



BIODIEM LIMITED
ACN 096 845 993
("BioDiem" or "the Company")

NOTICE OF 2013 ANNUAL GENERAL MEETING

Notice is given that the 2013 Annual General Meeting of BioDiem Limited ("the Company" or "BioDiem") will be held at The Wool Room, InterContinental Hotel, 495 Collins Street, Melbourne at 12.00pm (Melbourne, Victoria time) on 8 October 2013.

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

BUSINESS

ANNUAL FINANCIAL STATEMENTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"THAT the Company approves the adoption of the Remuneration Report for the year ended 30 June 2013".

Voting Note

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report, or any of that person's closely related parties (such as close family members and any controlled companies of those persons) (collectively referred to a "Restricted Voter"). However, the Company need not disregard a vote if:

- *it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1;*
- *it is not cast on behalf of a Restricted Voter.*

Additional Voting Note to Resolution 1

If you appoint the person chairing the meeting and you are not a Restricted Voter, by marking the box on, and submitting, the Proxy Form you authorise the person chairing the meeting (the Chair) to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Company's key management personnel, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you have appointed the Chair as your proxy he or she can only cast your votes on Resolution 1 if you expressly authorise him or her to do so by marking the box on the proxy form or if you direct the Chair how to vote by marking either 'for', 'against' or 'abstain' for this item of business.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PROFESSOR ARTHUR LI

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

“THAT in accordance with the Company’s Constitution and ASX Listing Rule 14.4, Professor Arthur Li, having consented to act and being eligible for re-election, be re-elected as a Director of the Company”.

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR DONALD BROOKS

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

“THAT in accordance with the Company’s Constitution and ASX Listing Rule 14.4, Mr Donald Brooks, having consented to act and being eligible for re-election, be re-elected as a Director of the Company”.

RESOLUTION 4 – APPROVAL OF EXECUTIVE SHARE OPTION PLAN

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

“THAT for the purposes of ASX Listing Rule 7.2 Exception 9 approval is given for the adoption of the Executive Share Option Plan to permit the Directors to authorise the issue of up to 2.5% of the Company’s issued capital by way of shares and options over shares to Directors of the Company.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by:

- a Director of the Company; or
- any associate of a Director of the Company; or
- as a proxy by a Restricted Voter.

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

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, pursuant to an express authorisation on the proxy form.

RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTOR – MS JULIE PHILLIPS

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

“THAT subject to the passing of Resolution 4 above, for the purposes of ASX Listing Rule 10.14, shareholders approve the issue of a total of up to 2,000,000 options under the Executive Share Option Plan to Ms Julie Phillips, a Director of the Company, or her nominee in three tranches as follows:

- (a) 666,667 options at an exercise price of 8 cents (\$0.08) and expiring on 30 September 2023;
- (b) 666,667 options at an exercise price of 12 cents (\$0.12) and expiring on 30 September 2023; and
- (c) 666,666 options at an exercise price of 20 cents (\$0.20) and expiring on 30 September 2023,

as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by:

- a Director of the Company; or
- any associate of a Director of the Company; or
- as a proxy by a Restricted Voter.

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

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, pursuant to an express authorisation on the proxy form.

RESOLUTION 6 – DELISTING OF THE COMPANY

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

"THAT for the purposes of ASX Listing Rule 17.11, the Company be removed from the official list of the ASX on a date to be decided by the ASX and that the directors of the Company be authorised to do all things reasonably necessary to give effect to the delisting of the Company from the ASX."

RESOLUTION 7 – APPOINTMENT OF AUDITOR – GRANT THORNTON AUDIT PTY LTD

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

"THAT for the purposes of section 327B of the Corporations Act Grant Thornton Audit Pty Ltd [ACN 130 913 594], having consented in writing, be appointed as the Auditor of the Company and the directors be authorised to set its remuneration, with effect upon the Australian Securities and Investments Commission approving the resignation of KPMG as described in the Explanatory Memorandum which accompanied and formed part of the Notice of General Meeting."

By the order of the Board



Melanie Leydin
Company Secretary

Dated: 6 September 2013

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

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

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

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

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

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on (03) 9613 4111 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

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

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

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy. In that case, your shares will not be voted on Resolutions 1 (Remuneration Report), 4 and 5 unless you direct the Chair how to vote by marking the appropriate box on the proxy form or otherwise indicate your express consent to the Chair voting your votes on Resolutions 1, 4 and 5.

Corporate Representatives

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

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7pm, 6 October 2013 (Melbourne, Victoria time) are entitled to attend and vote at the meeting.

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

How the Chair Will Vote Undirected Proxies

The Chair of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions. However, any undirected proxies held by the Chair of the meeting will not be voted on Resolutions 1, 4 and 5 unless the express consent of the shareholder is given in the proxy appointment.

Proxies that are Undirected on Resolutions 1 and 5

If you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and do not either (a) direct the Chair how to vote on Resolutions 1, 4 and 5, or (b) provide your express consent to the Chair voting your undirected proxy on Resolutions 1, 4 and 5; the Chair will not vote your proxy on that item of business. Accordingly, if you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and you want your shares to be voted on that item of business, you should either (a) direct the Chair how to vote on Resolutions 1 (Remuneration Report), 4 and 5; or (b) tick the box on the proxy form to confirm your consent to the Chair voting your undirected proxy on Resolutions 1, 4 and 5.

Other directors of the Company, any other of its key management personnel or any of their closely related parties will not be able to vote undirected proxies held by them on Resolutions 1, 4 and 5. Key management personnel of the Company comprise the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The Remuneration Report identifies key management personnel for the year ending 30 June 2013. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control. **Special Resolution**

For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

BIODIEM LIMITED
ACN 096 845 993
("BioDiem" or "the Company")

ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PURPOSE OF INFORMATION

This Explanatory Memorandum ("this Memorandum") accompanies and forms part of the Company's Notice of Annual General Meeting to be held at The Wool Room, InterContinental Hotel, 495 Collins Street, Melbourne at 12.00pm (Melbourne, Victoria time) on 8 October 2013. The Notice of Annual General Meeting incorporates, and should be read together with, this Memorandum.

ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2013 will be laid before the meeting. There is no requirement for shareholders to approve the Annual Financial Statements. However, shareholders will have the opportunity to ask questions about or make comments on the Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company's Annual Financial Statements.

The Company's Annual Financial Statements are set out in the Company's 2013 Annual Report which can be obtained from the Company's website, www.biodiem.com or upon request to the Secretary at the Company's office, Suite 3, Level 11, 470 Collins Street, Melbourne, Victoria, 3000 (or by telephone +61 3 9613 4100).

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Company is required, pursuant to the Corporations Act 2001, to propose a non-binding resolution regarding the Remuneration Report, which forms part of the Directors' Report in the Annual Financial Statements. The Remuneration Report sets out the Company's remuneration arrangements for directors.

Shareholders attending the Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report. In addition, shareholders will be asked to vote on the Remuneration Report.

This resolution is advisory only and does not bind the Company or its Directors. The Board 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. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's 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 and CEO as applicable) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2012 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2013 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2013 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more at the same resolution at the 2014 Annual General Meeting the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you mark the box on, and submit, the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration the Company's key management personnel. By marking the box on, and submitting, the Proxy Form you will be taken to have directed the Chair of the meeting to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to carefully read the notes contained on page 4 of the Notice of Meeting 'Proxy and Voting Instructions'.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR - PROFESSOR ARTHUR LI

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third, except the Managing Director, are required to retire by rotation at each Annual General Meeting. The Company has five directors, one of whom is the Managing Director. Accordingly, one director is required to retire by rotation at the 2013 Annual General Meeting.

Additionally, under ASX Listing Rule 14.4, a director must not hold office without re-election past the third annual general meeting following the director's appointment, or three years whichever is longer. A director who retires in accordance with these provisions is eligible for re-election.

Accordingly, Professor Arthur Li retires by rotation and, being eligible, offers himself for re-election.

Professor Li was appointed a Director on May 7, 2010. He was awarded the degree of Doctor of Medicine by University of Cambridge, UK. He is a well-credentialed and respected educator and surgeon who is currently Deputy Chairman of The Bank of East Asia and is Emeritus Professor of Surgery of The Chinese University of Hong Kong. He is a member of the Executive Council of the Hong Kong Special Administrative Region. He is also a director of AFFIN Holdings Berhad. Among his many previous appointments and associations, he has been a Council Fellow of the University of Melbourne, Dean of the Faculty of Medicine and Vice-Chancellor of The Chinese University of Hong Kong. He was the Secretary for Education and Manpower of the Government of HKSAR. He was also a member of the Board of Glaxo Wellcome plc. He is a member of the National Committee of the Chinese People's Political Consultative Conference.

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR DONALD BROOKS

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third, except the Managing Director, are required to retire by rotation at each Annual General Meeting. The Company has five directors, one of whom is the Managing Director. Accordingly, one director is required to retire by rotation at the 2013 Annual General Meeting.

Additionally, under ASX Listing Rule 14.4, a director must not hold office without re-election past the third annual general meeting following the director's appointment, or three years whichever is longer. A director who retires in accordance with these provisions is eligible for re-election.

Accordingly, having been re-elected at the 2010 Annual General Meeting, Mr Donald Brooks retires and, being eligible, offers himself for re-election.

Mr Brooks, a graduate of Columbia University School of Law, is a US-based lawyer, who for many years was Senior Counsel-Licensing at Merck & Co., Inc. and was formerly its Counsel for U.S. pharmaceutical operations and Counsel for its research operations. He retired from Merck in 1993 and since that time has served as Counsel to a U.S. law firm representing clients in the biotechnology industry, as well as serving as an advisor to firms in the biotechnology and the pharmaceutical industry in general. He has been general counsel of Maryland-based biotech company, EntreMed Inc.

RESOLUTION 4 – APPROVAL OF EXECUTIVE SHARE OPTION PLAN

Background

The Company proposes to adopt an executive share option plan (“Executive Plan”) to foster an ownership culture within the Company for Directors. The performance of the Company depends upon the quality of its executives and Directors and their compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to the Company’s overall goals and objectives. In deciding the remuneration and incentives of each Director, the Board considers that there should be an appropriate mix of remuneration comprising cash and securities to link their remuneration to the financial performance of the Company.

Equity based incentives consistent with the Company’s remuneration policy better aligns the performance of Directors with the Company’s financial performance. The Board also considers that an equity-based remuneration component helps attract and retain the best executives.

The maximum number of shares and options which may be granted under the Executive Plan is 2.5% of the issued capital of the Company.

ASX Listing Rule 7.1 provides generally that a company may not issue shares or securities convertible into shares equal to more than 15% of the company’s issued share capital in any 12 months without obtaining prior shareholder approval, unless the issue fits within one of the exceptions to ASX Listing Rule 7.1 contained in ASX Listing Rule 7.2. The effect of passing this Resolution is that pursuant to ASX Listing Rule 7.2 Exception 9, shares and options issued pursuant to the Executive Plan will not be included in the 15% calculation for ASX Listing Rule 7.1 purposes (provided that the shares or options issued pursuant to Executive Plan are issued within twelve months of shareholder approval of the Executive Plan and subject to the requirements of ASX Listing Rule 10.14 below being satisfied).

Additionally, ASX Listing Rule 10.14 provides that the Company must not permit any Director, or an associate of any Director, to acquire securities under the Executive Plan without first obtaining shareholder approval. Accordingly, the Company must obtain shareholder approval under ASX Listing Rule 10.14 before any shares or options are issued to Directors pursuant to the Executive Plan.

ASX Listing Rule 7.2 Exception 9

The following information is provided for the purposes of ASX Listing Rule 7.2 Exception 9:

(a) Outline of terms and conditions of Executive Plan

Selected Directors of the Company are eligible to participate in the Executive Plan. The aggregate number of shares and options which may be issued shall not at any time exceed 2.5% of the total issued capital of the Company from time to time. Shares and options allotted and issued under the Executive Plan must rank equally in all respects with other shares and options from the date of allotment and issue, subject to the satisfaction of any applicable disposal restrictions.

The vesting date, expiry date, exercise price and exercise period in relation to an option issued under the Executive Plan are determined by the Board in its absolute discretion, subject to any variation as permitted pursuant to the ASX Listing Rules.

The above is a summary only of the main features of the Executive Plan. A full copy of the Executive Plan is annexed hereto as Annexure A.

(b) Securities issued under the Executive Plan since the date of the last approval

The Company has not issued any shares or options pursuant to the Executive Plan.

(c) *Voting exclusion*

Pursuant to ASX Listing Rule 7.2 Exception 9, the Company will disregard any votes cast on this Resolution by:

- a Director of the Company; or
- any associate of a Director of the Company.

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

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

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you mark the box on, and submit, the Proxy Form authorising the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration the Company's key management personnel. By marking the box on, and submitting, the Proxy Form you will be taken to have directed the Chair of the meeting to vote in accordance with the Chair's stated intention to vote in favour of this Resolution.

RESOLUTION 5 –ISSUE OF OPTIONS TO DIRECTOR – MS JULIE PHILLIPS

ASX Listing Rule requirements

ASX Listing Rule 10.14 provides that a company must not permit any director, or an associate of a director, to acquire shares under an employee incentive scheme without first obtaining shareholder approval.

Subject to the passing of Resolution 4 above, shareholder approval is sought under ASX Listing Rule 10.14 for the proposed issue of a total of up to 2,000,000 options to Chief Executive Officer and Managing Director of the Company Ms Julie Phillips, or her nominee as part of the long term incentive component of Ms Phillip's remuneration package and pursuant to the Company's Executive Share Option Plan.

It is proposed that the options will be issued to Ms Phillips as follows:

Number of options	Exercise price	Expiry date	Vesting date – 9 October 2013	Vesting date – 9 October 2014	Vesting date – 9 October 2015
666,667	\$0.08	30 Sept 2023	222,223	222,222	222,222
666,667	\$0.12	30 Sept 2023	222,222	222,223	222,222
666,666	\$0.20	30 Sept 2023	222,222	222,222	222,222
2,000,000			666,667	666,667	666,666

This resolution is subject to shareholders approving the Company's proposed Executive Share Option Plan the subject of Resolution 4.

Remuneration Policy

As described above, the performance of the Company depends upon the quality of its executives and Directors. Their compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to the Company's overall goals and objectives.

The Board considers that there should be an appropriate mix of remuneration for executives comprising cash and equity to link their remuneration to the financial performance of the Company. Equity-based incentives are consistent with the Company's remuneration policy and the Board believes that an equity-based remuneration component both helps to attract and retain the best executives and better aligns the performance of executives with the Company's financial performance.

Executive Share Option Plan

The options are proposed to be granted on the terms and conditions of the Executive Share Option Plan which is proposed to be adopted pursuant to Resolution 4 above and attached to this Explanatory Memorandum as Annexure A.

The following information is provided for the purposes of ASX Listing Rule 10.15A:

- (a) The options are proposed to be issued to Ms Julie Phillips, the Company's Chief Executive Officer and Managing Director, or her nominee;
- (b) The maximum number of securities that may be acquired by Ms Phillips is 2,000,000 options. The maximum number of securities that may be acquired by all Directors eligible to participate in the proposed Executive Share Option Plan is 2,000,000 options;
- (c) The options will be issued to Ms Phillips in three tranches on the vesting dates set out in the table above. The exercise price of each of the tranches of options is set out in the table above. The options will expire on 30 September 2013.
- (d) The terms of the options to be issued to Ms Phillips are set out in the Executive Share Option Plan as set out in Annexure A.
- (e) The price for each option to be acquired under the proposed Executive Share Option Plan is nil.
- (f) No securities have been issued previously under the proposed Executive Share Option Plan.
- (g) Each of the Directors of the Company are entitled to participate in the Executive Share Option Plan, namely Ms Julie Phillips, Ms Larisa Rudenko and Messers Hugh Morgan and Donald Brooks and Professor Arthur Li.
- (h) There is no loan applicable to the proposed acquisition of options by Ms Phillips or her nominee.
- (i) Details of any securities issued under the proposed Executive Share Option Plan will be published in each Annual Report of the Company relating to a period in which securities have been issued and approval for the issue of securities obtained under ASX Listing Rule 10.14.
- (j) Any additional persons who become entitled to participate in the proposed Executive Share Option Plan after this resolution is approved and who are not named in this Notice of Annual General Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
- (k) The options will be issued in three tranches on the dates set out in the table above, but in any case the options will be issued on a date no later than three years after the date of the Annual General Meeting.

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you mark the box on, and submit, the Proxy Form authorising the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration the Company's key management personnel. By marking the box on, and submitting, the Proxy Form you will be taken to have directed the Chair of the meeting to vote in accordance with the Chair's stated intention to vote in favour of this Resolution.

RESOLUTION 6 – DELISTING OF THE COMPANY

The Company has made an application to ASX pursuant to Listing Rule 17.11 to be removed from the Official List of ASX, as announced to ASX on 30 August 2013.

ASX granted its approval for the Company to pursue delisting subject to compliance with the following conditions:

- (a) that the request for removal of the Company from the Official List be approved by an ordinary resolution of the Company's shareholders;
- (b) that the removal shall not take place any earlier than one month after the date on which the resolution to approve the delisting is passed; and
- (c) that the company releases the full terms of the ASX's decision in relation to the Company's delisting application to the market immediately.

In accordance with the conditions of the ASX approval:

- the full terms of the ASX approval have been released to the market; and
- this Resolution seeks shareholder approval for the delisting of the Company from the Official List of ASX.

Rationale for Delisting

The Board of the Company has determined that the delisting of the Company from the ASX is in the best interests of shareholders as the benefits for the Company of being listed no longer outweigh the costs and disadvantages to the Company of continued listing.

The Board is of the view that the market capitalisation of the Company indicated by the share price has adversely affected the Company's ability to negotiate or enter commercial arrangements on satisfactory terms. The perception of the value of the Company's projects created by the low market capitalisation has been a factor identified in seeking commercial partners for the further development and/or out-licensing of products. In particular, there are practical difficulties in seeking to further out-licence LAIV where potential out-licensing partners may form the view that the technology can be acquired or controlled for less cost by acquiring the Company, or by taking a substantial stake in the Company. It is considered by the Board that such an outcome would be less favourable to shareholders than out-licensing on terms which reflect the potential commercial value of LAIV or other products.

A follow on consequence of the adverse effect of the market capitalisation on commercial transactions is that the Company has limited scope to raise additional capital without substantial dilution of existing shareholders.

It is considered by the Board that a major influence on the above is the current economic environment in which ASX listed companies and capital markets as a whole operate, in addition to specific effects on the Company.

It is also to be noted that when the Company has made positive announcements regarding its activities, there has not been a commensurate increase in the market price of the Company's securities. Accordingly, even if substantial, beneficial transactions were able to be negotiated and entered, the Company's experience would suggest that these would not necessarily result in an appreciation of the Company's share price to the benefit of existing shareholders. Also, this builds a perception that out-licensing opportunities are of limited value to the Company and, again, that potential out-licensing partners may prefer to retain products at lower cost by acquiring the Company or a substantial stake in the Company at a depressed price.

The absence of increases (or there being only small increases) in the company's share price in response to positive announcements suggests that in the present capital market and general

economic conditions, the benefit to the Company of such transactions is not recognised or is undervalued or discounted by the market.

The above would not be the only influences upon the Company's share price, however they are considered to be key factors which arise because of the link between the perception of the Company's market capital and the value of its products. Ceasing to be listed would potentially remove that link.

Other reasons for which the Company is seeking delisted are as follows:

1. Low level of liquidity

Historically, the Company's shares have had a low level of liquidity with long periods of little or no trading. In the 12 months period ended 30 August 2013 only 6.31% of the Company's shares traded. The average daily volume of shares traded during this period has been 33,813 shares with an average value of \$1,637. This low level of liquidity reflects the fact that the shares in BDM are tightly held. The top 20 shareholders currently hold approximately 80.22% of the shares currently on issue, and there has been little change in this position over the last two years. At the end of August 2013, there were 909 holders of ordinary shares of which 600 held an unmarketable parcel.

2. Small/low value trades significantly impacting shareholder and company value

Due to the low level of trading in the Company's shares, the market value of the Company is significantly impacted by small volume and low value trades which reduce the Company's share price. This impacts the price at which the Company is able to raise capital and its strategic position in the market.

3. Lack of institutional interest in the Company's shares

Institutional investor interest in the Company's shares is low and remains low despite efforts by the Company to attract investors to the Company. As a result, the Company considers that it will be very difficult to generate interest from the institutional investment market in the near future.

4. Likely timeframe to achieve improvement in the Company's financial performance

The Board has determined for the above reasons that there is little benefit in the Company continuing to be listed as it is unlikely that the Company's financial performance will improve in the near future.

5. Costs of the Company continuing to be listed

The continued listing of the Company is estimated to cost the Company not less than \$150,000 per annum. In addition to these direct costs, there are other significant costs associated with the listing including time devoted by management to manage the Company's listing. This time could be utilised elsewhere if the Company was delisted. As there is a limited market for the Company's shares, the Company considers that these costs are not warranted and funds would be better directed elsewhere to benefit the Company's shareholders.

Disadvantages of Delisting

The Board has considered the potential disadvantages to the Company of delisting, particularly:

- (a) as the Company's shares will no longer be traded on ASX, the liquidity of the Company's shares will be directly affected.
- (b) if the Company is delisted, the ASX Listing Rules will no longer apply to it and the shareholder protections inherent in the ASX Listing Rules will no longer apply, including continuous disclosure, restrictions on the issue of shares by the Company, significant changes to the Company's activities, ASX Corporate Governance Principles and Recommendations and the requirement to announce publicly various financial reports.

- (c) If the Company is delisted, there will be limitations placed on the Company's ability to raise capital quickly and simply. Fundraising alternatives without the issue of a prospectus such as a rights issue or share purchase plan, and 'limited disclosure' fundraising methods such as through a section 713 prospectus are not available to unlisted companies. Therefore, the main means for the Company (as an unlisted company) to raise funds is by way of full prospectus (which is expensive) or by way of placement. It is likely that any placement made by the Company as an unlisted company will subject the recipient of the placement to a twelve month escrow period on trading of their shares which may be unattractive to some investors and deter them from investing in the Company.
- (d) There are other potential disadvantages to the Company of not being listed, including the fact that some people apply a higher valuation to securities of a company that is listed on a recognised exchange. Also, the sale of unmarketable parcel procedures, on-market buy-back procedures and the minimum holding buy-back procedures will not be available if the Company is delisted.

Effect of Delisting

The effect of shareholder approval of the delisting means that the Company will be removed from the Official List of ASX. The date of removal will be no earlier than one month after the date of shareholder approval, as advised by ASX. The Company will release a timetable of the indicative dates for the delisting process upon notification from ASX of the date of removal.

Prior to the date of removal of the Company from the Official List, the Company's shares may continue to be traded on ASX which will enable shareholders who want to sell their shares to do so for at least one month from the date of the annual general meeting.

Shareholders who remain on the Company's register after the removal of the Company from the Official List of ASX will retain the protections afforded to them under the Corporations Act and the Company's Constitution (noting that provisions of the Constitution which refer to ASX listing will no longer apply). Also, while the Company has more than 100 shareholders following the delisting, the Company's securities may be classified as unlisted enhanced disclosure securities which would oblige the Company to disclose material information in a timely fashion to ASIC. The Company however would be under no obligation to lodge this information with a market operator but will post information on its website, www.biodiem.com.

The Company anticipates that following delisting it will amend its corporate governance policies and procedures which were specific to the requirements of ASX. This would include, for example, amending the share trading policy so as no longer to refer to the "blackout" periods which applied in accordance with the requirements of ASX. However, as the Company will remain a public company and be subject to continuous disclosure obligations, corporate governance policies and procedures will be retained or adapted consistent with the Company's unlisted status.

Exit Mechanism

If the Company is delisted from ASX, there will no longer be a readily available indicator of 'market price' for the Company's securities. This means that the market for the Company's securities is expected to be illiquid and shareholders will be responsible for finding a purchaser for their shares.

However, given the current illiquidity in the Company's shares and the tightly held nature of the Company's register, the Company considers that in practical terms the most likely exit for the majority of shareholders will be through an acquisition of the Company or trade sale.

The Company considers that the best way for it to move forward is as an unlisted company.

Each of the 3 largest shareholders of the Company has advised that they intend retaining their shares and not disposing of them prior to the proposed delisting.

Each of the Directors has also confirmed that they and their controlled entities intend retaining their shares and not disposing of them prior to the proposed delisting.

Other Matters

The Company has previously announced a number of matters which are pending as at the date of this Memorandum. These matters may or may not be concluded prior to the AGM or the Company's delisting (if approved by shareholders).

The status of the Company's major technologies is as follows:

- Live Attenuated Influenza Virus (LAIV) – this product has two specific targets, influenza (seasonal and pandemic) and avian (bird) flu. The influenza targeted LAIV is currently marketed with licence revenues of \$A1.3 million for financial year 2012. This technology is currently in phase II (cell-based technology) and the Company is seeking growth and out-licensing in more markets for this technology. The avian flu targeted LAIV has completed clinical trials in Thailand and Russia.
- Hepatitis vaccine (therapeutic) – the Company has rights licenced from the University of Canberra in respect of a therapeutic vaccine for Hepatitis D, Hepatitis B and Hepatitis C. A research and development program is currently being pursued by the Company.
- BDM-I antimicrobial disease targets – the Company is currently developing BDM-I as treatment against 'superbugs' such as antibiotic resistant bacteria (such as tuberculosis), hard to treat fungal infections and parasitic diseases (such as schistosomiasis). Each of these disease targets have entered into *in vivo* testing in 2013. In addition, the patent position of BDM-I has recently been expanded by the US Patent and Trademark Office for the use of BDM-I as a treatment of skin and wound infections caused by different fungi and bacteria.

The Company makes regular announcements regarding these matters and will continue to do so. The Company's Annual Report which was sent or made available to all shareholders also contains more detail about each of the matters described above. Whilst the Board remains confident in respect of each of these matters, progress is generally beyond the control of the Company and no indication is given as to whether any particular outcome will be achieved by any particular time or at all.

The Company will continue to release information of a kind similar to ASX announcements on its website, www.biodiem.com after delisting (if delisting proceeds).

The Board recommends shareholders vote in favour of this resolution.

RESOLUTION 7 - APPOINTMENT OF AUDITOR – GRANT THORNTON AUDIT PTY LTD

This Resolution seeks shareholder approval for the appointment of Grant Thornton Audit Pty Ltd [ACN 130 913 594] ("Grant Thornton") as Auditor of the Company. The Board has undertaken a review of the current market rates of a number of audit firms and determined that a change of auditor would be beneficial for the company from a cost saving perspective.

The Directors recommend Grant Thornton Audit be appointed as Auditor. Grant Thornton has consented in writing to appointment as the Company's auditor. The Company's current Auditor, KPMG, will resign with effect from the AGM subject to ASIC approval. In the event ASIC approval is not received by the date of the AGM, KPMG will continue in office and the proposed resolution will lapse.

A copy of the nomination of Grant Thornton as Auditor is attached as Annexure B.

ANNEXURE A

**BIODIEM LIMITED
ACN 096 845 993**

EXECUTIVE SHARE OPTION PLAN

1. INTRODUCTION

1.1 Rules

These are the Rules of the BioDiem Limited Executive Share Option Plan.

1.2 Purpose

The purpose of the Plan is to assist in the reward, retention and motivation of executives of the Company, and its subsidiaries.

1.3 Definitions

"**ASX**" means the ASX Limited (ACN 008 624 691);

"**Board**" means the Directors of the Company acting as a board;

"**Change of Control**" means a change in:

- (a) Control of the composition of the Board; or
- (b) Control of more than half of the voting rights attaching to Shares;

"**Company**" means BioDiem Limited (ACN 096 845 993);

"**Consultant**" means a consultant of the Company or a Related Body Corporate of the Company;

"**Control**" has the meaning given to it under the *Corporations Act 2001*;

"**Director**" means an executive or non-executive director of the Company;

"**Exercise Price**" means in respect of an Option, the subscription price payable on exercise of the Option;

"**Offer**" means an offer to a Consultant or Director by or on behalf of the Board to acquire Shares or Options under the Plan;

"**Option**" means an option to subscribe for Shares issued under this Plan;

"**Option Period**" means in respect of an Option, five years from the date of grant or as specified to the Participant in writing at the time of issue, or if earlier the lapse of the Option under clause 4.7;

"**Participant**" means a person entitled to acquire Shares and/or Options under this Plan including Directors;

"**Plan**" means the BioDiem Limited Executive Share Option Plan, the rules of which are set out herein;

"Related Body Corporate" has the meaning given to it in the Corporations Act 2001 (Cth);

"Rules" means the rules set out in this Plan;

"Share" means a fully-paid ordinary share in the capital of the Company issued under this Plan;

"Share Issue Cap" means the percentage of the total of all the Shares issued by the Company or determined by the Board from time to time, provided that this percentage does not exceed 2.5% of the Company's issued capital.

1.4 **Interpretation**

In these Rules:

- (a) a reference to an individual or person includes a reference to a company and vice versa;
- (b) the singular includes the plural and vice versa;
- (c) a word denoting a gender includes all genders;
- (d) a schedule or annexure to these Rules is a part of the document;
- (e) a reference to a schedule is a reference to a schedule of these Rules unless indicated otherwise;
- (f) headings do not affect the interpretation of these Rules;
- (g) if something is to be done in accordance with these Rules on a day that is not a Business Day, then that thing must be done on the following Business Day;
- (h) a reference to "dollars" or "\$" is to an amount in Australian currency; and
- (i) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning.

1.5 **Parties bound by these Rules**

These Rules bind:

- (a) the Company;
- (b) each subsidiary of the Company; and
- (c) each Participant.

1.6 **Share Issue Cap**

The Board may not grant any Shares or Options under the Plan if to do so would result in the aggregate of Shares (subject to Shares and Options granted under the Plan and any other employee share plan operated by a Related Body Corporate) exceeding the Share Issue Cap.

2. PARTICIPATION

2.1 Offer by Board

Subject to these Rules, the Board may in its absolute discretion:

- (a) Determine which Consultants and/or Directors of the Company are entitled to participate in the Plan from time to time; and
- (b) Make an Offer to selected Consultants or Directors to apply for Shares and/or Options.

2.2 Terms of Offer

An Offer will be:

- (a) In writing; and
- (b) Subject to the Terms of Issue and any other conditions (if any) as the Board may determine in its absolute discretion from time to time.

2.3 Acceptance of Offer

- (a) To accept an Offer, the Consultant or Director must return a signed copy of their offer letter to the Board within 15 Business Days of the date of the Offer (or within such other period as determined by the Board and set out in the Offer).
- (b) When the Board receives a signed copy of the offer letter in accordance with Rule 3.3(1), the Company will issue the relevant number of Shares and/or grant the relevant number of Options to the Consultant or Director (or their nominee) and (if applicable) issue the Consultant or Director (or their nominee) an Option Certificate as at the date of the Offer.
- (c) On accepting an Offer, the Participant is bound by the Rules.

2.4 Offer to be Personal

An Offer is personal to the Consultant or Director to whom it is made and Shares acquired under the Plan may be registered only in the name of the Consultant or Director (or their nominee) to whom the Offer is made.

2.5 Replacement of Option Certificates

- (a) If any Option Certificate is lost, stolen, damaged or destroyed, it may be replaced by the Company on such terms as to evidence, indemnity and security as the Company may reasonably require.
- (b) The Participant will be liable for any expenses incurred in connection with the replacement of the Option Certificate.

3. SHARE TERMS

3.1 Terms

Each Share will rank equally in all respects upon issue with the fully paid Shares on issue and are subject to the Constitution of the Company.

3.2 Listing

The Company shall apply to ASX for quotation of all Shares issued to the Participant.

4. OPTION TERMS

4.1 Exercise

The Participant may exercise any Option issued to the Participant:

- (a) within five years of the date of issue or such earlier date as specified to the Participant in writing at the time of issue;
- (b) if at the time of exercise, the Participant would not have been prevented from buying or selling shares under the Company's share trading policy; and
- (c) by giving notice and doing all other things required under clauses 4.3 and 4.4.

4.2 Entitlement

Each Option entitles the holders to subscribe for and be allotted one fully paid Share upon the exercise of the Option in accordance with these Rules and on payment of the Exercise Price.

4.3 Notice

To exercise an Option the Participant must give written notice to the Company specifying that the Participant exercises the Option. The notice must be accompanied by:

- (a) the relevant option certificate (if any);
- (b) payment of the full amount of the Exercise Price; and
- (c) the details of any nominee to whom the Options should be issued.

4.4 Payment

All payments of the Exercise Price for an Option must be made by bank cheque, or other payment method specified by the Company. Exercise of an Option is only effective when the Company receives clear funds in full payment of the Exercise Price.

4.5 Allotment

After the exercise of an Option becomes effective, the Company will allot and issue to the Participant (or nominee) the Shares the subject of that Option.

4.6 Issued Shares

The Shares issued following exercise of an Option, will rank equally in all respects upon issue with the fully paid Shares on issue and are subject to the Constitution of the Company.

4.7 Lapse

Subject to clause 4.9, each Option lapses on the earlier of the following:

- (a) an exercise of the Option under clause 4.1;
- (b) the end of the Option Period;

- (c) upon the occurrence of any termination event specified in any employment, consultancy or other agreement the Participant is a party to;
- (d) if the Participant is a Director, the resignation or termination of the Participant as a Director;
- (e) if the Board becomes aware of circumstances which, in its reasonable opinion indicate that the Participant has acted fraudulently, dishonestly or in a manner which is in material breach of his or her obligations to the Company and the Board determines that the Option lapses; or
- (f) if the Company commences to be wound up.

4.8 Listing

The Shares to be issued to a Participant will not be quoted on the ASX until the Option is exercised, at which time the Company must, if it is listed on the ASX apply to the ASX for quotation of those Shares.

4.9 Discretion to Determine Lapse Date

The Board may in its absolute discretion and on conditions that it thinks fit, determine that an Option does not lapse under clause 4.7, but lapses at a later time subject to such additional conditions as the Board may specify by notice to the Participant.

In making a decision under this clause 4.9, the Board may consider any relevant matter (including the circumstances surrounding the cessation of the Participants employment or engagement, for example any ill-health or accident).

5. ALTERATIONS TO SHARE CAPITAL

5.1 Reorganisation of Capital

In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Options or the Exercise Price (or both) and the number of Shares will be adjusted (as appropriate) and to the extent deemed necessary by the Board including as may be necessary to comply with the Listing Rules of the ASX. Options and Shares must be reconstructed in a manner which will not result in any additional benefits being conferred on the Participant which are not conferred on other shareholders of the Company.

5.2 Pro-Rata Bonus Issues

There are no participating rights or entitlements inherent in the Options and unissued Shares and holders will not be entitled to participate in the new issues of capital offered to shareholders during the currency of the Options. The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.

5.3 Notice

The Company will give notice to the Participants of any adjustment to the description or number of securities which are to be issued on exercise of an Option or to the Exercise Price as required by any applicable law or rule, including as required by the Listing Rules of the ASX.

5.4 **Calculations**

Any calculations or adjustments which are required to be made under this section 5 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on Participants.

6. **DURATION**

6.1 The Plan continues in operation until the Board decides to terminate or discontinue it. The Board may decide to suspend the operation of the plan either for a fixed period of indefinitely and may also decide to end a period of suspension. The suspension of the Plan will not affect the Shares and/or Options which have been offered, accepted or issued prior to the date of the suspension.

6.2 Subject to the Participant's employment or engagement contract with the Company or a Related Body Corporate, the Board (pre Change of Control) will have the discretion to determine whether and when Shares will be issued and Options will vest and become exercisable on a Change of Control or a demerger of the Company (or as a result of a proposed Change in Control or demerger of the Company).

7. **TRANSFER OF OPTIONS AND SHARES**

7.1 **No Transfer**

Each Option is personal to the Participant (or its nominee) and is not transferable, assignable or chargeable except with the prior consent of the Board.

7.2 **Death**

If the Participant dies, the Shares and Options may, with the written approval of the Board in its absolute discretion, be transferred to the Participant's legal personal representative.

8. **LIMITATIONS**

These Rules:

- (a) do not confer on any Participant the right to continue as a Consultant or Director of the Company;
- (b) do not affect any right which the Company may have to terminate the employment, engagement or directorship of a Participant; and
- (c) may not be used to increase damages in any action brought against the Company in respect of termination of employment, engagement or directorship.

9. **OVERRIDING RESTRICTIONS**

Notwithstanding these Rules or the terms of any Option or Share, no Share or Option may be offered, issued, vested, and exercised if:

- (a) the Company is listed on the ASX and to do so would contravene the Corporations Act 2001 (Cth) or, if the Company has been admitted to the Official List of the ASX, the Listing Rules of the ASX; or
- (b) to do so would contravene any other laws or in the opinion of the Board would require actions to comply with laws which are impractical.

10. ADMINISTRATION OF THE PLAN

10.1 Board to Administer Plan

This Plan will be administered by the Board in accordance with these Rules. Any power or discretion conferred on the Board by these Rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any obligation to any Participant or any other person.

10.2 Board Discretion

Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board to a committee consisting of such Directors other officers or employees of the Company, as the Board thinks fit.

10.3 Board Decision Final

The decision of the Board in relation to the interpretation, effect or application of these Rules will be final and conclusive.

11. AMENDMENTS TO THE PLAN

11.1 Subject to clauses 9 and 10, the Board may at any time, amend all or any of the provisions of these Rules.

11.2 Any amendment to the provision of these Rules must not materially reduce the rights of any Participant unless the amendment is introduced primarily:

- (a) for the purposes of comply with any present or future legislation or regulation, including specifically the Corporations Act or the Listing Rules of the ASX; or
- (b) to correct any manifest error or mistake.

12. ENTIRE AGREEMENT

The rights and obligations of:

- (a) the Company; and
- (b) each Participant;

relating to participation in the Plan are set out exclusively and completely in these Rules.

13. DUTIES AND TAXES

- (a) The Company is not responsible for any duties or taxes which may become payable in connection with the issue and allotment of Shares an/or Options (including pursuant to an exercise of the Options) or any other dealing with the Options or Shares.
- (b) Participants should obtain their own independent advice of their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

14. NON-RESIDENTS OF AUSTRALIA

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction

outside of Australia to which Options awarded or Shares issued under the Plan may be subject to additional or modified terms.

- (b) Without limiting the powers of the Board under this Rule 14, the Board may have regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the Options.
- (c) Any additional rule must conform to the basic principles of the Plan.

When an Option is awarded or Shares are issued under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to the Company in relation to the Share or Option.

15. GOVERNING LAW

These Rules are governed by and will be construed in accordance with the laws of the State of Victoria, Australia under this Plan.

16. JURISDICTION

Each Participant:

- (a) irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Courts of the State of Victoria, Australia which have jurisdiction to hear appeals from those Courts; and
- (b) waives any right to object to proceedings being brought in those Courts for any reason.



ANNEXURE B

BIODIEM LTD
ABN 20 096 845 993
Suite 3 Level 11
470 Collins Street,
Melbourne, Victoria, 3000
Australia
www.biodiem.com

Michael Cunningham
Grant Thornton
Level 30, 525 Collins Street
Melbourne VIC 3000

03 September 2013

Dear Michael,

NOMINATION AS AUDITOR

In accordance with s328(3) of the *Corporations Act 2001*, we hereby advise you that your firm has been nominated to be appointed as statutory auditors of BioDiem Ltd. A copy of this notice of nomination is attached to this letter.

I look forward to receiving your positive response to this nomination at your earliest convenience.

Yours faithfully
BioDiem Limited

A handwritten signature in black ink, appearing to read "Julie Philips". The signature is stylized with a large loop at the end.

Julie Philips
Director

Lodge your vote:



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



000001 000 BDM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

 For your vote to be effective it must be received by 12.00pm (Melbourne time) Sunday, 6 October 2013

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 as they choose. 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

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 information tab, "Downloadable 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.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



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

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.



I 9999999999

I ND

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 BioDiem 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 BioDiem Limited to be held at The Wool Room, InterContinental Hotel, 495 Collins Street, Melbourne on Tuesday, 8 October at 12.00pm (Melbourne time) and at any adjournment or postponement of that Meeting.

Important for Items 1, 4 and 5 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default.

By marking this box, you are expressly authorising the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 1, 4 and 5 as set out in the Notice of Meeting. If you do not mark this box, and you have not otherwise directed your proxy how to vote on Items 1, 4 and 5, the Chairman of the Meeting will not cast your votes on Items 1, 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on these items.

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 Items 1, 4 and 5 by marking the appropriate box in step 2 below.

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

I/We expressly authorise the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 1, 4 and 5 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Items 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman) and with respect to Items 4 and 5, even if the Chairman of the Meeting has an interest in the outcome of items 4 and 5, and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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 Director – Professor Arthur Li	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-Election of Director – Mr Donald Brooks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Executive Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of Options to Director – Ms Julie Phillips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Delisting of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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 / /