000,000.

The Shares issued to Mr Hannebery upon vesting of the Rights will be issued subject to a holding lock (so that they cannot be transferred) for a period of 7 months from the Vesting Date. The Shares may be released from the holding lock early if certain events occur which are outside of Mr Hannebery's control (i.e. if a change of control occurs in respect of the Company). Further, if Mr Hannebery ceases to be employed by the Company, the Shares will be released from the holding lock.

50% of the Rights vesting will be conditional upon the achievement of KPIs (described below) and 50% of Rights vesting will be subject to a total shareholder return (TSR) performance measure. This performance measure tests the TSR of Genera over the period to December 2017 compared to the TSR of the S&P ASX Small Ordinaries Accumulation Index (Index). TSR is expressed as an annualised percentage.

TSR has been selected as a performance measure as it is directly linked to Shareholder returns. The Board recognises that Shareholders in biotechnology companies expect a return in excess of the Index, and have determined that an additional return of 25% above the Index return represents a realistic but stretch target, and is the level at which full vesting of the relevant Rights will occur.

The Rights are conditional upon Mr Hannebery still being employed by the Company at the applicable Vesting Date. All or part of the Rights may vest earlier, at the Board's discretion, if certain events occur which are outside of Mr Hannebery's control (i.e. if a change of control occurs in respect of the Company).

Conversion of Performance Rights into Shares

The Company is required to issue, or procure the transfer of, Shares to Mr Hannebery in respect of Performance Rights for nil cash consideration on:

- (a) the satisfaction of the Performance Hurdles (to the extent of the satisfaction of those hurdles) for the relevant Performance Period (Performance Date) provided that in the absence of special circumstances Mr Hannebery remains employed by the Company; or
- (b) the occurrence of an Accelerated Event (more detail on the meaning of an Accelerated Event is provided below),

Performance Hurdles

Subject to an Accelerated Event, the Performance Rights will not vest unless the Performance Hurdles have been achieved by the Performance Date.

If the Performance Hurdles are not satisfied by the Performance Date the entitlement to Shares will lapse unless:

- (a) the Board decide exceptional circumstances justify the reduction or waiver in whole or in part of the Performance Hurdles; or
- (b) an Accelerated Event occurs.

There is no ability to re-test whether or not the Performance Hurdles have been satisfied after the Performance Period has ended.

The vesting of Rights are dependent upon which KPI's set by the Board have been achieved over the relevant Performance Period.

The KPIs are as follows:

- a) To diligently advance the Company's Strategic Commercial Collaboration with Beckman Coulter (BEC LS) and subsequent commercialisation of Genera's AmpaSand MDx platform on the chosen BEC instrumentation platform(s);
- b) To diligently advance other commercial partner discussions including but not limited to distribution agreements of AmpaSand based tests in jurisdictions outside of Australia and NZ;
- c) To complete the Wolfson Institute Predictors 3/4 PapType HPV screening study with the Beckman Coulter CytoFLEX and any additional screening studies required to best position PapType for a screening indication (Meijer compliant) approval by MSAC and successfully submit an application for PapType for inclusion on the Medicare Benefits Schedule;
- d) To diligently pursue commercial supply agreements for AmpaSand based tests with pathology customers in Australia and NZ;
- e) To diligently pursue, negotiate and execute a global licensing agreement (excluding certain jurisdictions) with a well credentialed multinational IVD company that can deliver substantial revenues to Genera in a profitable manner;
- f) To fully support Genera's commercial partner's product launches of AmpaSand based tests through validation, certification and pre-launch activities;
- g) To manage existing partnerships and execute further commercial arrangements to build Shareholder value in respect to the commercialisation of the AmpaSand MDx platform; and
- h) To manage the Company's capital and finances in a prudent manner and secure appropriate personnel to execute the Company's plans.

The KPIs selected relate to key value creating events and significant milestones. The KPIs include performance metrics, however due to their commercially sensitive nature, the Company intends to provide further details related to the performance metrics in the annual report following the relevant Performance Period. There is an element of discretion retained by the Board related to these performance metrics as the path to commercialisation with some projects may be varied depending on progress over time.

In addition to the Performance Period and Performance Hurdles, the vesting of Performance Rights is subject to the continuing employment of Mr Hannebery. Subject to an Accelerated Event, Performance Rights will generally lapse on Mr Hannebery resignation or dismissal.

If an Accelerated Event occurs, all Performance Rights granted will automatically vest into Shares, irrespective of whether Performance Hurdles have been achieved.

To the extent that Performance Hurdles have not been satisfied in respect of a Performance Right, and an Accelerated Event has not occurred, once a Performance Period expires, that Performance Right lapses.

Accelerated Event

Performance Rights granted under the Performance Rights Plan will convert to Shares if an Accelerated Event has occurred. For the avoidance of doubt, if an Accelerated Event occurs, the Performance Hurdles and the associated Performance Period do not apply to any of the Performance Rights granted under the Performance Rights Plan to an Executive Officer.

An 'Accelerated Event' means:

- (a) the Company becoming aware of a change of control of the Company occurring;
- (b) a compromise or arrangement is approved by the Court under the Corporations Act in connection with a scheme for the acquisition, reorganisation or merger of the Company;
- (c) the Company is delisted from ASX;
- (d) a resolution is passed to wind up the Company; or (e) only in respect of the relevant Executive Officer, a special circumstance occurs (Special Circumstance). Special Circumstance means with respect to an Executive Officer:
 - (i) Total and permanent disablement;
 - (ii) Redundancy;
 - (iii) the death of the Executive Officer during his or her employment or office with the Company; or
 - (iv) any other circumstance as the Remuneration & Nomination Committee may at any time determine from time to time.

Legal Requirements - Listing Rule 10.14

Listing Rule 10.14 provides that a company must not permit a Director or their associates to acquire securities under an employee incentive scheme without shareholder approval. The Performance Rights Plan constitutes an 'employee incentive scheme' under the ASX Listing Rules.

Disclosures for the purposes of Listing Rule 10.14

It is proposed that Mr Richard Hannebery, will participate in the Performance Rights Plan by being granted an award of Performance Rights. As Mr Richard Hannebery is a director of the Company, shareholder approval is required in respect of the proposed grant of Performance Rights to Mr Richard Hannebery and the issue of Shares on the vesting of such Performance Rights upon satisfaction of the applicable vesting conditions. The Notice of Meeting and Explanatory Notes have been prepared to comply with Listing Rule 10.15A. No director of the Company, other than Mr Richard Hannebery is eligible for participation in the Performance Rights Plan.

The following disclosures are made for the purposes of Listing rule 10.15A:

- (a) the maximum number of Performance Rights that can be awarded under this approval are 1,000,000 to Mr Richard Hannebery (or his nominee). Subject to the satisfaction of the vesting conditions described above, Mr Richard Hannebery (or his nominee) will receive one share in the Company for each Performance Right granted;
- (b) no consideration is payable on the grant of the Performance Rights, or the conversion of each Performance Right into a Share upon satisfaction of the vesting conditions;
- (c) Mr Richard Hannebery is the only director (ie person referred to in Listing rule 10.14) entitled to participate in the Performance Rights Plan;
- (d) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Richard Hannebery;
- (e) details of any Performance Rights issued under the Performance Rights Plan will be published in each annual report of the Company relating to a period in which the Performance Rights have been issued, and the annual report will confirm that approval for the issue of securities was obtained under Listing Rule 10.14. Mr Hannebery was previously issued with 2,000,000 Performance Rights with 1,000,000 Performance Rights vesting and the remaining 1,000,000 Performance Rights lapsing;
- (f) any director other than Mr Richard Hannebery who become entitled to participate in the Performance Rights Plan after Resolution 6 is approved and who was not named in these Explanatory Notes will not participate until approval is obtained under Listing Rule 10.14; and
- (g) it is proposed that the Performance Rights will be granted to Mr Richard Hannebery (or his nominee) no later than 5 days after the AGM, subject to the passing of the resolution.

Advantages and Disadvantages

The Board notes that advantages may accrue to the Company and members as a result of the passing of this Resolution. These advantages potentially include the alignment of Mr Hannebery interests more closely with those of members, with a strong focus on the delivery of long term total shareholder return.

The Board notes that disadvantages may accrue to the Company and members as a result of the passing of this

Resolution. These disadvantages include dilution to members' interest in the Company as a result of the grant of Shares under the Performance Rights. The fair value of the Performance Rights over the Performance Periods will be expensed in the Company's Consolidated Statement of Comprehensive Income.

There is an element of discretion retained by the Board related to these performance metrics as the path to commercialisation with some projects may be varied depending on progress over time.

The Board believes the Rights package is structured to align performance with shareholders' interests.

Board Recommendation

The Board has approved the grant of Performance Rights to Mr Hannebery (or his nominee) to secure his tenure with the Company as part of their remuneration as Chief Executive Officer and to provide an incentive to improve the financial performance of the Company and, in turn, shareholder value.

The Board (with Mr Hannebery abstaining) considers the grant of Performance Rights to Mr Hannebery (or his nominee) in these circumstances to be appropriate and reasonable and recommends you vote in favour of this resolution.

Voting Exclusions

The Company will disregard any votes cast on the subject resolution by Mr Hannebery and/or his associates. However the Company need not disregard a vote if:

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

Resolution 7: Approval of 10% Placement Facility

Background

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

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

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

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

The Company continues actively working on reviewing new projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new assets or investments, to conduct further work on its current investments or to meet additional working capital requirements.

Directors Recommendations

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 7.

Voting Exclusions

The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Fully Paid Ordinary Shares and Unlisted Options.

(c) Formula for calculating 10% Placement Facility

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

(A 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 Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue 100,619,572 Shares and therefore has a capacity to issue:

- (i) 15,092,936 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 7, 10,061,957 Equity Securities under Listing Rule 7.1A.

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

(e) Minimum Issue Price

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

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

(f) *10% Placement Period*

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

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

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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

The table also shows:

- 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.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.105 50% decrease in Issue Price	\$0.210 Issue Price	\$0.420 100% increase in Issue Price
Current Variable A 100,619,572 Shares	10% Voting Dilution	10,061,957 Shares	10,061,957 Shares	10,061,957 Shares
	Funds raised	\$,1,056,506	\$2,113,011	\$4,226,022
50% increase in current Variable A 150,929,358 Shares	10% Voting Dilution	15,092,936 Shares	15,092,936 Shares	15,092,936 Shares
	Funds raised	\$1,584,758	\$3,169,517	\$6,339,033
100% increase in current Variable A 201,219,144 Shares	10% Voting Dilution	20,123,914 Shares	20,123,914 Shares	20,123,914 Shares
	Funds raised	\$2,113,011	\$4,226,022	\$8,452,044

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The issue price is **\$0.21** (21 cents), being the closing price of the Shares on ASX on **7 October 2016**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

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

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

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

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

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

Equity Issues over the Last 12 Months – Listing Rule 7.3A.6

For the purposes of Listing Rule 7.3A.6(a), the Company advises as follows:

Number of equity securities on issue at commencement of 12 month period	107,119,572
Equity securities issued in the prior 12 month period*	4,350,000
Percentage of share issues represent of total number of equity securities on issue at commencement of 12 month period	4.06%

See below details of issues of all equity securities made in the previous 12 months:

Date of issue: 29 December 2015
Number issued: 50,000
Type of equity security: Fully paid ordinary shares
Recipient of securities: Employee of the Company
Price: \$0.15 (15 cents)
Consideration received: Conversion of unlisted options and consideration of \$7,500 received. Funds raised from the conversion of options were used for working capital purposes.

Valuation of Non-Cash Consideration: Not applicable

Date of issue: 29 December 2015
Number issued: 1,300,000
Type of equity security: Unlisted options
Recipient of securities: Employee Share Option Plan members
Price: Nil
Consideration received: Issue was for non-cash consideration for an incentive payment.
Valuation of Non-Cash Consideration: Nil consideration

Date of issue: 29 December 2015
Number issued: 2,000,000
Type of equity security: Unlisted performance rights
Recipient of securities: Executive Director and CEO
Price: Nil
Consideration received: Issue was for non-cash consideration following shareholder approval at the Company's 2015 Annual General Meeting and as an incentive.

Valuation of Non-Cash Consideration: Nil consideration

Date of issue: 8 April 2016
Number issued: 1,000,000
Type of equity security: Fully paid ordinary shares
Recipient of securities: Executive Director and CEO
Price: Issue of fully paid ordinary shares in satisfaction for performance rights vesting conditions met during the year.

Deemed market value: \$270,000

Valuation of Non-Cash Consideration: Nil consideration

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2016;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHES approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHES**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

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

“**Company**” means Genera Biosystems Limited ABN 69 098 663 837;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Convertible Security**” means a security of the Company which is convertible into shares;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

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

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Genera Biosystems Limited for the financial year ended 30 June 2016 and which is set out in the 2016 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

“**VWAP**” means volume weighted average price.

ANNEXURE A

Performance Rights Terms

Mr Richard Hannebery

The terms of the Performance Rights are set out below:

- Each Performance Right gives the recipient the right to acquire one Share.
- The Performance Rights will have a maximum life of 3 years, such that if they are not exercised before the 3rd anniversary of their grant ("Expiry Date") they will lapse.
- The issue price for each Performance Right is \$Nil.
- Shares issued on exercise of the Performance Rights will rank equally with all existing Shares from the date of issue. The Company will apply for quotation of the Shares issued on the exercise of each Performance Right.
- The Performance Rights are not transferrable.
- The Performance Rights will not vest unless the Performance Hurdles have been achieved by the Performance Date.
- When a Performance Right vests, the Company will issue a vesting notification to the holder of the Performance Right, and if exercised, and after which the holder of the Performance Rights will make payment to the Company of the required issue price.
- Lapsing Conditions: Unless otherwise determined by the Board in its sole and absolute discretion, any vested Performance Rights will lapse on the earlier of:
 - where a participant has acted fraudulently, dishonestly or wilfully breaching their duties to the Company;
 - the Expiry Date; or
 - the holder ceases to be employed by the Company.
- Performance Rights do not give holders any right to participate in new issues of securities in the Company made to Shareholders generally or to participate in dividends unless the Performance Rights are exercised and the resultant Shares are issued prior to the record date to determine entitlements to the securities or dividend (as applicable).
- Performance Rights do not give holders any right to vote.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - the number of Performance Rights will be reconstructed (as appropriate) in a manner consistent with the Listing Rules but with the intention that such reconstruction will not result in any benefits being conferred on the Performance Right holder which are not conferred on Shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Performance Rights will remain unchanged.
- If there is a change in control event in relation to the Company (e.g., a takeover bid for all the Shares in the Company or any other scheme of arrangement by which more than 50% of the Shares in the Company change ownership) the Performance Rights will vest immediately.

ANNEXURE B

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to resolutions 4 and 5 are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the date of issue.
- (ii) The final date and time for exercise of the Options is 5pm (AEDT) on 30 December 2016. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.
- (iv) Remittances must be made payable to 'Genera Biosystems Limited' and cheques should be crossed 'Not Negotiable'.
- (v) All Options will lapse on the earlier of the
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (vi) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) The Company will not apply to the ASX for Official Quotation of the Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;

- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

GBI
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11.30am (AEDST) Tuesday 22 November 2016**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Genera Biosystems Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Genera Biosystems Limited to be held at the offices of Grant Thornton, Level 30, 525 Collins Street, Melbourne, Victoria 3000 at 11.30am (AEDST) on Thursday, 24 November 2016 and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Dr Karl Poetter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr James Kalokerinos as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to Issue Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to Issue Options to Mr Richard Hannebery (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval to Grant Performance Rights to the Chief Executive Officer – Mr Richard Hannebery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

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