



17 October 2014

Market Announcements Office  
ASX Limited  
MELBOURNE VIC 3000

Dear Sir/Madam

**Circadian Technologies Limited**  
**Notice of meeting documents**

We confirm that the notice of annual general meeting documents including an explanatory memorandum and proxy form (**attached**) were sent to shareholders today.

The Prospectus lodged with ASIC and ASX on 9 October 2014 was also sent to eligible shareholders today.

Yours faithfully

A handwritten signature in black ink, appearing to read "Mike Tonroe", followed by a horizontal line extending to the right.

Mike Tonroe  
Company Secretary  
**Circadian Technologies Limited**

17 October 2014

Dear Shareholder

**Annual General Meeting of Circadian Technologies Limited**

Please find enclosed the notice of the 2014 Annual General Meeting (AGM) for Circadian Technologies Limited to be held on Tuesday, 18 November 2014 at 11.00 am at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne, Victoria.

In preparation for this meeting we have attached a number of important documents, including:

- Annual Report for 2014 (if you have elected to receive it)
- The Notice of the AGM that includes resolutions to approve the following:
  1. Election of director
  2. Re-election of director
  3. Adoption of remuneration report
  4. Issue of shares under a placement
  5. Ratification of shares issued under a placement
  6. Issue of options to the corporate advisor
  7. Long term incentive plan (LTIP)
  8. Issue of options to Megan Baldwin under the LTIP
  9. Approval of non-executive Director share and option plan
- An explanatory memorandum accompanying the notice of meeting
- Proxy form

If any shareholders are unable to attend the AGM, they are advised to complete the proxy form and lodge it with the Share Registry – Computershare Investor Services Pty Limited (Computershare), using the reply paid envelope supplied or sending it by facsimile to 1 800 783 447 (or +61 3 9473 2555 from outside Australia) as soon as possible and in any event not later than 11am on 16 November 2014.

Copies of the Annual Report and the AGM Notice are available at [www.circadian.com.au](http://www.circadian.com.au) and on [www.asx.com.au](http://www.asx.com.au). If you have any questions please direct these to Mike Tonroe (Company Secretary) on +61 3 9826 0399.

Thank you for your continued support of the Company – looking forward to seeing you at the AGM.

Yours sincerely



Dominique Fisher  
Non-Executive Chairman

# Notice of annual general meeting and explanatory notes

Circadian Technologies Limited  
ACN 006 340 567

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Date: 18 November 2014  
Time: 11.00 am (Melbourne time)  
Location: Computershare Conference Centre  
Yarra Falls  
452 Johnston Street  
Abbotsford, Melbourne, Victoria

In this document you will find:

- a notice of annual general meeting
- explanatory notes which have an explanation of and information about, the resolutions set out in the notice of annual general meeting.

Enclosed separately is a proxy form with attendance and registration details.

# Notice of annual general meeting

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The annual general meeting of Circadian Technologies Limited (**Circadian** or **the Company**) will be held at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne, Victoria on Tuesday, 18 November 2014 at 11.00 am (Melbourne time).

This notice of annual general meeting (**Notice**) should be read in conjunction with the accompanying notes (including in relation to the required voting majorities, Directors' recommendations and voting, voting exclusion statements, appointing the Chair as your proxy, how to vote and proxies), explanatory notes accompanying the resolutions to be put to Shareholders and the accompanying proxy form, all of which are incorporated in, and comprise part of, this Notice.

## Business

### 1. Financial statements and reports

To receive and consider:

- (a) the financial statements;
- (b) the directors' report; and
- (c) the auditor's report

of Circadian for the year ended 30 June 2014.

### 2. Other business

To deal with any other business that may legally be brought before the annual general meeting in accordance with Circadian's constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

## Resolutions

### 3. Election of Director (Resolution 1)

To consider and, if thought fit, to pass a resolution electing as a Director of the Company Russell Howard, who was previously appointed by the Board of Directors and who retires in accordance with article 57.2 of the Company's constitution.

### 4. Re-Election of Director (Resolution 2)

To consider and, if thought fit, to pass a resolution re-electing as a Director of the Company Tina McMeckan, who retires in accordance with 58.4 of the Company's constitution.

### 5. Adoption of remuneration report (Resolution 3)

To consider and, if thought fit, to pass a resolution adopting the remuneration report for the Company for the year ending 30 June 2014.

*Note: In accordance with section 250R(3) of the Corporations Act, the vote on this resolution will be advisory only and will not bind Circadian or its Directors.*

## 6. Issue of shares and options under a placement (Resolution 4)

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

That approval is given for all purposes, including for the purpose of Listing Rule 7.1, to the issue of up to 73,142,857 of fully paid ordinary shares in the capital of the Company together with up to 40,000,000 options over fully paid ordinary shares to various sophisticated and professional investors and on the terms set out in the explanatory notes which accompany this Notice.

## 7. Ratification of shares issued under a placement (Resolution 5)

That approval is given for all purposes, including for the purpose of Listing Rule 7.4, to the issue of up to 6,857,143 fully paid ordinary shares in the capital of the Company to DWS Investments on or about 20 October 2014, on the terms set out in the explanatory notes which accompany this Notice.

## 8. Issue of options to the corporate adviser (Resolution 6)

That approval is given for all purposes, including for the purpose of Listing Rule 7.1, to the proposed issue of 1 million options to Bell Potter Securities Limited and/or its nominee, to acquire by way of issue upon exercise of the options, a like number of fully paid ordinary shares in the Company, on or about 10 December 2014 pursuant to the terms of a proposed corporate advisory agreement to be entered into with Bell Potter Securities Limited (subject to certain conditions being met), on the terms set out in the explanatory notes which accompany this Notice.

## 9. Long Term Incentive Plan (Resolution 7)

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

That the terms of the Company's Long Term Incentive Plan (**LTIP**), which are summarised in the explanatory notes which accompany this Notice, are approved for all purposes, including for the purpose of ASX Listing Rule 7.1 and Exception 9 in ASX Listing Rule 7.2.

## 10. Issue of options to Megan Baldwin under the LTIP (Resolution 8)

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

That approval is given for all purposes, including for the purpose of Listing Rule 10.14, to the issue of 1,500,000 options to Megan Baldwin, to acquire by way of issue upon exercise of the options, a like number of fully paid ordinary shares in the Company, pursuant to the Company's LTIP, on the terms set out in the explanatory notes which accompany this Notice.

***Note:** If approval is given under ASX Listing Rule 10.14 (which will be an effect of passing the above Resolution), approval is not required under ASX Listing Rules 7.1 and 10.11.*

## 11. Approval of non-executive Director share and option plan (Resolution 9)

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

That approval is given for all purposes, including for the purpose of Listing Rule 10.14, to the introduction of the non-executive Director share and option plan (**NED Plan**) in the form tabled at this meeting, and the acquisition by non-executive Directors of the Company of fully paid ordinary shares and options to acquire fully paid ordinary shares in the capital of the Company under the NED Plan, on the terms set out in the explanatory notes which accompany this Notice.

***Note:** If approval is given under ASX Listing Rule 10.14 (which will be an effect of passing the above Resolution), approval is not required under ASX Listing Rules 7.1 and 10.11.*

By order of the Board

13 October 2014

A handwritten signature in black ink, appearing to read 'MT', followed by a horizontal line extending to the right.

Mike Tonroe  
Company Secretary

# Notes

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## Required voting majorities

Each of Resolutions 1 to 9 (inclusive) requires a simple majority of the eligible votes cast by Shareholders present and voting at the meeting, whether in person, by proxy or attorney, or in the case of corporate Shareholders or proxies, by a natural person representative, to be cast in favour of the relevant Resolution.

## Directors' recommendations and voting

### ***Resolution 1 – Election of Director***

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 1.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of this Resolution.

### ***Resolution 2 – Re-election of Director***

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 2.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of this Resolution.

### ***Resolution 3 – Adoption of remuneration report***

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 3.

Voting exclusions apply to members of the key management personnel of the Company (**KMP**) details of whose remuneration are included in the remuneration report as well as 'closely related parties' of such members. Closely related parties of a member of the KMP include certain family members, dependants as well as companies they control. Voting exclusions also apply to members of the Company's KMP and their closely related parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

### ***Resolution 4 – Issue of shares and options under a placement***

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 4.

Voting exclusions apply to persons who may participate in the proposed issue of securities and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of this Resolution.

### ***Resolution 5 – Ratification of shares issued under a placement***

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 5.

Voting exclusions apply to persons who participated in the issue of securities.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of this Resolution.

### ***Resolution 6 – Issue of options to the corporate adviser***

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 6.

Voting exclusions apply to persons who may participate in the proposed issue of securities and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed.

Each Director who is a Shareholder as at the Voting Entitlement Time (as defined below) and who is otherwise entitled to vote, intends to vote their Shares in favour of this Resolution.

### ***Resolution 7 – Long Term Incentive Plan***

The Board of Directors unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 7.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's KMP and their closely related parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

### ***Resolution 8 – Issue of options to Megan Baldwin under the LTIP***

The Board of Directors (excluding Megan Baldwin) unanimously recommend that all Shareholders entitled to vote, vote in favour of Resolution 8.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's KMP and their closely related parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

### ***Resolution 9 – Approval of non-executive Director share and option plan***

Each of Dominique Fisher, Tina McMeckan and Russell Howard decline to make a recommendation to Shareholders in relation to this Resolution so as to avoid any perceived conflict of interest in making a recommendation on the approval of the NED Plan and the subsequent acquisition of Shares and options by non-executive Directors pursuant to the NED Plan. Megan Baldwin (being the only Director not eligible to participate in the NED Plan), considers the approval of the plan and the subsequent acquisition of Shares and options in these circumstances to be appropriate and reasonable and recommends you ***vote in favour*** of Resolution 9.

Voting exclusions apply to certain Directors and their associates voting and also to members of the Company's KMP and their closely related parties voting as proxies on this Resolution. See the section below headed 'Voting Exclusion Statements' for further details.

## **Voting Exclusion Statements**

### ***Resolution 3 – Adoption of remuneration report***

Circadian will disregard any votes cast on Resolution 3 by or on behalf of:

- (a) a member of the KMP of the Company details of whose remuneration are included in the Company's remuneration report for the year ended 30 June 2014; and
- (b) a closely related party of such a member.

However, the Company will not disregard the vote of a person described in paragraph (a) or (b) above on the Resolution if the vote is not cast on behalf of a person described in either paragraph and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or



- (b) the person is the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

***Resolution 4 – Issue of shares and options under a placement***

Circadian will disregard any votes cast on Resolution 4 by or on behalf of:

- (a) each of the persons who may participate in the proposed issue and a person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a Shareholder); and
- (b) an associate of those persons.

***Resolution 5 – Ratification of shares issued under a placement***

Circadian will disregard any votes cast on Resolution 5 by or on behalf of:

- (c) DWS Investments; and
- (d) an associate of DWS Investments.

***Resolution 6 – Issue of options to the corporate adviser***

Circadian will disregard any votes cast on Resolution 6 by or on behalf of:

- (a) Bell Potter Securities Limited and/or its nominee as a person who will participate in the issue of the securities and a person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a Shareholder); and
- (b) an associate of those persons.

***Resolution 7 – Long Term Incentive Plan***

Circadian will disregard any votes cast on Resolution 7 by:

- (a) any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- (b) an associate of any such Director.

However, Circadian need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

***Resolution 8 – Issue of options to Megan Baldwin under the LTIP***

Circadian will disregard any votes cast on Resolution 8 by:

- (a) Megan Baldwin; and
- (b) an associate of Megan Baldwin.

However, Circadian need not disregard a vote if:

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

- (d) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

#### ***Resolution 9 – Approval of non-executive Director share and option plan***

Circadian will disregard any votes cast on Resolution 9 by:

- (a) any Director (except one who is ineligible to participate in the NED Plan); and
- (b) an associate of any such Director.

However, Circadian need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

#### ***Resolutions 3, 7, 8 and 9 – restrictions on KMP proxy voting***

In addition to the voting restrictions specified above, a member of the KMP of the Company and any of their closely related parties must not vote as a proxy on Resolutions 3, 7, 8 or 9 unless the proxy appointment specifies the way the proxy is to vote on the Resolution.

However, the restriction outlined in the previous paragraph does not apply if:

- (a) the proxy is the Chair of the meeting; and
- (b) the proxy appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

### **Appointing the Chair as your proxy**

If you appoint the Chair of the meeting as your proxy and you do not specify how the Chair is to vote on a Resolution, the proxy appointment expressly authorises the Chair to exercise the proxy even if the Resolution may be connected directly or indirectly with the remuneration of a member of the KMP of the Company.

The Chair intends to vote all available and undirected proxies in favour of all Resolutions, subject to the above voting exclusions. In exceptional circumstances the Chair's intentions may change subsequently. If there is a change to how the Chair intends to vote undirected proxies, the Company will make an immediate announcement to ASX stating that fact and explaining the reasons for the change.

### **How to Vote**

#### ***Voting entitlements***

Circadian has determined that for the purposes of voting at the annual general meeting or at any adjourned meeting, Shares will be taken to be held by those persons recorded on the register of members at the Voting Entitlement Time.

#### ***Voting Entitlement Time***

In accordance with Regulation 7.11.37 of the Corporations Regulations, all securities of the Company that are quoted on ASX at 10.00am Melbourne time on Sunday, 16 November 2014 being the Voting Entitlement Time, are taken, for the purposes of the above 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 on Tuesday, 18 November 2014.

### ***Joint Holders***

When joint holders are named in the register of members only one joint holder may vote. If more than one of the joint holders is present at the meeting, only the person whose name appears first in the register of members will be entitled to vote.

### ***Voting in person or by attorney***

Shareholders or their attorneys wishing to vote in person should attend the meeting. Attendees are asked to arrive at least 15 minutes prior to the time the meeting is to commence, so that their shareholding may be checked against the register of members and their attendance noted. Shareholders should bring their bar coded proxy form with them to assist in Shareholder identification and registration. Attorneys should bring the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting

### ***Voting by corporate representative***

Corporate Shareholders or proxies wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from Computershare Investor Services Pty Limited;
- (b) complete and sign the form in accordance with the instructions on the form; and
- (c) bring the completed and signed form with them to the meeting.

### **Proxies**

1. A Shareholder entitled to attend and vote at the meeting has a right to appoint a proxy to attend and vote in the Shareholder's place.
2. The proxy need not be a Shareholder of the Company. A proxy may be an individual or a body corporate.
3. A Shareholder who is entitled to cast two or more votes may appoint up to two proxies to attend and vote at the meeting and, in the case of such an appointment, should specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion or number is specified, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
4. Where a Shareholder appoints two proxies, on a show of hands neither proxy may vote if more than one proxy attends and on a poll each proxy may only exercise votes in respect of those Shares or voting rights the proxy represents.
5. A proxy may decide whether to vote on an item of business, except where the proxy is required by law or the constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may only vote on the item as directed. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
6. If the abstention box on the proxy form for any item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant Shares will not be counted in calculating the required majority on a poll.
7. Shareholders who intend to appoint the Company's Chair as proxy (including an appointment by default) should have regard to the information above under the heading 'Appointing the Chair as your proxy'.
8. The proxy form included in this Notice must be signed by the Shareholder or the Shareholder's attorney and, in the case of a joint holding, by each of the joint holders.

9. If the proxy form is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the meeting, the Chair may either act as proxy or complete the proxy form by inserting the name of a Director or the Company Secretary of Circadian.
10. The appointment of one or more duly appointed proxies will not preclude a Shareholder from attending this meeting and voting personally. If the member votes on a Resolution, the proxy must not vote as the member's proxy on that Resolution.
11. In the case of joint holders of Shares, if more than one holder votes at any meeting, only the vote of the first named of the joint holders in the register of members will be counted.
12. To be valid, a proxy form signed under a power of attorney or other authority (if any) must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
13. Proxies given by a corporation must be signed either under seal or under the hand of a duly authorised attorney. In addition, should the constitution of a corporation permit the execution of documents without using a common seal, the documents must be signed by two directors or a director and a company secretary, or for a proprietary company that has a sole director who is also a company secretary, that director.
14. If a body corporate is appointed as proxy, please write the full name of that body corporate (e.g. Company X Pty Ltd). Do not use abbreviations. The body corporate will need to ensure that it:
  - (a) appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act; and
  - (b) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If no such evidence is received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

15. Shareholders wishing to vote by proxy must complete, sign, and deliver the enclosed personalised proxy form in accordance with the instructions on the form so that it is received prior to 11.00am Melbourne time on Sunday, 16 November 2014 by:
  - (a) post in the reply paid envelope provided, to:

Circadian Technologies Limited  
C/- Computershare Investor Services Pty Limited  
PO Box Reply Paid 242  
Melbourne, Victoria, 3001;
  - (b) hand delivered, to:

Circadian Technologies Limited  
C/- Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria, 3067;
  - (c) fax, to:

Circadian Technologies Limited  
C/- Computershare Investor Services Pty Limited  
on 1800 783 447 (within Australia) or;  
+61 3 9473 2555 (outside Australia).

## Recording devices

In the absence of special permission, the Chair will require that any recording or broadcasting device (including tape recorders, mobile telephones, still cameras and video cameras) and any article which may be dangerous, offensive or liable to cause disruption, be turned off or deposited outside the meeting.

## Questions and comments by Shareholders at the meeting

1. In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders as a whole to ask questions about or to make comments upon the management of the Company including the remuneration report and the Resolutions at the meeting.
2. Shareholders may also provide written questions to the Company to be submitted no later than 5.00pm on Friday, 14 November 2014, and should be addressed as follows:

The Company Secretary  
Circadian Technologies Limited  
Level 0403, 650 Chapel Street  
South Yarra VIC 3141

3. Any Shareholders who would like to submit a written question to Circadian's auditor, Deloitte Touche Tohmatsu (the **Auditor**), in relation to its conduct of the external audit of the Company's financial statements for the year ended 30 June 2014, or the content of its audit report, may complete the enclosed Question Form and return it:
  - (a) in the reply paid envelope by mail or delivery to:  
Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne, Victoria, 3001, Australia; or
  - (b) by facsimile on:  
1800 783 447 (within Australia); or  
+61 3 9473 2555 (outside Australia).
4. Written questions to the Auditor must be received by no later than 5:00pm Melbourne time on Friday, 14 November 2014.
5. The Auditor may answer relevant submitted questions at the meeting or may table a written answer to those questions at the meeting. Any written answers tabled will be made available as soon as practicable after the meeting by posting them on the Company's website.

## Definitions

Words that are defined in the Glossary have the same meaning when used in this Notice unless the context requires, or the definitions in the Glossary provide, otherwise.

# Explanatory notes

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These explanatory notes accompany and form part of the notice of meeting.

The Corporations Act requires the financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report to be laid before the annual general meeting. There is no requirement either in the Corporations Act or Circadian's constitution for Shareholders to approve the financial report, the directors' report or the auditor's report. Rather, the purpose of presenting the reports is to give Shareholders an opportunity at the meeting to ask questions and to make comments on these reports.

Time will be allocated in the annual general meeting to deal with any business that may legally be brought before the annual general meeting in accordance with Circadian's constitution and the Corporations Act.

### 3. Election of director

Russell Howard was appointed as a Director of Circadian on 3 December 2013 after the Company's 2013 annual general meeting.

Pursuant to article 57.2 of Circadian's constitution, a Director appointed by the Board under clause 57.1 must retire at the next annual general meeting, and will then be eligible for election. Accordingly, Russell Howard offers himself for election as a Director of Circadian.

#### Biography

Dr Howard has acted as a special advisor to Board since 2012. He has extensive experience in the life sciences and biotechnology sectors. Dr Howard is Executive Chairman at Neuclone, a Sydney company developing bio-similar monoclonal antibody drugs. He is also the Founder and CEO of Oakbio, a biotechnology company based in California, developing breakthrough sustainable microbe-based technologies that convert CO<sub>2</sub> in waste gas into valuable chemical products. Previously, Dr Howard was Founder and CEO of Maxygen, President & Scientific Director at Affymax and he also previously served on advisory panels for WHO and USAID.

#### Other current directorships

Mr Howard is currently a director of the following companies:

NeuClone Pty Ltd

Oakbio Inc.

Prima BioMed Ltd

#### Independence

Mr Howard is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders. Accordingly, the Board considers that Mr Howard is an independent director.

#### Recommendation

The Board supports the election of Mr Howard to the Circadian Board. The Directors unanimously recommend that all Shareholders *vote in favour* of Resolution 1.

#### **4. Re-election of director**

Tina McMeckan was elected to the Circadian Board by shareholders at the Company's 2011 annual general meeting.

Pursuant to article 58.4 of Circadian's constitution, a Director must retire from office at the conclusion of the third annual general meeting after the Director was last elected. Accordingly, Tina McMeckan offers herself for re-election as a Director of Circadian.

#### **Biography**

Tina McMeckan was appointed a non-executive Director of Circadian in January 2008 and is Chairman of the Audit and Risk Committee and a member of the Remuneration Committee. Her specific skills are in the commercialisation of science and technology and the energy sector. Tina is presently a Director of CRC for Spatial Information, Ausnet Services Limited, and the Global Carbon Capture and Storage Institute and was the Chairman of Centre for Eye Research Australia until November 2012 and a Director of Metlink Pty Ltd until April 2012. She is a past member of the Funds Management Committee of the AusIndustry Research and Development Board and has held senior investment management positions with the Australian Industry Development Corporation and Amrad Corporation Ltd (acquired by CSL Limited), focusing on capital raisings for innovation-based ventures. She also has extensive board expertise in public and private utility infrastructure, including power production, networks and retailing business in the gas and electricity industries. She was formerly the Chairman of NanoVentures Australia Ltd and a member of the National Board of Norton Rose law firm. Her other appointments as a director have included United Energy, Snowy Hydro Trading, the Westar and Kinetik Energy Group, Victorian Power Exchange, Vision Cooperative Research Centre, Solaris Power and the formerly listed company Alinta Limited (October 2003 to August 2007).

#### **Other current directorships**

Ms McMeckan is currently a director of the following companies:

AusNet Services Limited  
CRC for Spatial Information  
Center for Eye Research Australia Ltd – Trustee of Foundations  
Global Carbon Capture and Storage Institute  
Melbourne Girls Grammar School

#### **Independence**

Ms McMeckan is not considered to have any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders. Accordingly, the Board considers that Ms McMeckan is an independent director.

#### **Recommendation**

The Board supports the re-election of Ms McMeckan to the Circadian Board. The Directors unanimously recommend that all Shareholders *vote in favour of* Resolution 2.

#### **5. Adoption of remuneration report**

The remuneration report is set out on pages 10 to 17 of the 2014 annual financial report which is available at

[http://circadian.com.au/sites/default/files/CircadianAnnualReport%2030%20June%202014\\_final\\_ASX.pdf](http://circadian.com.au/sites/default/files/CircadianAnnualReport%2030%20June%202014_final_ASX.pdf) and [www.asx.com.au](http://www.asx.com.au), and which has been sent to those Shareholders who have requested the annual report in hard copy form.

Please note that the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Chair will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report at the meeting. The Company will take the outcome of the vote on Resolution 3 into consideration and the comments made by Shareholders at the meeting when reviewing the Company's remuneration practices and policies.

In accordance with the Corporations Act, if twenty-five percent (25%) or more of the eligible votes cast are voted against the adoption of the Company's 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 that another meeting of Shareholders be held within 90 days at which all of the Company's Directors (other than the Managing Director and Chief Executive Officer) who were in office at the date of issue of the relevant second consecutive remuneration report must be put up for re-election.

### **Recommendation**

Noting that each Director has a personal interest in his/her own remuneration from the Company, the Directors unanimously recommend that all Shareholders *vote in favour* of Resolution 3, approving the adoption of the Company's 2014 remuneration report.

## **6. Issue of shares and options under a placement**

### **Background**

The Company proposes to issue approximately 80 million fully paid ordinary shares and 40 million accompanying free options over fully paid ordinary shares to sophisticated and professional investors pursuant to the 2 separate tranches under the placement as set out in the Company's announcement released to ASX on 6 October 2014 (**Placement**). The issue of the Shares under tranche 1 of the Placement is not subject to shareholder approval and will be issued on or about 20 October 2014 within the 15% Limit as set out in ASX Listing Rule 7.1 (as defined below). The issue of the options under tranche 1 of the Placement and the issue of Shares and options under tranche 2 of the Placement is the subject of this Resolution.

The monies raised from the Share component of tranche 1 and tranche 2 of the Placement will provide the Company with capital to fund the OPT-302 program to the completion of Phase 2a clinical trial and to accelerate partnership opportunities to advance VGX-100.

### **ASX Listing Rule 7.1 approval**

Under ASX Listing Rule 7.1, an entity must not issue, or agree to issue, more than 15% of its capital in any 12 month period without the approval of its Shareholders (**15% Limit**).

The aggregate number of Shares to be issued under tranche 1 and tranche 2 of the Placement would exceed the Company's 15% Limit. Accordingly, this Resolution is being proposed to ensure that amongst other things, the Company does not contravene ASX Listing Rule 7.1 by issuing the Shares and options to investors under the Placement.

Outlined below is the information in relation to the Shares and options to be issued under the Placement required to be provided to Shareholders pursuant to ASX Listing Rule 7.3 for the purposes of obtaining Shareholder approval under ASX Listing Rule 7.1:

- (a) the maximum number of securities under tranche 2 of the Placement to be issued is 73,142,857 fully paid ordinary shares and the maximum number of options to be issued under both tranche 1 and 2 of the Placement will in aggregate be 40,000,000 options over fully paid ordinary shares;
- (b) the Company will allot and issue the Shares and options on or about 25 November 2014;



- (c) the issue price of each Share is \$0.175;
- (d) the options have a nil issue price and are exercisable at \$0.27 per option on or before 25 November 2018;
- (e) the Shares and options in the Company will be issued to sophisticated or professional investors sourced by Bell Potter Securities Limited (acting as lead manager to the Placement) and the Company;
- (f) the Shares issued under the Placement and on exercise of the options rank pari passu with existing ordinary shares; and
- (g) the funds raised from the issue of the Shares and options under the Placement will be used to provide the Company with capital to fund the OPT-302 program to the completion of Phase 2a clinical trial and to accelerate partnership opportunities to advance VGX-100.

### **Recommendation**

The Directors unanimously recommend that all Shareholders *vote in favour* of Resolution 4, approving the issue of the Shares and options under the Placement.

## **7. Ratification of shares issued under a placement**

### **Background**

As disclosed above in item 6, the Company proposes to issue securities in 2 separate tranches under the Placement. The Shares issued pursuant to tranche 1 of the Placement are the subject of this Resolution. The Shares are expected to be issued on or about 20 October 2014 and the issue of the Shares on that date will not require prior Shareholder approval as it, together with prior issues of securities in the Company in the last 12 months, will not exceed the 15% Limit.

### **ASX Listing Rule 7.4 ratification**

Pursuant to ASX Listing Rule 7.4, a prior issue of securities that is subsequently approved by Shareholders is excluded from the total number of issued securities used to calculate the 15% Limit. Accordingly, by seeking approval under ASX Listing Rule 7.4 for a prior issue of securities, the Company retains the ability to issue up to 15% of its issued capital to take advantage of any future capital raising and other opportunities that may require an issue of securities.

Outlined below is the information in relation to the Shares issued required to be provided to Shareholders pursuant to ASX Listing Rule 7.5 for the purposes of obtaining Shareholder approval under ASX Listing Rule 7.4:

- (a) up to 6,857,143 fully paid ordinary shares were issued;
- (b) the Shares were issued at an issue price of \$0.175 per Share;
- (c) the Shares rank pari passu with existing Shares;
- (d) the Shares were issued to DWS Investments; and
- (e) the funds raised from the issue of the Shares will in part be used to fund the OPT-302 program to the completion of Phase 2a clinical trial and to accelerate partnership opportunities to advance VGX-100.

### **Recommendation**

The Directors unanimously recommend that all Shareholders vote in favour of Resolution 5, approving the ratification of the Shares issued to DWS Investments.

## 8. Issue of options to corporate adviser

### Background

The Company proposes to issue up to 19,453,206 fully paid ordinary shares and up to 9,726,603 accompanying free options over fully paid ordinary shares to eligible Shareholders under a non-renounceable entitlement offer as set out in the Company's announcement released to ASX on 6 October 2014 (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited (**Bell Potter**). Under the terms of the underwriting agreement between Circadian and Bell Potter, if the aggregate amount raised by Circadian under the Placement and Entitlement Offer is at least \$12.5 million, Circadian and Bell Potter agree to negotiate in good faith and enter into a separate corporate advisory agreement. The corporate advisory agreement will include an obligation on Circadian to issue Bell Potter (or its nominee) 1 million options for no consideration within ten business days of the date of execution of the corporate advisory agreement (currently expected to be on or around 19 December 2014). The options are exercisable at of \$0.2625 per option.

### ASX Listing Rule 7.1

Under ASX Listing Rule 7.1, an entity must not issue, or agree to issue, more than 15% of its capital in any 12 month period without the approval of its Shareholders.

The effect of Resolution 6 will be to allow Circadian the ability to issue the options to Bell Potter without using any of the Company's annual 15% placement capacity under ASX Listing Rule 7.1 and thereby allow the Company to take advantage of any future capital raising and other opportunities that may require an issue of securities.

Outlined below is the information in relation to the options to be issued to Bell Potter required to be provided to Shareholders pursuant to ASX Listing Rule 7.3 for the purposes of obtaining Shareholder approval under ASX Listing Rule 7.1:

- (a) the maximum number of securities to be issued to Bell Potter is 1,000,000 options over fully paid ordinary shares;
- (b) the options will be issued on or about 19 December 2014;
- (c) the options will be issued for nil consideration;
- (d) subject to the execution of the corporate advisory agreement between the Company and Bell Potter, the options will be issued to Bell Potter (or its nominee); and
- (c) the options have an exercise price of \$0.2625 per option and are exercisable between the first and third anniversary of the date of execution of the corporate advisory agreement.

### Recommendation

The Directors unanimously recommend that all Shareholders *vote in favour* of Resolution 6, approving the issue of the options to Bell Potter.

## 9. Long Term Incentive Plan

### Background

The Directors have determined that a new long term incentive plan (**LTIP**) should be implemented to attract, retain and motivate eligible employees which is essential to the continued growth and development of the Company.

### ASX Listing Rule 7.2 exception 9

ASX Listing Rule 7.2 exception 9 provides that ASX Listing Rule 7.1 does not apply in respect of the issue of securities by the Company under an employee incentive scheme if the issue of securities under the scheme has been approved by Shareholders as an exception to ASX Listing Rule 7.1, within 3 years before the date of issue of the relevant securities. Accordingly, Shareholder approval of the Company's LTIP is sought to ensure that securities issued under the LTIP do not count towards the 15% Limit.

A summary of the terms of the LTIP is as follows:

### *Eligibility*

The Board may offer options to acquire shares in the Company (**Options**) or rights to acquire shares in the Company (**Rights**), to full or part-time employees (including executive Directors) of the Company or any associated body corporate of the Company (**Employees**).

Subject to Circadian's constitution, the Board is also able to determine the terms of issue that will apply to any offers, including the issue price (if any), exercise price, exercise period and the restrictions (if any) on the exercise of the Options or Rights.

### *Entitlement*

Each Option or Right will, upon vesting and exercise or conversion, entitle the holder to subscribe for and be issued one fully paid ordinary Share in the capital of the Company. When issued, each Share will rank equally with all other Shares then on issue.

### *Issue of Options or Rights*

Unless otherwise determined by the Board, there is no issue price for the Options or Rights.

### *Vesting*

The Board will set the conditions (if any) under which the Options and Rights issued under the LTIP will vest.

### *Transfer of Options or Rights*

Options or Rights may not be transferred except in the following circumstances:

- (a) following an acceptance of an offer made under an off-market bid relating to the Options or Rights;
- (b) to a bidder on the sale of the Options or Rights under Division 3 of Part 6A.1 of the Corporations Act;
- (c) to a 100% holder on the sale of the Options or Rights under Division 2 of Part 6A.2 of the Corporations Act;
- (d) a transfer under Part 6A.3 of the Corporations Act to a person entitled to acquire the Options or Rights under section 661A or 664A of the Corporations Act; or
- (e) as approved by the Board in those circumstances as may be determined by the Board.

### *Conditions*

Subject to the discretion of the Board, conditions may be imposed on the exercise of Options.

### ***Term***

The Option term will be fixed by the Board at the time of issue but if the offer does not specify a fixed date as the last date on which the Option may be exercised, the Option will expire five years from the date of issue.

### ***Lapse of Options or Rights***

The Board may provide the Options or Rights will lapse on the occurrence any of the following circumstances:

- (a) a determination of the Board that the vesting conditions (if any) applicable have not been satisfied or are not capable of being satisfied in accordance with the terms of the Options or Rights;
- (b) the Employee ceases to be employed within the Group for any reason or in any circumstances (including as a result of his or her termination for cause or resignation or will cease or ceases to be employed because of poor or inadequate performance);
- (c) a determination of the Board that the Option or Rights should lapse because the Employee, in the Board's opinion:
  - (i) has been, or could be, dismissed or removed from office for a reason which entitles a Group Company to dismiss the Employee without notice;
  - (ii) has committed an act of fraud, misappropriation or serious misconduct in relation to the affairs of the Group or any Group Company (whether or not charged with an offence); or
  - (iii) has done an act which brings the Group or any Group Company into disrepute or causes material damage to any Group Company;
  - (iv) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of the Company or any Group Company;
  - (v) has had a judgement entered against him or her in civil proceedings in respect of the contravention by the Employee of his or her duties at law, in equity or under statute in his or her capacity as an executive or Director of the Company or any other Group Company;
  - (vi) has materially breached his or her obligations to any Group Company;
  - (vii) has performed below expectations or requirements (whether or not any performance-based vesting conditions have been or are likely to be met);
  - (viii) has materially breached any policy of the Company (including, without limitation, the trading policy or the Company's policy (if any) on the hedging of long term incentives) or of any Group Company; or
  - (ix) has dealt with the Options or Rights in breach of the rules of the LTIP;
- (d) on the happening of any other circumstance determined by the Board and specified in the offer as a circumstance that will cause an Option or Right (vested or unvested) to lapse; and
- (e) in the opinion of the Board, the Options or Rights are liable to clawback under any clawback policy of the Company.

In addition, in relation to unvested Options or Rights, the Board may determine that the Options or Rights will lapse in the event of a corporate control event (as defined in the rules of the LTIP).

If an Employee fails to exercise any vested Options by the last exercise date, those Options will lapse.

### ***Exercise Price***

The exercise price for an Option (if any) will be the amount determined by the Board at the time of the issue of the Option. The exercise price will be set out in the offer. If an Employee elects to exercise a partial amount of the Options issued to him or her, the number must be in multiples of 100 (unless otherwise determined by the Board).

### ***New issue of Securities***

An Employee may only participate in new issues of securities in the Company offered to Shareholders if:

- (a) in the case of Options, his or her Options have vested and been exercised, and Shares have been issued in respect of the Options; and
- (b) in the case of Rights, his or her Rights have vested and been converted, and Shares have been issued in respect of the Rights.

### ***Rights issues***

If the Company makes a pro rata rights issue of Shares for cash to Shareholders, there is a provision for adjustment of the Option entitlement and the exercise price of unexercised Options in accordance with the ASX Listing Rules to reflect the diluted effect of the issue.

In respect of Rights, the Board may determine whether any adjustment will be made to the terms of the Rights (including whether or not there will be any resulting increase in the number of Shares to which the Employee will be entitled on vesting of the Right and the manner in which any such increase will be calculated).

### ***Capital Reorganisations***

If there is a reorganisation of the Share capital of the Company, then the rights of the Option or Right holder (including the number of Options or Rights to which each Option or Right holder is entitled to and in the case of Options the exercise price) will be amended to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. In the case of Rights, the amendment will be made on the same basis as required by the ASX Listing Rules applying to Options.

### ***Corporate control events***

The Board may determine that where a corporate control event (as defined in the rules of the LTIP, which includes a takeover offer) has occurred or occurs in the future, all of a specified portion of any unvested Options or Rights will be taken to be vested and any first or last exercise dates applicable to Options or any share allocation date or period applicable to Rights, will be brought forward to an earlier date or period determined by the Board.

### ***Limit of LTIP***

The number of Shares to be received on exercise of an Option or conversion of a Right which is the subject of an offer when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer with respect to Shares, units of Shares and options or rights to acquire unissued Shares, under an employee share scheme of the Company, to be accepted, exercised or converted (as the case maybe); and
- (b) the number of Shares in the same class issued during the previous five years pursuant to the LTIP or any other employee share scheme extended only to eligible employees of the Company;

but disregarding any offer made, or option or right acquired or Share or unit of Share issued by way of or as a result of an offer:

- (c) to a person situated at the time of receipt of the offer outside Australia; or

- (d) that was an excluded offer or invitation within the meaning of the Corporations Act as in force before the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act 1999; or
  - (e) that did not need disclosure to investors because of section 708 of the Corporations Act; or
  - (f) that did not require the giving of a product disclosure statement because of section 1012D of the Corporations Act; or
  - (g) made under a disclosure document or product disclosure statement,
- must not exceed 5% of the total number of issued Shares in that class as at the time of the offer.

***Right to attend or vote at general meetings***

Subject to the Corporations Act and Circadian's constitution, holders of Options or Rights will not have any right to attend or vote at general meetings of holders of Shares.

***Amendment***

The rules of the LTIP may be amended by the Board at any time in accordance with the ASX Listing Rules. Subject to certain exceptions specified in the rules of the LTIP, if in the opinion of the Board the proposed amendment would materially adversely affect the existing rights of Employees in respect of any Options or Rights then held by them, the Board must before making the amendment obtain the consent of holders of Options or Rights (as the case maybe) who between them hold not less than 75% of the total number of the Options or Rights in respect of which the holders rights would be adversely affected by the proposed amendment.

***No quotation***

The Company will not apply to the ASX for official quotation of Options or Rights under the LTIP.

**Recommendation**

The Directors unanimously recommend that all Shareholders *vote in favour* of Resolution 7, approving the issue of the Options or Rights under the LTIP.

**10. Issue of options to Megan Baldwin under the LTIP**

**Background**

The Board considers the motivation of the Managing Director and CEO, Megan Baldwin, vital to the Company's long term performance.

Following the annual review of performance for the year ended 30 June 2014, the Board approved, subject to receipt of necessary Shareholder approval, to grant Megan Baldwin 1,500,000 options under the LTIP subject to certain vesting conditions and exercise conditions. The options are to be issued for no cash consideration and with a zero exercise price.

The vesting and exercise conditions are as follows:

- (a) the options will be granted and issued to Ms Baldwin on the same date the shares are issued to investors under tranche 2 of the Placement (currently expected to be on or about 25 November);
- (b) the options will vest on the date being 6 months from the date the options are granted;
- (c) the options will lapse if prior to the vesting date, Ms Baldwin's employment with the Company is terminated (for cause or otherwise, unless otherwise determined by the Board) or she resigns from the Company;
- (d) once vested, the options are exercisable any time during the three years after the date the options have vested; and

- (e) the Shares issued on exercise of the options are not transferable for 12 months from the date of issue of the Shares.

#### **ASX Listing Rule 10.14**

ASX Listing Rule 10.14 provides that an entity must not permit a Director of the Company to acquire securities under an employee incentive scheme without the approval of its Shareholders.

The Board believes that the options to be issued to the CEO and Managing Director of Circadian are designed to provide a long term incentive to pursue the growth and success of Circadian. Accordingly, Resolution 7 is being put to Shareholders for the purpose of approving the issue of the options over fully paid ordinary shares pursuant to the LTIP to Ms Baldwin.

Outlined below is the additional information in relation to the options to be issued to Ms Baldwin required to be provided to Shareholders pursuant to ASX Listing Rule 10.15 for the purposes of obtaining Shareholder approval under ASX Listing Rule 10.14:

- (a) the maximum number of options that can be awarded to Ms Baldwin under this approval is 1,500,000 options;
- (b) the LTIP is a new plan which means there have been no recipients of options under this LTIP ;
- (c) no other Director (excluding the Managing Director) is entitled to participate in the LTIP;
- (d) there is no loan proposed in relation to the proposed issue of options to Ms Baldwin; and
- (e) Circadian intends to issue the options to Ms Baldwin within 12 months after the date of this meeting.

#### **Recommendation**

The Board (excluding Megan Baldwin) has agreed to approve the issue of options to Ms Baldwin to provide an incentive to improve the performance of the Company and, in turn, create Shareholder value. The Board (excluding Megan Baldwin) considers the issue of options to Ms Baldwin in these circumstances to be appropriate and reasonable and recommends you *vote in favour* of Resolution 8.

### **11. *Approval of non-executive Director share and option plan***

#### **Background**

The Board is proposing to implement a non-executive director share and option plan (**NED Plan**) under which present and future non-executive Directors may:

- (a) elect to receive newly issued Shares or options to acquire newly issued Shares in lieu of receiving some or all of their entitlement to their Director's existing cash remuneration (in accordance with article 61.8 of the Company's constitution) (**Securities Issued In Lieu**);
- (b) be awarded newly issued Shares or options to acquire newly issued Shares in lieu of additional cash remuneration in respect of services provided to the Company which in the opinion of the Board are outside the scope of the ordinary duties of the relevant Director (in accordance with article 61.5 of the Company's constitution); and/or
- (c) otherwise be awarded newly issued Shares or options to acquire newly issued Shares as part of the Directors' remuneration in addition to any existing cash remuneration paid to Directors (if any).

Advantages in approving the adoption of the NED Plan are that it:

- (a) assists the Company in preserving its cash for use towards advancing the Company's lead molecule, OPT-302, for wet AMD through Phase 1 and 2A clinical studies;

- (b) gives non-executive Directors an opportunity to demonstrate their commitment and support for the Company through sacrificing some or all of their Director's fees for Shares or options in Circadian; and
- (c) provides the Company with further flexibility in the design of the Directors' remuneration packages and in turn assists the Company with retaining existing Directors and attracting new additional Directors with the relevant experience and expertise, in both cases to further advance the prospects of the Company.

**ASX Listing Rule 10.14**

ASX Listing Rule 10.14 provides that an entity must not permit a Director of the Company to acquire securities under an employee incentive scheme without the approval of its Shareholders. Accordingly, Resolution 8 is being put to Shareholders for the purpose of approving the non-executive Director share and option plan and the acquisition of fully paid ordinary shares and options over fully paid ordinary shares, pursuant to the NED Plan, to non-executive Directors over the next 3 years from the date of this meeting.

Outlined below is the additional information in relation to the NED Plan and Shares and options to be acquired under the NED Plan required to be provided to Shareholders pursuant to ASX Listing Rule 10.15A for the purposes of obtaining Shareholder approval under ASX Listing Rule 10.14:

- (a) Shares and options will only be acquired by participating non-executive Directors pursuant to the NED Plan, as determined by the Board from time to time;
- (b) the maximum number of Shares and options that can be acquired by participating non-executive Directors under this approval is 1.5 million Shares and options (in aggregate);
- (c) no monetary consideration will be payable by non-executive Directors for the issue of the Shares or options issued under the NED Plan, however the number and deemed price (for the purposes of calculating the number) of Shares or options acquired under the NED Plan will be in accordance with the following formula:

A

B

where:

- (i) in the case of Securities Issued In Lieu, A is equal to the dollar value nominated by the participating non-executive Director;
- (ii) in all other cases, A is equal to the dollar value of the award to be granted to the participating non-executive Director (such dollar value to be determined by the Board in its absolute discretion); and
- (iii) B is the by reference to the volume weighted average price of ordinary shares quoted on the ASX on the 5 trading days preceding the date of determination of the award by the Board;
- (d) the NED Plan is a new share and option plan which means there have been no recipients of Shares or options under this NED Plan and no persons received any Shares under the 2008 Circadian Technologies Limited Non-Executive Director Share Plan (which was approved at the Company's 2008 annual general meeting);
- (e) current non-executive Directors (being Dominique Fisher, Tina McMeckan and Russell Howard who are in office immediately prior to this annual general meeting) may be entitled to participate in the NED Plan (at the absolute discretion of the Directors);



- (f) the Company will not grant any loans in connection with the acquisition of Shares or options under the NED Plan; and
- (g) Circadian intends to issue the Shares and options under the NED Plan to participating non-executive Directors within 3 years after the date of this meeting.

### **Statement**

Details of any Shares and options issued under the NED Plan will be published in each annual report of the Company relating to the period in which the Shares and options are issued and it will be noted that approval for the issue of the Shares and options was obtained under ASX Listing Rule 10.14. If any additional persons become entitled to participate in the NED Plan after this Resolution is approved and who were not named in the Notice, such person will not participate until approval is obtained under ASX Listing Rule 10.14.

### **Recommendation**

Each of Dominique Fisher, Tina McMeckan and Russell Howard decline to make a recommendation to Shareholders in relation to this Resolution so as to avoid any perceived conflict of interest in making a recommendation on the approval of the non-executive Director NED Plan and the subsequent acquisition of Shares and options by non-executive Directors pursuant to the NED Plan. Megan Baldwin (being the only Director not eligible to participate in the NED Plan), considers the approval of the plan and the subsequent acquisition of Shares and options in these circumstances to be appropriate and reasonable and recommends you *vote in favour* of Resolution 9.

## **12. Glossary**

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.

**Board** means the Board of Directors.

**Chair** means the person appointed to chair the Company's annual general meeting. The Company intends to appoint the Company's current non-executive Chair (Dominique Fisher) to act as chair at this meeting.

**Company** means Circadian Technologies Limited ACN 006 340 567.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company and **Director** means any of them.

**Glossary** means this glossary.

**Group** means the Company and its associated bodies corporate.

**Group Company** means any body corporate within the Group.

**NED Plan** means the proposed Circadian non-executive Director share and option plan (subject to shareholder approval at the Company's 2014 annual general meeting).

**Notice** means this notice of annual general meeting.

**Resolution** means a resolution set out in this Notice.

**Share** means a fully paid ordinary share of the Company.

**Shareholder** means a holder of at least one Share.

If you have any questions about the annual general meeting, the Resolutions to be put to Shareholders or the proposals being considered, please contact the Company Secretary on +61 3 9826 0399.

**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](http://www.intermediaryonline.com)

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

┌ 000001 000 CIR  
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 11.00am (AEDT) Sunday, 16 November 2014**

### 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

**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](http://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.

**Turn over to complete the form** ➔



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

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



**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 Circadian Technologies 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 Circadian Technologies Limited to be held at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria on Tuesday, 18 November 2014 at 11.00am (AEDT) 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 vote in accordance with the Chairman's voting intentions on Items 5, 9, 10 & 11 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman may exercise my/our proxy even though Items 5, 9, 10 & 11 are connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman) and with respect to Items 5 and 9, even if the Chairman of the Meeting has an interest in the outcome of Items 5 and 9 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

**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 Items 5, 9, 10 & 11 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
Item 3	Election of Russell Howard as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Tina McMeckan as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Issue of shares and options under a placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7	Ratification of shares issued under a placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8	Issue of options to the corporate adviser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9	Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 10	Issue of options to Megan Baldwin under the LTIP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 11	Approval of non-executive Director share and option plan	<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 / /