SSHmedical Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of **S.S.H. Medical Limited** (ACN 070 028 625) will be held on **Friday 28 November 2003** at **12.00 noon** in the "Pinaroo" room, The Grace Hotel, 77 York Street Sydney NSW 2000.

The Notice of Meeting should be read in conjunction with the accompanying Explanatory Statement. Defined terms used in this Notice of Meeting have the meaning given in the accompanying Explanatory Statement.

BUSINESS:

1. ACCOUNTS AND REPORTS

To receive the financial statements of the Company and its controlled entities for the year ended 30 June 2003 and the related Directors' Report, Directors' Declaration and Auditors' Report.

2. RE-ELECTION OF MRS LORNA STONE, MR JOHN DUNN AND MR JOHN MAHER AS DIRECTORS

To consider and, if thought fit, pass the following ordinary resolutions:

a. *That Mrs Lorna Stone, being a director who retires by rotation in accordance with article 20.2 of the Company's Constitution, and who being eligible, offers herself for re-election, be and hereby is re-elected as a director of the Company.*

b. *That Mr. John Dunn, having been appointed a director since the date of the last Annual General Meeting, retires in accordance with article 19.4 of the Company's Constitution, and who being eligible, offers himself for re-election, be and hereby is re-elected as a director of the Company.*

c. *That Mr. John Maher, having been appointed a director since the date of the last Annual General Meeting, retires in accordance with article 19.4 of the Company's Constitution, and who being eligible, offers himself for re-election, be and hereby is re-elected as a director of the Company.*

Note: Information about Mrs. Stone and Mr. Dunn appears in the Annual Report accompanying this Notice of Meeting. Information about Mr. Maher appears in the Explanatory Statement accompanying this Notice of Meeting

3. APPROVAL OF CONTINUATION OF EMPLOYEE OPTION PLAN

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

That, *for the purposes of ASX Listing Rule7.2 Exception 9 and all other purposes, approval be given for the issue under the SSH Employee Option Plan of options to subscribe for ordinary shares in the Company and the issue of ordinary shares upon exercise of those options from time to time.*

Note: A summary of the terms and conditions of the SSH Employee Option Plan and the options previously issued under the Employee Option Plan appears in the Explanatory Statement accompanying this Notice of Meeting.

4. RATIFICATION OF PRIOR ISSUES OF SECURITIES

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

That for all purposes, including Australian Stock Exchange Listing Rule 7.4, the issue of 243,842 shares and 12,200,000 Converting Notes in the previous 12 months on the terms set out in the accompanying Explanatory Statement is approved.

OTHER BUSINESS

To transact any other business as may be brought before the meeting in accordance with the constitution of the Company, the ASX Listing Rules, the Corporations Act 2001, or otherwise.

By Order of the Board

John E Dunn
Secretary
Date: 28 October 2003

NOTES

These Notes form part of the Notice of General Meeting. The Notice of General Meeting should be read in conjunction with the accompanying Explanatory Statement.

Voting exclusion statements

Resolution 3: Continuation of Employee Option Plan

The Company will disregard any votes cast in favour of Resolution 3 by Dr Frank Burke, Mrs Lorna Stone, Mr John Dunn, Mr John Maher and Mr Clemens Van Der Weegen, being Directors who are entitled to participate in the Employee Option Plan and their associates.

However a vote will not be disregarded if:

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

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

Resolution 4: Approval of Prior Issue of Securities

The Company will disregard any votes cast in favour of Resolution 4 by:

(a) Mr John Dunn and his associates; and

(b) Macquarie Health Corporation Limited and its associates.

However a vote will not be disregarded if:

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

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

Eligibility to vote

In accordance with section 1074D of the Corporations Act 2001 and the Company's Constitution, a person's entitlement to vote at the General Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the register of members) as at 12.00 noon on 27 November 2003.

Proxy votes

A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his place.

Where more than one (1) proxy is appointed, the appointment may specify the proportion or number of votes that the proxy may exercise, otherwise each may exercise half of the votes.

A proxy need not be a member.

A form of proxy must be signed by the member or the member's attorney.

Proxies must reach the company at least 24 hours before the time appointed for the holding of the meeting at which the person named in the proxy form proposes to vote.

The addresses for lodgement of proxies are:

SSH Medical Limited c/- Registries Limited Level 2 28 Margaret Street Sydney NSW 2000	or	John Dunn Company Secretary SSH Medical Limited Locked Bag 20 Seven Hills NSW 2147

Proxy forms may also be faxed to Registries Limited on (02) 9279 0664 or to the Company on (02) 9620-6111. Faxed proxies must also be received 24 hours before the time appointed for the holding of the meeting.

If a proxy is signed by a member's attorney, the member's attorney confirms that he has received no revocation of authority under which the proxy is executed and the authorities under which the appointment was signed or a certified copy thereof must also be received at least twenty four (24) hours before the meeting.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

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EXPLANATORY STATEMENT

Details of the Business

Details of each Item of business and Resolution to be considered at the Annual General Meeting are set out below in this Explanatory Statement together with the recommendation of Directors. Shareholders are strongly encouraged to read this Explanatory Statement in full, as well as the Annual Report sent to Shareholders which contains further details about the Company. Shareholders should also feel free to contact the Company if they have any questions.

Item 1: Financial Statements

Item 1 deals with the presentation of financial statements for the Company and its controlled entities for the year ending 30 June 2003 and the related Directors' Report, Directors' Declaration and Auditors' Report. All of these reports are contained in the 2003 Annual Report included with the Notice of Meeting and Explanatory Memorandum. Section 317 of the Corporations Act 2001 requires these reports to be laid before Shareholders at this AGM.

Item 2: Re-election of Directors

Resolution 2A seeks Shareholder approval to reappoint Mrs Lorna Stone as a Director of the Company. Mrs Stone has been a Director since June 1999 and retires in accordance with the requirements of Article 20.2 of the Constitution and offers herself for re-election

Details of Mrs Stone's relevant experience are contained in the Annual Report.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2A.

Resolution 2B seeks Shareholder approval to reappoint Mr. John Dunn as a Director of the Company. Mr John Dunn is the Company's CEO and Company Secretary and was appointed Managing Director by the Board on 20 August 2003.

In accordance with the requirements of Article 19.4 of the Company's Constitution, which requires Directors appointed by the Board to be re-elected at the next Annual General Meeting of the Company, Mr Dunn retires as a Director and offers himself for re-election.

Details of Mr Dunn's relevant experience are contained in the Annual Report.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2B.

Resolution 2C seeks Shareholder approval to reappoint Mr. John Maher as a Director of the Company. Mr Maher was appointed to the Board on 27 October 2003.

In accordance with the requirements of Article 19.4 of the Company's Constitution, which requires Directors appointed by the Board to be re-elected at the next Annual General Meeting of the Company, Mr Maher retires as a Director and offers himself for re-election.

Mr Maher has participated in a broad range of business and corporate advisory roles over the past 35 years, including stockbroking, importing, computing, pathology, homeware and retail industries.

In more recent times he has been a selective investor in a number of high technology applications including the medical and biotech industries. He has been a cornerstone investor and provided capital for a number of start up companies in gas distribution, medical/sport equipment, banking, international telecommunications and mineral resource development.

He brings a diverse range of talents and a depth of experience in related fields that will be of great benefit to the Company.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2C.

Item 3: Approval of continuation of the SSH Employee Option Plan

Resolution 3 seeks Shareholder approval to issue options, and shares on the exercise of any of those options, under and in accordance with the terms of the Company's Employee Option Plan ("Plan"). The Plan was implemented prior to the Company's listing on the ASX and the basis of this resolution is to "refresh" the Plan for a further three years so that further options may be issued under the Plan.

This approval is sought for the purposes of ASX Listing Rule 7.2 Exception 9, which in turn relates to Listing Rule 7.1. ASX Listing Rule 7.1 restricts companies from issuing more than 15 % of their issued ordinary shares in any 12 month period. There are a number of exceptions, including an issue of securities under an employee incentive scheme approved by shareholders which is found in Listing Rule 7.2 Exception 9. Resolution 3 seeks approval under Listing Rule 7.2 Exception 9 for the issue of options under the Plan as an exception to Listing Rule 7.1.

This means that the Company can issue securities under the Plan without detracting from its ability to issue shares or other securities up to the 15% limit, and the securities issued under the Plan will not be counted as part of that limit. In accordance with the Listing Rules, details of the Plan, and prior issues of securities under the Plan are set out below.

Summary of the Employee Option Plan Rules

Background

The Company's Employee Option Plan was adopted prior to the Company's listing on the ASX and its terms were summarised in the prospectus for its initial public offering. The Plan was established for the purpose of providing incentives to Directors and key executives to improve the future performance of the Company.

General Rules

Eligibility

Under the Plan, the Board may offer Options to full or part-time employees or officers, including Directors, of SSH or any of its subsidiaries who the Board determines should be entitled to participate in the Plan having regard to their length of service, record of employment and potential contribution to SSH.

Grant of Options

Options will be granted to eligible employees or Directors for free. SSH will not apply for ASX quotation of any Options issued under the Plan.

Exercise Price

The exercise price per Share for an Option will be determined by the Board, but will be at least 95% of the weighted average sale price of Shares on the ASX over the 5 trading days immediately before the day the offer of Options is made.

Exercise Period

Options will be exercisable during the Option exercise period specified by the Board at the time of issuing the Options. Options will not normally be granted with an exercise period of more than 5 years. Unexercised Options become exercisable if:

i a person makes offers under a takeover scheme or takeover announcement (as defined in the Corporations Law) for Shares in the Company, or initiates a scheme of arrangement, selective reduction of capital or other transaction which has an effect similar to a takeover scheme; or

ii a person who does not have a relevant interest (as defined in the Corporations Law) in at least 35% of the issued Shares of the Company at the time the Option is granted subsequently acquires such a relevant interest.

Lapse of Options

Options will lapse if the holder ceases to be an employee, officer or Director of SSH. However, if the cessation of employment is due to death, incapacity, retrenchment or retirement after age 55 then the Options do not cease to be exercisable until a further 3 months (or longer period determined by the Board) has elapsed.

Exercise of Options

Options are exercisable by giving notice of the exercise to SSH and by paying the exercise price for the Options exercised. Each Option entitles the holder to subscribe for one fully paid ordinary Share. However, Options may only be exercised in respect of a minimum number or multiple of Shares as the Board may determine in the terms of the offer. The Shares allotted upon exercise of the Options will rank equally in all respects with all other issued ordinary Shares of SSH. SSH will apply for official quotation on the ASX of those Shares after they are issued.

New issues of securities

An Option holder will not be entitled to participate in new issues of Shares or other securities made by SSH to holders of its Shares unless the Options are exercised before the books closing date for determining entitlements to the issue.

If SSH makes a bonus issue of Shares to its Shareholders prior to the Options being exercised, and the Option is not exercised prior to the books closing date, the Option will entitle the holder to one Share plus the number of bonus Shares which would have been issued to the holder if the Option had been exercised prior to the books closing date.

Capital reconstructions

If there is a reconstruction of the capital of SSH, the number of Options and/or the exercise price of the Options will be correspondingly reconstructed in a manner, which is necessary to comply with the Listing Rules.

Prior Grants

Since it was last approved, the Company has issued 2,166,000 options under the Plan to employees as part of their performance incentive and to align the interests of employees with those of the shareholders. At the date of this notice there are only 225,000 options issued under the Plan which remain outstanding. All other options issued under the Plan expired without being exercised. These outstanding options are held by Mr John Dunn. They were granted on 24 January 2002, vest on 30 June 2004 (subject to the achievement of applicable performance hurdles) and, following this vesting, may be exercised by the payment of $0.50 per option on 30 June 2004 (or by a later date approved by the Board).

It is proposed to at a future time to issue further employees with options by way of a performance incentive. The vesting of all employee options is subject performance review by the Board.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Item 4: Ratification of prior issues of securities

As noted above, Listing Rule 7.1 restricts the Company to issuing a maximum of 15% of its issued capital in any 12 month period unless it obtains shareholder approval for the issue. An issue of options (other than options issued to employees under the company's Employee Option Plan) and an issue of Converting Notes count as an issue of the underlying shares for the purposes of this calculation.

By Resolution 4, SSH seeks to obtain shareholder approval for certain previous issues of shares and converting notes, so as to refresh its ability to issue up to 15% of the company's issued capital over the next 12 months.

The specific issues for which SSH seeks approval under Resolution 4 are as follows. In each case, the persons to whom the shares or securities were issued were not related parties of the company at the time of issue.

Issue of shares – June 2003

In June 2003, SSH completed a placement of 243,842 fully paid ordinary shares to its CEO, Mr John Dunn. Under the terms of his initial engagement as acting CEO, Mr Dunn was entitled to a performance bonus in respect of the year ended 30 June 2002. Mr Dunn advised the Board that he was prepared to accept an issue of shares in lieu of a paid cash bonus. Accordingly, on 30 June 2003 Mr Dunn was issued with 243,842 ordinary shares in the Company at a price of 12 cents per share.

The shares ranked equally with SSH's other issued fully paid ordinary shares.

Issue of Converting Notes - October 2003

As recently announced, on 28 October 2003, SSH issued 12,200,000 Converting Notes to Macquarie Health Corporation Limited to raise $976,000. These Notes entitle the holder to convert the notes into ordinary shares in the capital of the Company any time prior to 28 October 2008. The notes automatically convert into shares on 28 October 2008 if not converted prior to that date. In both cases, the conversion ratio is one converting note for one share and the conversion price is $0.08 cents per share.

Until conversion, the Converting Notes do not entitle the holder to any dividend, voting or other rights attaching to the ordinary shares. The holder of the Converting Notes is entitled to vote as a note holder on any resolution required to be put forward to all note holders. Upon conversion of the notes, each new share issued will rank equally with SSH's other issued fully paid ordinary shares.

The proceeds of the Converting Notes issue will be used to:

(a) finance the commercialisation of the WS-XII Workstation, and

(b) provide additional working capital.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

SSHmedical Limited

SSH Medical Limited - Proxy Form

Please address all correspondence and enquiries to Registries Limited, at Level 2, 28 Margaret Street, Sydney, NSW, 2000

[Name]
[Address]
[Address]
[Address]

I/We being a member/s of SSH Medical Limited and entitled to attend and vote, appoint:

name: ☐ **OR** THE CHAIRMAN OF THE MEETING ☐

of: ☐ (Tick box if you wish to appoint the Chairman of the Meeting to act as your proxy)

failing whom, or if no person/s is named above, the Chairman of the Meeting, as my/our proxy/s to vote for me/us on my/our behalf at the General Meeting of the Company to be held on 28 November 2003, and at any adjournment.

IMPORTANT:

To ensure your proxy votes count, you should place a mark (X) in the this box: ☐

By marking this box, when you have not directed your proxy how to vote below, you acknowledge that the Chairman of the Meeting (whether nominated or by default), acting as your proxy, may exercise your undirected proxy votes even if he has an interest in the outcome of each resolution which carries a voting exclusion, and that votes cast by him, other than as a proxy holder, will be disregarded because of those interests. If you direct your proxy how to vote, it is not necessary to mark this box.

The Chairman of the Meeting intends to vote undirected proxies in favour of each such resolution.

VOTING DIRECTIONS TO YOUR PROXY

Should you desire to direct your proxy how to vote, please insert "✓" in the appropriate box below. Otherwise your proxy may vote as he/she thinks fit or abstain from voting.

RESOLUTIONS:	For	Against	Abstain
2. Re-Election of Directors:			
a. Mrs. Lorna Stone	☐	☐	☐
b. Mr. John Dunn	☐	☐	☐
c. Mr. John Maher	☐	☐	☐
3. Approval of continuation of SSH Employee Option Plan	☐	☐	☐
4. Approval of prior issues of shares and securities	☐	☐	☐

AUTHORISED SIGNATURES This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
______________________________	______________________________	______________________________
Individual/Sole Director	Director	Director/Secretary
Contact Name:	Contact Telephone:	Date: / /03

HOW TO COMPLETE THE PROXY FORM

Appointment of Proxy

If you are unable to attend and vote at the General Meeting of SSH Medical Limited on 28 November 2003, or any adjournment, and wish to appoint the Chair of the meeting or another person who is attending as your proxy, please complete and return this form of proxy. A proxy need not be a shareholder. If you return your Proxy Form but do not nominate a representative, the Chairman will be your proxy and will vote on your behalf as you direct on the Proxy Form. If you choose not to mark the boxes instructing the Chairman how to vote, the Chairman will exercise those votes in favour of the Resolutions, provided that you mark the first box on the Proxy Form.

A shareholder entitled to more than one vote need not cast all votes to which the shareholder is entitled in the same way.

A shareholder is entitled to appoint 1 or 2 proxies. If 2 proxies are appointed, the Proxy Form must specify the proportion or number of votes each may exercise. If no specification is made, each proxy will be entitled to exercise one half of the votes of the shareholder.

Signing Instructions

- The form of proxy must be signed by the shareholder (for joint shareholders, all must sign) or by his/her/their joint authorised attorney(s).
- If the shareholder is a corporation, this form of proxy should be signed by a Director and another Director or Company Secretary. A Director of a sole Director company may also sign, as may a duly authorised officer or attorney (provided that suitable evidence of this authorisation or appointment is provided prior to entry to the General Meeting.
- If signed under Power of Attorney, the Power of Attorney must have already been lodged with the Company or, if not, a copy must be returned with this Proxy Form.
- If you require further information on how to complete the form of proxy telephone Registries Limited on (02) 9279 0677.

Lodgement Details

The Proxy Form must be sent to by mail or facsimile to either of the addresses below so that it is received not later than 24 hours before the commencement of the General Meeting:

SSH Medical Limited c/- Registries Limited Level 2 28 Margaret Street Sydney NSW 2000 Fax: (02) 9279 0664	or	John Dunn Company Secretary SSH Medical Limited Locked Bag 20 Seven Hills NSW 2147 Fax: (02) 9620 6111

A reply paid envelope is enclosed for mailing proxies.

Shareholder Details

Should we need to contact you about your Proxy Form please provide us with your telephone number in the space provided.