

Dear Shareholder

On behalf of the Board I am pleased to invite you to attend the first Annual General Meeting of Genetics Signatures Limited. The following information is enclosed:

- the Notice of Annual General Meeting;
- an Explanatory Memorandum;
- a proxy form; and
- a reply paid envelope for lodging your proxy form.

## **AGM**

The AGM will be held on Monday 9 November 2015 at 11:00am (Sydney time) in the offices of BDO, Level 11, 1 Margaret Street, Sydney. You are invited to join the Board for refreshments after the meeting.

## **Business of the AGM**

The business of the AGM is set out in the Notice of Annual General Meeting (the Notice). The Notice and Explanatory Memorandum set out important information in relation to the matters to be considered by shareholders at the meeting, and I encourage you to read these materials carefully.

## **Attendance**

If you are attending the AGM, please bring your personalised proxy form to allow the Share Registry to promptly register your attendance at the meeting. The registration desk will be open from 10.00am.

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the meeting in your place. Please refer to the Notice and proxy form regarding the appointment of a proxy.

I look forward to seeing as many shareholders as possible at the AGM.

Yours sincerely,



**Dr Nick Samaras**  
**Chairman**  
**Genetics Signatures Limited**

**GENETIC SIGNATURES LIMITED ACN 095 913 205**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting (AGM or Meeting) of Genetic Signatures Limited (GSS or Company) will be held at:

<b>Date</b>	Monday 9 November 2015
<b>Time</b>	11:00am (Sydney time)
<b>Location</b>	BDO Level 11, 1 Margaret Street Sydney, NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on the matters to be considered at the AGM. The Explanatory Memorandum and the proxy form are part of this Notice of Meeting.

**A. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2015.

Unless the Company's Share Registry has been notified otherwise, shareholders have not been sent a hard copy of the Annual Report. All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2015 on the Company's website at <http://geneticsignatures.com/>

**B. QUESTIONS AND COMMENTS**

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the Meeting.

## **C. ITEMS FOR APPROVAL**

### **Item 1. Election of Director – Dr Nick Samaras**

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

*“That, Dr Nick Samaras, who retires in accordance with clause 6.7 of the Company’s Constitution, having offered himself for election and being eligible, is elected as a Director of the Company.”*

### **Item 2. Election of Director – Mr Phillip Isaacs**

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

*“That, Mr Phillip Isaacs, who retires in accordance with clause 6.7 of the Company’s Constitution, having offered himself for election and being eligible, is elected as a Director of the Company.”*

### **Item 3. Election of Director – Dr Tony Radford**

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

*“That, Dr Tony Radford, who retires in accordance with clause 6.7 of the Company’s Constitution, having offered himself for election and being eligible, is elected as a Director of the Company.”*

### **Item 4. Remuneration Report**

To consider and, if thought fit, to pass the following as an advisory resolution of the Company:

*“That, the Company’s Remuneration Report for the financial year ended 30 June 2015 (set out in the Directors’ Report) is adopted.”*

The Remuneration Report is set out in the 2015 Annual Report. Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth), the vote on this resolution is advisory only and does not bind the Directors or the Company.

#### **Voting Exclusion Statement**

A vote on Resolution 4 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the key management personnel (**KMP**) whose remuneration details are included in the 2015 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by 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 KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act 2001 (Cth).

#### **Item 5: Approval of Grant of ESP Shares to Dr Tony Radford**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue of 240,000 ESP Shares to Dr Tony Radford, Non-executive Director, in accordance with the Company’s Employee Share Ownership Plan, on the terms summarised in the Explanatory Notes which forms part of the Notice of Meeting.”*

#### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by or on behalf of:

- a. a Director of the Company and their associates; and
- b. a member of the KMP or a Closely Related Party of a member of the KMP.

However, the Company will not disregard a vote cast on Resolution 5 as a proxy for a person who is entitled to vote and:

- a. the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- b. the vote is cast by the person chairing the AGM and the appointment expressly authorises the Chair of the AGM to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

#### **Item 6: Appointment of Auditor**

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

*“That, in accordance with section 327B(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, BDO having been nominated by a shareholder and consented in writing to act in the capacity of Auditor, be appointed as the Auditor of Genetics Signatures Limited.”*

#### **By order of the Board**



**Anna Sandham**  
**Company Secretary**  
**23 September 2015**

## ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001 (Cth) the persons eligible to vote at the Meeting are those who are registered shareholders of the Company as at 7.00pm (Sydney Time) on Saturday 7 November 2015 (Entitlement Time).

This means that if you are not the registered holder of a share in the Company at the Entitlement Time, you will not be entitled to attend and vote at the Meeting.

### *Voting by Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (the Act) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

### *Proxy Forms*

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than 11.00am (Sydney time) on Saturday 7 November 2015** (Proxy Deadline).

Proxy forms may be submitted in one of the following ways:

- a. **By mail** to Boardroom Pty Ltd using the reply paid envelope or GPO Box 3993, Sydney NSW 2001. Please allow sufficient time so that it reaches Boardroom Limited by the Proxy Deadline;
- b. **By fax** to Boardroom Pty Ltd on +61 2 9290 9655;
- c. **Online** via the Company's Share Registry website at [www.votingonline.com.au/gssagm2015](http://www.votingonline.com.au/gssagm2015). Please refer to the Proxy Form for information; or
- d. **By hand delivery** to **Boardroom** Pty Ltd at Level 12, 225 George Street, Sydney, NSW 2000 (please note the offices of Boardroom will be closed on Saturday 7 November 2015).

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

### *Voting by Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11:00am (Sydney time) on Saturday 7 November 2015 being 48 hours before the AGM.

### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

### Shareholder Questions

If you wish to submit a question in writing to the Chairman or the Auditor, please email them to the Company Secretary, Anna Sandham ([sandham@companymatters.com.au](mailto:sandham@companymatters.com.au)) **by 5:00pm (Sydney time), Monday 2 November 2015.**

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's AGM to be held on Monday 9 November 2015.

The purpose of this Explanatory Memorandum is to provide shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions.

The Directors unanimously recommend shareholders vote in favour of all Resolutions; for reasons of good governance, each Director respectively abstains where that Director has an interest in the outcome of a particular resolution and these interests are identified throughout this Explanatory Memorandum.

5 of the Resolutions to be voted on are ordinary resolutions and one is an advisory resolution (Resolution 4). An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution.

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### **Items 1 to 3. Election of Directors**

As this is the first AGM of the members of GSS, each of the Non-Executive Directors will retire and, being eligible, each Non-Executive Director will stand for election as required by clauses 6.2(b) and 6.7 of the GSS Constitution (Constitution).

#### **Item 1. Election of Dr Nick Samaras**

In accordance with clauses 6.2(b) and 6.7 of the Constitution, Dr Nick Samaras retires and, being eligible, is nominated by a majority of Directors for election as a Director.

Dr Samaras has had over 25 years' business experience in the global Life Sciences industry and is a recognised and respected industry expert. He has held a number of senior executive level positions in management marketing, sales and research and development. His roles have included appointments as Managing Director of Applied Biosystems Pty Ltd (now part of Thermo Fisher), and senior roles with Perkin Elmer and AMRAD Corporation (now part of CSL).

Dr Samaras is an experienced executive, non-executive and Board Chairman, having served on the boards of several biotechnology companies including one that was ASX-listed. For the past 10 years Dr Samaras has focussed his efforts on enabling a number of US Biotechnology companies by facilitating their international market expansion and structured development of commercial revenue channels outside of their traditional onshore markets.

Dr Samaras holds a BSc with Honours in Pathology and Immunology from Monash University, and a PhD in medical Biology from the Department of Medicine at The University of Melbourne. He also holds postgraduate business qualifications which include an MBA from the School of Management at RMIT University, and is a Fellow of the Australian Institute of Company directors and the Australian Institute of Management.

*The Directors, excluding Dr Nick Samaras, unanimously recommend that shareholders vote in favour of this Resolution.*

## **Item 2. Election of Director – Mr Phillip Isaacs**

In accordance with clauses 6.2(b) and 6.7 of the Constitution, Mr Phillip Isaacs retires and, being eligible, is nominated by a majority of Directors for election as a Director.

Mr Isaacs holds an MSc in Biochemistry from the University of Sydney. He has worked as a Clinical Biochemist with the Commonwealth Department of Health and in commercial diagnostics as Managing Director of the Australian subsidiary of Technicon Equipment (the manufacturer of the first AutoAnalyzer using continuous flow analysis for the estimation of biochemicals in the bloodstream). He commenced the operation of Beckman Instruments in Australia and worked as Managing Director and Area Director for the Asia Pacific region, being responsible for both the Diagnostic and Life Science equipment markets. He was Vice President of the Asia Pacific Cytac Corporation which developed and sells the ThinPrep Pap test and was responsible for the development of the Company in Asia Pacific. He was also the Founding Chairman of the Australian Proteome Analysis (APAF) in Sydney.

*The Directors, excluding Mr Phillip Isaacs, unanimously recommend that shareholders vote in favour of this Resolution.*

## **Item 3. Election of Director – Dr Tony Radford**

In accordance with clauses 6.2(b) and 6.7 of the Constitution, Dr Tony Radford retires and, being eligible, is nominated by a majority of Directors for election as a Director.

Dr Radford has a PhD from La Trobe University, and was a member of the CSIRO team that invented the QuantiFERON method for Cellular Immune based diagnostics. He later joined AMRAD in pharmaceutical research and was Head of Development in 2000 when he left to co-found the diagnostic company Cellestis Limited, which listed on the ASX in 2001. Establishing offices and operations in the USA, Europe and Japan, Cellestis developed QuantiFERON –TB Gold, the worldwide benchmark for diagnosis of tuberculosis infection. Dr Radford was CEO of Cellestis from founding until its acquisition by QIAGEN NV in 2011 for approximately \$400 million.

*The Directors, excluding Dr Tony Radford, unanimously recommend that shareholders vote in favour of this Resolution.*

## **Item 4. Remuneration Report**

Section 250R(2) of the Act requires that the section of the Directors' Report dealing with the remuneration of director and key management personnel (Remuneration Report) be put to the vote of shareholders for adoption by way of a non-binding vote.

If there is a vote of 25% or more against the Remuneration Report at the 2015 AGM, and another vote of 25% or more at the 2016 AGM, then a resolution will be put at the 2016 AGM to put the Board (other than the Managing Director) up for re-election (Spill Resolution). If the Spill Resolution passes, then the Company must hold a Spill Meeting within 90 days at which all Directors (other than the Managing Director) who were Directors at the time the Remuneration Report that received the second strike will retire and may resubmit themselves for re-election.

The Remuneration Report details the remuneration policy for the Company and:

- reports the remuneration arrangements for Key Management Personnel of GSS (KMP);
- explains Board policies in relation to the nature and value of remuneration paid to KMP; and



- discusses the relationship between the policy and Company performance.

The Report is available in the Company's 2015 Annual Report (available on the GSS website at <http://geneticsignatures.com/>).

The Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

This is an advisory resolution only (as stipulated by section 250R(3) of the Act) and does not bind the Directors or the Company.

A voting exclusion statement is set out under Item 4 in the Notice of Meeting.

*The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.*

## **Item 5. Approval of Grant of ESP Shares to Dr Tony Radford**

Item 5 deals with the proposed issue of ESP Shares to Dr Tony Radford, a Non-executive Director, under the Genetics Signatures Limited Employee Share Ownership Plan (ESP) which was approved by shareholders prior to listing and disclosed in the 2015 Prospectus.

### Purpose

The purpose of the Plan is to give Eligible Employees the opportunity to participate in the growth and profits of the Company and to attract, motivate and retain the services of employees to promote the long term success of the Company.

Under the Plan, Eligible Employees selected by the Board may be offered Shares which vest over a 4 year period. The following is a summary of the key terms of the Plan:

- the Board may invite Eligible Employees to apply for fully paid ordinary shares under the plan from time to time (ESP Shares);
- invitations to apply for ESP Shares offered to Eligible Employees are to be made on the basis of the market price per Share defined as the volume weighted average market price at which the Shares have traded during the 30 days immediately preceding the date of the invitation;
- invitations to apply for ESP Shares will be made on a basis determined by the Board (including as to the conditionality on the achievement of any key performance indicators) and notified to Eligible Employees in the invitation, or if no such determination is made by the Board, on the basis that ESP Shares will be subject to a 4 year vesting period, with:
  - 25% of ESP Shares applied for vesting on the date that is the first anniversary of the issue date of the ESP Shares; and
  - 1/36<sup>th</sup> of the remaining number of ESP Shares vesting on the last day of each calendar month commencing in the following calendar month.
- Unvested ESP Shares are held subject to a holding lock;
- Any ESP Shares that do not vest will be bought back and cancelled in accordance with sections 257B and 275H, respectively.

Each of the Directors will be Eligible Employees for the purposes of the Plan.

The Board believes that an equity plan which offers ESP Shares is the most appropriate for GSS at this stage for the following reasons:

- the grant of ESP Shares is in accordance with acceptable market practice; and
- the grant of ESP Shares will reward Eligible Employees for their exertion and performance.

A copy of the terms and condition of the ESP is available at GSS' website

<http://geneticsignatures.com/investors/corporate-governance/>

#### Details about the grant of Rights under the ESP to Dr Radford

Under the ESP, GSS is able to invite Dr Radford to apply for ESP Shares under the ESP to Dr Tony Radford, an Eligible Employee. The award to Dr Radford has been designed to retain key leadership, drive performance and align shareholder interests over the short to medium term. As described further below, the Board intends to grant Dr Radford ESP Shares that will be subject to a 4 year vesting period, with:

- 25% of ESP Shares applied for vesting on the date that is the first anniversary of the issue date of the ESP Shares providing Dr Radford remains employed by the Company at this date; and
- 1/36<sup>th</sup> of the remaining number of ESP Shares vesting on the last day of each calendar month commencing in the following calendar month provided that Dr Radford remains employed by the Company at each of these dates respectively.

Any ESP Shares that do not vest, will be bought back and cancelled in accordance with sections 257B and 275H, respectively.

#### How many ESP Shares will Dr Radford receive?

The Board intends to invite Dr Radford to apply for a grant of 240,000 ESP Shares subject to a 4 year vesting period. In accordance with the ESP, the price will be determined on the basis of the market price per Share defined as the volume weighted average market price at which the Shares have traded on the ASX for the 30 days immediately preceding the date of the invitation.

#### Technical Information (for the purposes of the ASX Listing Rules)

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Resolution 5:

- Dr Radford is a Non-executive Director of GSS.
- Dr Radford will be invited to apply for a grant of 240,000 ESP Shares at the market value that in accordance with the ESP means the volume weighted average market price at which the shares have traded on the ASX for the 30 days immediately preceding the date of the invitation, being the date after the AGM. ESP Shares will vest and automatically convert to ordinary shares in the company following the satisfaction of the relevant service conditions. The ESP Shares are subject to a service condition of continuous employment from grant date to the relevant vesting date. Any ESP Shares for which the service condition is not met (ie which do not vest), will lapse.
- The ESP Shares are subject to a 4 year vesting period with:

- 25% of ESP Shares applied for vesting on the date that is the first anniversary of the issue date of the ESP Shares; and
  - 1/36<sup>th</sup> of the remaining number of ESP Shares vesting on the last day of each calendar month commencing in the following calendar month.
- For the purposes of ASX Listing Rule 10.15.4, pursuant to ASX Listing Rule 10.14 the following Directors and former Directors have received securities under the Plan as follows:
    - Dr Nick Samaras: 480,000 Shares, at \$0.40 issue price (being the same as the Offer Price)
    - Dr John Melki: 900,000 Shares, at \$0.40 issue price (being the same as the Offer Price)
    - Mr Mike Aicher: 480,000 Shares, at \$0.40 issue price (being the same as the Offer Price)
    - Mr Phillip Isaacs: 250,000 Shares, at \$0.40 issue price (being the same as the Offer Price)
    - Mr Pat Noland: 160,000 Shares, at \$0.40 issue price (being the same as the Offer Price)
    - Mr Robert Birrell: 600,000 Shares, at \$0.40 issue price (being the same as the Offer Price)

These were disclosed in the GSS Prospectus and in the 2015 Remuneration Report.

- The Terms and Conditions of the GSS ESP Plan provide that Directors are eligible to participate in the Plan.
- The ESP Shares will be granted under the terms and conditions of the GSS Employee Share Ownership Plan.
- A Voting Exclusion Statement is set out under Resolution 5 in the Notice of Meeting.
- ESP Participants (including Dr Radford) may be offered an interest free loan from the Company to finance the whole of the purchase of the ESP Shares for which they are invited to apply. ESP loans will have a term of 4 years and become repayable in full on the earlier of:
  - The fourth anniversary of the issue date of the ESP Shares; and
  - If the ESP Participant ceases to be employed by the Company, either:
    - The date 30 days after the date of cessation, if the ESP Participant is deemed a “good leaver”; or
    - That date of cessation, if the ESP Participant is deemed a “bad leaver”.

If the ESP Participant is unable to repay the outstanding ESP Loan then such a number of ESP Shares that equal by value (using the price at which the ESP Shares were issued as adjusted for the effects of any corporate reconstruction between the date of the invitation and the date of the buy-back) the outstanding amount of the ESP Loan will become the subject of a buy-back notice from the Company which the ESP Participant must accept. The buy-back of such number of ESP Shares will be considered full and final satisfaction

of the ESP Loan and the Company will not have any further recourse against the ESP Participant.

No interest or other charges shall be payable by the ESP Participant on the Loan Amount or on any amount outstanding under the Loan.

The sole purpose of the loan is to enable the participant to subscribe for ESP Shares under the ESP.

- Details of any securities issued pursuant to Resolution 5 will be published in GSS' future annual Remuneration Reports, including that approval for this issue of securities was obtained under ASX Listing Rule 10.14.
- The Company is expected to grant the ESP Shares shortly after the Annual General Meeting but in any event, within one year after the AGM.
- If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

#### Other legislative requirements

For the purposes of Chapter 2E of the Corporations Act, the Directors (with Dr Radford abstaining) have resolved that the proposed award of ESP Shares is reasonable remuneration.

*The Directors (with Dr Radford abstaining) unanimously recommend that Shareholders vote in favour of this Resolution.*

#### **Item 6. Appointment of Auditor**

BDO has held the office of auditor since the company was incorporated. Under section 327A(2) of the Act, BDO holds office until the Company's first AGM. Thereafter, section 327B(1)(a) requires GSS to appoint an auditor at its first AGM. BDO has given, and has not withdrawn, its consent to act as external auditor of GSS.

In accordance with section 328B(1) of the Act, notice in writing nominating BDO as auditor has been given to GSS by a shareholder. A copy of this notice is contained in Attachment A to this Notice.

*The Directors unanimously recommend that shareholders vote in favour of this Resolution.*

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**Attachment A**  
**Notice of Nomination of Auditor of Genetics Signatures Limited**

23 September 2015

The Company Secretary  
Genetics Signatures Limited

Dear Ms Sandham,

**NOMINATION OF BDO AS AUDITOR OF GENETIC SIGNATURES LIMITED**  
(ACN 095 913 205)

I, Phillip Isaacs, being a shareholder of Genetics Signatures Limited, nominate BDO for the appointment as auditor of Genetics Signatures Limited at its 2015 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an attachment to the Notice of Meeting and Explanatory Memorandum for the 2015 Annual General Meeting of Genetics Signatures Limited as required by section 328B(3) of the Corporations Act 2001 (Cth).

Yours faithfully,

A handwritten signature in dark ink, reading "Phillip J Isaacs". The signature is written in a cursive, flowing style.

**Mr Phillip Isaacs**