



Anteo Diagnostics Limited

(ABN 75 070 028 625)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Anteo Diagnostics Limited ("**Anteo**" or the "**Company**") for 2011 will be held on **Monday 24th October 2011 at 11 am** (Sydney time) at **Royal Exchange of Sydney, 1 Gresham Street, Sydney**. The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

The Directors have determined that pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company as at 11 am (Sydney time) on **Saturday 22nd October 2011**.

BUSINESS

FINANCIAL STATEMENTS

To receive and consider the financial statements of the Company and its controlled entities for the year ended 30 June 2011 and the related Directors' Report, Directors' Declaration and Auditors' Report.

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

To adopt the Directors' Remuneration Report for the year ended 30 June 2011.

Voting Exclusion Statement

The Company will disregard any votes on Resolution 1 by or on behalf of a member of the key management personnel of the Company (including Directors) ("**KMP**"), or their closely related parties, as well as any undirected votes given to a KMP as proxyholder. However, the Company need not disregard a vote cast by a KMP or closely related party of the KMP where the vote is cast as a proxy and the proxy appointment specifies how the proxy is to vote.

Note: In accordance with section 250R of the Corporations Act 2001, the vote on Resolution 1 will be advisory only and will not bind the Directors or the Company.

RESOLUTION 2: ELECTION OF DIRECTOR (Mr Mark Bouris)

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

"That Mr Mark Bouris, having been appointed in accordance with the Company's Constitution as a director of the Company to fill a casual vacancy until the next general meeting, retires and, being eligible, offers himself for election, is hereby elected a director of the Company".

RESOLUTION 3: ELECTION OF DIRECTOR (Ms Sandra Andersen)

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

"That Ms Sandra Andersen, having been appointed in accordance with the Company's Constitution as a director of the Company to fill a casual vacancy until the next general meeting, retires and, being eligible offers herself for election, is hereby elected a director of the Company".

RESOLUTION 4: RE-ELECTION OF DIRECTOR (Mr Richard Martin)

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

That Mr Richard Martin, who retires in accordance with clause 20.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company.

RESOLUTION 5: ISSUE OF OPTIONS (Mr Mark Bouris)

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

That pursuant to and in accordance with section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11, and for all other purposes, the Company approves and authorises the Directors of the Company to issue to Mr Mark Bouris, options to subscribe for 5,000,000 fully paid ordinary shares in the capital of the Company at an exercise price of 12 cents per share, and otherwise on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 5 by Mr Bouris and his associates. However, the Company will not disregard a vote if it is cast by Mr Bouris or his associates:

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

RESOLUTION 6: ISSUE OF OPTIONS (Ms Sandra Andersen)

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

That pursuant to and in accordance with section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11, and for all other purposes, the Company approves and authorises the Directors of the Company to issue to Ms Andersen, options to subscribe for 3,000,000 fully paid ordinary shares in the capital of the Company at an exercise price of 12 cents per share, and otherwise on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 6 by Ms Andersen and her associates. However, the Company will not disregard a vote if it is cast by Ms Andersen or her associates:

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

RESOLUTION 7: ISSUE OF OPTIONS (Mr Richard Martin)

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

That pursuant to and in accordance with section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11, and for all other purposes, the Company approves and authorises the Directors of the Company to issue to Mr Richard Martin, options to subscribe for 1,600,000 fully paid ordinary shares in the capital of the Company at an exercise price of 12 cents per share, and otherwise on the terms set out in the Explanatory Memorandum accompanying the Notice of Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 7 by Mr Martin and his associates. However, the Company will not disregard a vote if it is cast by Mr Martin or his associates:

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

RESOLUTION 8: APPROVAL OF PLAN PURSUANT TO LISTING RULE 7.2, EXCEPTION 9

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

That pursuant to and in accordance with ASX Listing Rule 7.2, Exception 9 and for all other purposes the Company hereby approves the issue of securities under the employee incentive option scheme, for officers, employees and consultants known as the "Anteo Diagnostics Limited Officers, Employees and Consultants Share Option Plan", the rules of which are annexed as Annexure B to the Explanatory Memorandum accompanying this Notice of Meeting, as an exception to Listing Rule 7.1.

Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 8 by the Directors and any associates of a Director. However, the Company will not disregard a vote if it is cast by a person:

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

RESOLUTION 9: ADOPTION OF NEW CONSTITUTION

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

That the constitution tabled at the Annual General Meeting and signed by the Chairman for the purpose of identification is approved and adopted as the constitution of the Company in place of the current constitution of the Company, with effect from the close of the meeting.

RESOLUTION 10: APPOINTMENT OF AUDITORS

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

That subject to the Australian Securities and Investments Commission granting its consent to the resignation of the Company's current auditor, Grant Thornton Queensland, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company.

DATED: 21st September 2011

By order of the Board.

Shane Hartwig
Company Secretary

NOTES:

Explanatory Memorandum

The Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Memorandum.

Eligibility to vote

In accordance with the Corporations Act 2001 and the Company's Constitution, a person's entitlement to vote at the Annual 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 11 am (Sydney time) on **Saturday 22nd October 2011**.

Proxy votes

A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in their 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 forty eight (48) hours before the meeting at which the person named in the proxy form proposes to vote.

The address for lodgement of proxies is:

Delivery Address:

Anteo Diagnostics Limited
c/- Boardroom Pty Ltd
Level 7
207 Kent Street
Sydney NSW 2000

Postal Address:

Anteo Diagnostics Limited
c/- Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

Fax Number:

+612 9290 9655 (Australia)

Power of Attorney

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 forty eight (48) 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.

Questions for the Auditor

Under section 250PA of the Corporations Act, shareholders may submit written questions for the auditor up to five business days before the date of the Annual General Meeting. Shareholders wishing to do so may send their questions to the Company c/- Level 5, 56 Pitt Street Sydney NSW 2000, and the Company will pass them on to the auditor.

2011 Annual Report

Copies of the Company's 2011 Annual Report for the financial year ending 30 June 2011 ("**Annual Report**") comprising the Annual Financial Reports, Directors' Report and Auditor's Report of the Company and the Company's controlled entities will be distributed to those Shareholders requesting a physical copy of these documents. The Company's Annual Report is able to be viewed at the Company's website at www.bio-layer.com.

Enquiries

Shareholders are invited to contact the Company Secretary, Shane Hartwig on (02) 9259 4405 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY MEMORANDUM

ANTEO DIAGNOSTICS LIMITED

INTRODUCTION

This Explanatory Memorandum has been prepared to assist Shareholders in considering the Resolutions set out in the Company's Notice of General Meeting. This Explanatory Memorandum forms part of, and should be read in conjunction with, the Company's Notice of Meeting, for the Company's Annual General Meeting to be held at **Royal Exchange of Sydney, 1 Gresham Street, Sydney** on **Monday 24th October 2011 at 11am**.

Terms used in this Explanatory Memorandum are defined in the Glossary at page 12 of this Explanatory Memorandum.

BUSINESS

FINANCIAL STATEMENTS

The *Corporations Act 2001* requires that the Financial Report (including the Directors' Report, Financial Statements and the Audit Report) be laid before the Annual General Meeting. Although not requiring a vote of Members, an opportunity will be provided for Members to ask questions on the reports, including of the Company's auditor, who will be available to answer Member questions relating to the Audit Report.

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

The Board is committed to creating value for Shareholders by applying the Company's funds productively and responsibly. A portion of the funds available to the Company is applied to remunerate your Non-Executive Directors.

Your Board is aware of the sensitivities of Shareholders to remuneration practices generally, and submits its remuneration report to Shareholders for consideration and adoption under a non-binding resolution.

The Remuneration Report appears within the Directors' Report in the Company's Annual Report and describes the remuneration practices of the Company and the rationale underpinning those practices.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the resolution.

RESOLUTION 2: ELECTION OF DIRECTOR (Mr Mark Bouris)

Mr Bouris, having been appointed in accordance with the Company's Constitution as a Director of the Company to fill a casual vacancy until the next general meeting, offers himself for election as a Director of the Company.

Mr Bouris has over 25 years' experience in finance and corporate development and is a highly experienced senior executive. He founded Wizard Home Loans in 1999 and following its sale, he was appointed Adjunct Professor (Banking & Finance and Business Law & Tax) at the University of NSW (UNSW) in July 2004. Mr Bouris also sits on the UNSW Advisory Board.

Mr Bouris is founder and Executive Chairman of the recently listed Yellow Brick Road Ltd, a financial

advisory firm, he is Chairman of the technology company TZ Limited, and a Director of Eastern Suburbs Leagues Club Ltd (Sydney Roosters).

Directors' Recommendation

The Board supports the election of Mr Mark Bouris.

RESOLUTION 3: ELECTION OF DIRECTOR (Ms Sandra Andersen)

Ms Andersen is a highly experienced senior executive and company director. Most recently, she was the Managing Director of Eyecare Partners Limited, an ASX-listed company with 41 optometry businesses and a staff of 300 people.

Ms Andersen has also held senior roles in a number of listed technology companies, has held senior executive positions at ANZ, NAB and Commonwealth banks and is well networked within the finance community.

Directors' Recommendation

The Board supports the election of Ms Sandra Andersen.

RESOLUTION 4: RE-ELECTION OF DIRECTOR (Mr Richard Martin)

Under the Company's Constitution, (clause 20.2), one third of Directors (not including persons appointed to fill a casual vacancy) must retire from office annually and, if eligible, may offer themselves for re-election.

Mr Richard Martin is a Director of the venture capital group First Cape Management. Mr Martin began his career working as a Chartered Accountant in public practice and has been a partner in the accounting firm of Trood Pratt & Co. His work has included complex business structuring and financing, the public listing of companies, the management of foreign currency portfolios, and the negotiation and implementation on the purchase and sale of small & large enterprises.

Directors' Recommendation

The Board supports the re-election of Mr Martin.

RESOLUTIONS 5 to 7: APPROVAL FOR ISSUE OF OPTIONS TO DIRECTORS

Shareholder approval is being sought in Resolutions 5 to 7 to grant a total of 9,600,000 options to Directors as follows:

- (a) 5,000,000 options are to be issued to Mr Mark Bouris, Chairman and Non-Executive Director;
- (b) 3,000,000 options are to be issued to Ms Sandra Andersen, Non-Executive Director;
- (c) 1,600,000 options are to be issued to Mr Richard Martin, Non-Executive Director.

Anteo currently provides no long term equity incentive for the Directors. Industry trends are providing equity incentives to directors as a means of reducing cash out-flow and giving directors a performance related incentive. The Board considers that the current state of the Company and achievements to date warrants the issue of Options to Directors.

The Options will not be issued under the Plan.

The grant of the Options is designed to encourage a greater involvement by Directors in the achievement of the Company's objectives and to provide them with an opportunity to participate in the future growth of the Company through share ownership.

The Company recognises that the grant of the Options to non-executive Directors would not comply with the ASX's Principles of Good Corporate Governance and Best Practice Recommendations. However, under the Company's current circumstances, the Directors consider that the incentive represented by the grant of these Options is a cost effective means of rewarding and incentivising Directors, when compared to alternative forms of incentive such as the payment of additional cash compensation.

The number of Options to be granted to each of the Directors (or their nominee(s)) has been determined based upon a consideration of:

- Their remuneration – the Directors wish to ensure that the remuneration offered is competitive with market. The Directors have reviewed a selection of comparable companies to determine market conditions generally and consider the proposed number of Options to be granted will ensure that the Directors' overall remuneration is in line with market standards.
- The grant of the Options as an incentive to ensure continuity of service.

Each Director will play a key and integral role in the future benefit of the Company and therefore increased Shareholder value.

Reason for Shareholder Approval

ASX Listing Rule 10.11 states that a company must not issue, or agree to issue, securities to a related party of the Company (which includes the Directors or their associates) without the approval of ordinary shareholders, because the grant of securities constitutes giving a financial benefit. Accordingly, approval is sought under this Rule. Chapter 2E of the Corporations Act also prohibits a public company from giving a financial benefit (which includes the grant of Options) to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Although the issue of Options to the Directors might be said to fall within a nominated exception under the Corporations Act for Shareholder approval (being reasonable remuneration of an officer or employee), your directors consider it prudent to seek Shareholder approval nonetheless under the Corporations Act.

Terms of Options

The proposed terms of the Options are set out at Annexure A to this Explanatory Memorandum.

Listing Rule 10.13 information

The following information is provided to Shareholders for the purpose of Listing Rule 10.13:

- (a) the number of Options to be granted is 9,600,000;
- (b) the Options will be granted as incentive options and accordingly the Options will be issued for no cash consideration;
- (c) the exercise price of each Option will be 12 cents per Option;
- (d) the Options will vest immediately once issued;
- (e) the Options will expire 4 years from the date of issue;
- (f) the Options can be exercised at any time from vesting to the expiry date;
- (g) no loan is being granted by the Company in relation to the exercise price of the Options;
- (h) the Options will be issued no later than 1 month after the date of the Annual General Meeting;

- (i) the Options will not be quoted on ASX.

Related Party Disclosures in Relation to the Grant of Options

The following additional disclosures are made for the purposes of the Corporations Act:

- (a) *The nature of the financial benefit*

The proposed financial benefit to be given is the grant of Options for no cash consideration.

- (b) *Valuation of Options*

The Directors, in conjunction with the Company's advisers, have determined the value of the Options using the Hull White models for pricing of financial options. These valuation models use inputs including time to expiration, strike price, value of the underlying financial instrument, expected share volatility, exercise multiple, employee exit rate and the risk free interest rate.

For the purposes of this Explanatory Memorandum, in order to calculate an indicative value of the Options for the purposes of the Hull White models, it has been assumed that the Options have notionally been issued on 31st October 2011 so that they expire on 31st October 2015.

The assumptions underlying the Hull-White models and used in calculating the value of the Options were as follows:

Share price (Ps) = \$0.07
Exercise price (E) = \$0.12
Maximum Option Life (t) = 4 years
Risk-free rate (r) = 3.9%
Expected share volatility (q) ⁽¹⁾ = 69%
Employee exit rate ⁽²⁾ = 30%
Exercise multiple ⁽³⁾ = 2.5

- (1) The historical volatility of the listed ADO shares, based on the standard deviation of the continuously compounded rate of return on the shares for the prior six months.
(2) The estimated annual employee exit turnover rate.
(3) The multiple of the stock price over the exercise price at which the option is exercised early and presumably the underlying stock sold or employee leaves employment. One of the shortcomings of the standard option valuation model (e.g. Black Scholes) is that the model presumes that the option can be traded and that the option is only exercised at expiry. For employee stock options, this is not the case. Therefore, the Hull White modified FASB 123R model allows for early exercise of the option on the basis that the underlying option cannot be traded. The model assumes that the option will be exercised where the underlying stock price is at a certain multiple of the option exercise price. The default in this calculation is 2.5, meaning in this case that the option will be exercised where the stock price reaches \$0.30 (i.e. 2.5 times \$0.12).

Using this method of valuation the Company has determined a value of \$0.0173 for each of the Options to be granted to the Directors under the Plan. Accordingly, on the basis of this calculation, the total financial benefit to be given to the Directors amounts to:

Mr Bouris	\$ 86,500
Ms Andersen	\$ 51,900
Mr Martin	\$ 27,680

- (c) *Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors*

Current Shares and Options on Issue

As at the date of the Notice of Meeting the Company has the following Shares and Options on issue:

Shares	
Number of Shares	Class of Shares
762,301,590	Ordinary shares

Options		
Number of Options	Option exercise price	Option expiry date
8,050,000	2.0 cents	30/09/2012
29,275,000	7.0 cents	08/11/2014
16,479	52.1 cents	19/10/2011
60,790	65.1 cents	01/01/2012
9,598	65.1 cents	01/03/2012
72,152	65.1 cents	01/04/2012
3,840	65.1 cents	25/04/2012
4,800	65.1 cents	31/10/2012
76,786	15.6 cents	01/09/2013
3,656,206	15.6 cents	01/12/2013
71,643	15.6 cents	24/05/2014
71,987	15.6 cents	01/10/2014
3,087,902	15.6 cents	20/12/2014
105,865	15.6 cents	20/01/2015
58,166	15.6 cents	20/02/2015
73,329	8.1 cents	31/07/2013

Effect of Issue of Options under Resolutions 5 to 7

If any of the Options granted, as proposed above, are exercised the effect would be to dilute the shareholding of existing Shareholders. The market price of the Company's shares during the

period of the Options will normally determine whether or not the Option holder will exercise the Options. At the time any Options are exercised and Shares are issued pursuant to their exercise, the Shares may be trading at a price which is higher than the exercise price of the Options.

Anteo Share Price

The highest price of fully paid ordinary shares in the Company trading on ASX during the past 12 months prior to 12th September 2011 was \$0.105 which occurred on 5th January 2011 and the lowest price of shares in the Company trading on ASX during the past 12 months prior to 12th September 2011 was \$0.04 which last occurred on 4th October 2010. The most recent closing price of shares in the Company trading on the ASX prior to the date of the Notice of Meeting was \$0.07 which occurred on 12th September 2011.

Other Remuneration of the Directors

The other remuneration currently being received by the Directors (and expected to continue in the future) is set out below:

Director	Director Fees
Mr Mark Bouris	\$75,000
Ms Sandra Andersen	\$50,000
Mr Richard Martin	\$45,000
Total	\$170,000

The Company will also provide information in relation to the Directors remuneration in its Annual Reports.

Role of Remuneration Committee

The number of Options to be issued to the Directors was chosen by the Company's Remuneration Committee in order to provide them with an appropriate mix of cash remuneration and remuneration by way of Options. The Options component of the remuneration provides a link to the medium term and long term strategies of growing the Company for the benefit of all Shareholders.

It is not considered that from an economic and commercial point of view there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company resulting from the issue of the Options pursuant to Resolutions 5 to 7.

Effect on Earnings

There will be an effect on the Company's earnings for the period to 30th June 2012 in that the Company will likely recognise a share based payment expense in the Company's Profit and Loss Statement of \$24,347. This will have a corresponding increase in the Retained Losses in the Company's Balance Sheet as at 30th June 2012. The remaining \$141,733 will be amortised over the period 1st July 2012 to 31st October 2015.

Shares and Options held by Directors

The shares and Options currently held directly and indirectly by the all Directors as at the date of the Notice of Meeting are set out below:

Director	Shares	Number of options held prior to issue of Options	Percentage of share capital on a fully diluted basis prior to issue of Options	Number of options held after issue of Options	Percentage of Share Capital on a fully diluted basis after issue of Options
Mr Bouris	Nil	Nil	Nil %	5,000,000	0.61 %
Ms Andersen	Nil	Nil	Nil %	3,000,000	0.37%
Mr Martin	Nil	1,400,000	0.18%	3,000,000	0.37%
Dr Cumming	6,000,000	15,000,000	1.90 %	15,000,000	1.83%

Directors Recommendations

In relation to Resolutions 5 to 7, each Director, other than the Director to whom the Options are to be issued under the particular resolution relating to them:

- (a) recommends that Shareholders vote in favour of Resolutions 5 to 7 for reasons set out above; and
- (b) confirms they have no interest in the outcome of the relevant Resolution.

In relation to the Director to whom the Options are to be issued in each instance under Resolutions 5 to 7, that Director makes no recommendation because they have an interest in the outcome of that Resolution, namely the proposed issue to them of Options.

The Directors confirm that, to their knowledge, this Notice of General Meeting and Explanatory Memorandum contains all information, that is known to the Company and the Directors, that is reasonably required by the Shareholders in order to decide whether or not it is in the Company's interest to pass Resolutions 5 to 7.

RESOLUTION 8: APPROVAL OF PLAN PURSUANT TO LISTING RULE 7.2, EXCEPTION 9

ASX Listing Rule 7.1 provides that the Company must not issue more than 15% of its issued capital in any 12 month period without shareholder approval. However, Listing Rule 7.2 lists a number of exceptions to this rule.

Listing Rule 7.2, Exception 9 exempts securities issued under an employee incentive scheme from Listing Rule 7.1 where the scheme is approved by shareholders at a general meeting within 3 years prior to the issue provided the terms of the scheme do not change in those 3 years.

Approval is sought for the issue of Plan Options under the terms of the Plan for the purposes of Listing Rule 7.2, Exception 9.

Terms of Plan

The full terms of the Plan are set out in Annexure B to this Explanatory Memorandum. A summary of the Plan is set out below:

- (a) **Eligibility:** all officers, executives, employees or consultants of the Company that have satisfied the criteria of the Board from time to time, are eligible, at the invitation and discretion of the Company, to be issued Plan Options under the Plan ("**Eligible Participant**"). An Eligible Participant may be entitled to nominate that Plan Options be held by another person that is an associate of the Eligible Participant;

- (b) **Offer of Plan Options:** an offer of options under the Plan may be made by the Company to an Eligible Participant at any time and in any form, and may provide conditions relating to the options, such as exercise price and option period;
- (c) **Restrictions:** the Board must not issue options if:
 - (i) the aggregate number of Plan Options issued to an Eligible Participant under the Plan together with all other holdings of securities of all other Eligible Participants and shares issued under any other employee plan of the Company would exceed 5% of the issued share capital of the Company;
 - (ii) an Eligible Participant would control or hold an interest in more than 5% of shares in the Company; or
 - (iii) in the case of the issue to permanent employees, less than 75% of those employees are eligible to participate in the Plan or other employee schemes of the Company unless the Board determines otherwise.
- (d) **Allocation of Shares:** Shares acquired by an Eligible Participant under the Plan will be ordinary shares, listed on the register of the Company, and be subject to any rights, entitlements and restrictions that the Board may impose from time to time;
- (e) **Disposal of Shares:** a Eligible Participant must not dispose of any shares issued on exercise of options, under the Plan until the end of any period stipulated by the Board has expired;
- (f) **Board's discretion and powers:** the Board has absolute and unfettered discretion to:
 - (i) act or refrain from acting pursuant to the rules of the Plan;
 - (ii) to exercise any power or discretion under the Plan;
 - (iii) to delegate its discretions and powers under the Plan; and
 - (iv) amend, add or waive any provision of the Plan.

Rationale behind the Plan

The success of the Company and its Shareholders depends greatly on the people employed by the Company. To maintain and improve performance, the Company has an ongoing need to motivate and retain a dedicated number of management team and key employees and to recognize the contribution to date of key employees.

The Plan provides a useful means to achieve this goal and will continue to:

- provide an incentive to employees to work and improve the performance of the Company;
- attract and retain valued employees essential for the continued growth and development of the Company;
- establish a sense of ownership in the Company for the employees;
- promote and foster loyalty and support amongst the employees for the benefit of both the employees and the Company;
- enhance the relationship between the Company and its employees for the long term mutual benefit of the parties; and
- enable the Company to attract high calibre individuals, who can bring expertise to the Company.

Past Issues under the Plan

The Plan was previously approved by Shareholders at the 2008 Annual General Meeting and the Company has issued the following Plan Options since the 2008 Annual General Meeting:

Issue Date	Expiry	Exercise Price	Number
16 September 2009	30/9/2012	\$0.02	8,750,000
8 November 2010	8/11/2014	\$0.07	13,425,000
Total			22,175,000

Approval sought

The purpose of obtaining approval under this Resolution is so that the issue of Options under the Plan over the next 3 years will not be deemed to be part of the 15% allowance specified in Listing Rule 7.1 leaving the 15% allowance to be utilised by the Company for other issue of securities outside the Plan. As the issue of securities under the Plan is not for the purposes of fundraising, the Directors believe it is appropriate that the full 15% allowance be reserved for other issues of securities so that the Directors are not restricted in the amount of securities they may issue for the purposes of fundraising.

RESOLUTION 9: ADOPTION OF NEW CONSTITUTION

The Company's current constitution was adopted in or about 1999.

Since then, there have been a number of changes to the Corporations Act and the ASX Listing Rules. There have also been significant developments in corporate governance principles and general corporate and commercial practice for ASX listed companies.

As a result of the most recent review, the Board recommends the adoption of a new constitution which takes account of these changes and which is drafted to be consistent with current market practice.

A copy of the Company's existing Constitution and the proposed constitution can be obtained before the meeting from the Company's website at www.bio-layer.com. A copy of the proposed constitution will also be available at the meeting.

The proposed modifications will ensure the Company's constitution is consistent with contemporary principles of good governance and corporate and commercial practice. The changes will also facilitate the efficient operations of the Company. To assist Shareholders, a summary of the more significant changes are set out below. References to clauses below are to clause numbers in the proposed new constitution, unless stated otherwise.

General Meetings

The new Constitution contains a number of changes intended to assist with the orderly conduct of general meetings of the Company, they include:

- allowing Shareholders to vote directly on resolutions considered at a general meeting by submitting their votes to the Company (either electronically or by post or fax) (clause 17.1(b)) - direct voting will make communication with Shareholders more effective and improve access for Shareholders unable to be physically present at meetings;
- permitting notices to Shareholders and other communications to be sent electronically (clause 36.1).

Dividends

The new Constitution includes a number of changes to broaden the methods by which the Company may pay dividends to Shareholders, including:

- reflecting recent changes to the Corporations Act which broaden the ability of companies to pay dividends to shareholders (in the past, this has been limited to payment out of profits);
- providing full flexibility for the Company in relation to direct crediting of dividends. Direct crediting of dividends allows for dividends to be paid directly into all Shareholders' bank accounts (reducing mailing costs and reducing any delay in receiving funds) (clause 31.7); and
- allowing the Company to pay dividends into accounts to be held on behalf of Shareholders where a Shareholder's address is not known or uncertain (clause 31.7).

Renewal of Proportional Takeover Provisions

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register shares acquired under a proportional takeover bid, unless shareholders approve the bid. These provisions last for a period of 3 years and were contained in clause 13 of the Company's existing Constitution.

Clause 13 of the existing Constitution has ceased to have effect but the Directors consider it is in the interests of Shareholders to have a proportional takeover provisions in the new Constitution (which is also contained in clause 13 of the new Constitution). By adopting the new constitution Shareholders will, in effect, also be renewing the proportional takeover provisions with effect from the date of the annual general meeting for a period of 3 years.

Proportional Takeover Bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares (i.e. less than 100%).

Effect of a proportional takeover bid provision

If a proportional takeover bid is made, the Directors must ensure that a general meeting to approve the bid is held more than 14 days before the last day of the bid period, at which Shareholders will consider a resolution to approve the takeover bid.

Each Shareholder will have one vote for each fully paid share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote.

If the resolution is not passed, no transfer will be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved. If the bid is approved (or taken to have been approved), all valid transfers must be registered.

The proportional takeover approval provisions do not apply to full takeover bids and, if renewed, will only apply for 3 years after the date of the renewal.

Potential advantages and disadvantages

The Directors consider that the takeover approval provisions have no potential advantages for them.

The potential advantages of clause 13 for Shareholders include:

- Shareholders have the right to decide by majority vote whether to accept a proportional takeover bid;
- it may help Shareholders to avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium (i.e. paying for all of their shares);

- it increases Shareholders' bargaining power and may help ensure that any bid is adequately priced; and
- knowing the view of the majority of Shareholders may help each individual shareholder to decide whether to accept or reject the offer.

The potential disadvantages of clause 13 for Shareholders include:

- it may discourage proportional takeover bids being made for Shares in the Company;
- Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- the likelihood of a proportional takeover succeeding may be reduced.

The Directors are not aware of any potential bid that was discouraged by clause 13 of the current Constitution when it was in effect.

The Directors consider that the potential advantages for Shareholders of the proportional takeover provisions operating for the next three years outweigh the potential disadvantages.

Knowledge of Takeover Bids

As at the date of this Notice, no Director is aware of any proposal to acquire or to increase the extent of a substantial interest in the Company.

Other Amendments

The new Constitution has updated defined terms to reflect current terminology and, where possible, relies upon terms defined in the Corporations Act, Listing Rules and ASX Settlement and Operating Rules.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

RESOLUTION 10: APPOINTMENT OF AUDITORS

Grant Thornton, the Company's current auditor, has recently restructured from a state based federation of firms into a single national firm. Accordingly, all audit appointments of Grant Thornton have been consolidated into a new single national audit entity Grant Thornton Audit Pty Ltd. The appointment of a new audit entity requires a resolution of shareholders at the Annual General Meeting.

The Board has considered and agreed to this change and this resolution being presented to the shareholders of the Company for formal vote. To give effect to the change Grant Thornton Queensland has requested ASIC consent to resign it in favour of its new entity, Grant Thornton Audit Pty Ltd.

The resolution is conditional upon ASIC's consent to the resignation of Grant Thornton Queensland, which the Company anticipates will be forthcoming.

Subject to approval by shareholders, the appointment of Grant Thornton Audit Pty Ltd will be effective for the 2011/2012 financial year.

The Directors recommend that the shareholders vote in favour of this resolution.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited.

\$ means Australian Dollars.

Board means the board of directors of the Company.

Company or **Anteo** means Anteo Diagnostics Limited (ABN 75 070 028 625).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

General Meeting means the meeting convened by the Notice.

Listing Rule means a Listing Rule of ASX.

Notice means the Notice of Meeting accompanying this Explanatory Memorandum.

Plan means the Company's Officers, Employee and Consultants Share Option Plan.

Plan Options means options issued under the Plan.

Options mean 9,600,000 options to be issued to the Directors pursuant to Resolutions 5 to 7 of the Notice.

Proxy Form means the proxy form for the General Meeting accompanying the Notice.

Share means a fully paid ordinary share in the capital of the Company.

ANNEXURE A

OPTION TERMS – RESOLUTIONS 5 TO 7 INCLUSIVE

1. No monies will be payable for the issue of the Options.
2. The Options will vest immediately on issue.
3. The Options shall expire on the earlier of 4 years from the date of issue ("**Expiry Date**"), or the date which is 3 months after the date of which the Director resigns as a director of the Company.
4. Each Option shall carry the right in favour of the Option holder to subscribe for one Share at an exercise price of 12 cents per Share.
5. Options may be exercised in whole or in part at any time (and from time to time) in parcels of not less than 1,000 prior to the Expiry Date by notice of exercise to the Company accompanied by the relevant exercise price.
6. The Options are personal to the holder and cannot be assigned or transferred, except with the prior approval of the Board.
7. No application will be made for the Options to be listed for Official Quotation on ASX.
8. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
9. The Company shall make application to have Shares allotted pursuant to an exercise of Options listed for Official Quotation.
10. If the Options are exercised before the record date of an entitlement, the Option holder can participate in a pro rata issue to the holders of the underlying securities in the Company.
11. The Option holder will not be entitled to vote on resolutions at a meeting of the Company.
12. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
13. The Option holder does not have a right to participate in new issues without exercising the Options.
14. In the event of any reorganisation of capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules.
15. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

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

Where:

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities in the Company into which one Option is exercisable.

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

16. Options may be converted into Shares to be held in the name of the Option holder's nominee.

“ANNEXURE B”

ANTEO DIAGNOSTICS LIMITED

(A.B.N. 75 070 028 625)

RULES OF OFFICERS, EMPLOYEE AND CONSULTANTS SHARE OPTION PLAN

Officers, Employees and Consultants Option Plan Rules

1. Introduction

1.1 Overview

The purpose of the Plan is to motivate and incentivise Officers, Employees and Consultants by providing them with the opportunity to participate in the growth of the Company via a holding of shares in the Company.

1.2 Participation in the Plan

The Plan will be conducted as a non-discriminatory officers, employee and consultants option plan open to:

- officers of any Group Company;
- those permanent full-time and part-time employees of any Group Company; and
- consultants to any Group Company,

as selected by the Company.

2. Definitions and interpretation

2.1 Definitions

In these Rules:

ASX means the ASX Limited.

Board means the board of directors of the Company or a committee appointed by the Board.

Consultant means a person, not being an Officer or Employee, who provides services to a Group Company.

Control has the meaning ascribed to that term in s 9 of the Corporations Act and references to Controlled shall have a corresponding meaning.

Company means Anteo Diagnostics Limited ABN 75 070 028 625.

Corporations Act means the *Corporations Act* 2001 (Cth) as may be amended or replaced from time to time.

Director means a member of the Board.

Dispose has the meaning ascribed to it in the Listing Rules and Disposed shall have a corresponding meaning.

Division 13A means Division 13A of the Tax Act.

Eligible Participant means Officers, Employees and Consultants.

Employee means a person employed, whether on a full or part time basis, by a Group Company or other person the Board in its absolute discretion determines to be an Employee for the purposes of the Plan.

Exercise Price means, in respect of an Option, the price per Share determined by the Board and stated in the Offer.

Group Company means the Company and each Subsidiary of the Company.

Listing Rules means the official listing rules of the ASX from time to time in force as they apply to the Company.

Offer means an offer of Options to an Eligible Participant pursuant to clause 5.

Officer means an officer (within the meaning ascribed to that term in section 9 of the Corporations Act) of a Group Company.

Option means an option issued under the Plan to acquire a Share.

Option Period means the period during which an Option may be exercised, which may be expressed in any way the Board chooses when it makes an Offer.

Participant means an Officer, Employee or Consultant who is issued Options under the Plan.

Permanent Employee has the meaning given to it in section 138GB of the Tax Act.

Plan means the Anteo Diagnostics Limited Officers, Employees and Consultants Option Plan as set out in these Rules, as altered or added to under these Rules from time to time.

Plan Share means a Share issued pursuant to exercise of an Option.

Share means a fully paid ordinary share in the capital of the Company and **Shares** shall have a corresponding meaning.

Subsidiary has the meaning ascribed to that term in the Corporations Act.

Tax Act means the *Income Tax Assessment Act 1936* (Cth).

2.2 Interpretation

In these Rules:

- (a) terms not defined in these Rules which are defined in the *Corporations Act*, shall have the meanings ascribed to those terms in the *Corporations Act*;
- (b) headings are only for convenience and do not affect interpretation;
- (c) the singular number includes the plural and vice versa;
- (d) words of one gender include the other genders;
- (e) a reference to any legislation includes any amendment to that legislation, any consolidation or replacement of it, and any subordinate legislation made under it;
- (f) a reference to a provision in any legislation includes a reference to a provision in any amendment, consolidation or replacement of that legislation which, in the opinion of the Board, corresponds with the first mentioned provision;
- (g) if any provision in these Rules is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions is not affected or impaired; and

- (h) if the day on or by which something must be done is not a business day in the place where it must be done, it may be done on the next business day.

3. Eligibility

3.1 Who is eligible?

A person is only eligible to be issued Options under the Plan if he or she is:

- (a) an Officer, Employee or Consultant at the date of issue of those Options; and
- (b) has satisfied the criteria the Board from time to time and in its sole discretion decides for participation in the Plan.

3.2 Board Discretion

Participation in the Plan is in the Board's sole discretion. The Company reserves the right to refuse participation in the Plan in whole or in part for any particular Officer, Employee or Consultant, even if the eligibility criteria and other steps have been satisfied for participation.

4. Issue Price

No price is payable by participants for the issue of Options.

5. Offer and Acceptance

5.1 Offer

An Offer to an Eligible Participant may be made at any time and, if made, must be in writing and specify the following:

- (a) the total number of Options to acquire Shares (and the number of Shares to which the Options relate) for which the Eligible Participant may apply;
- (b) the Option Period;
- (c) the minimum number of Shares (if any) which must be issued under any exercise of Options;
- (d) the Exercise Price of the Options,

and may be on any conditions (including performance conditions) or subject to any restrictions, as the Board decides.

5.2 Nominees

An Eligible Participant may be entitled to nominate that the Shares be held by another person ("**Nominee**") so long as that person is an associate of the Eligible Participant and the Nominee agrees to be bound by the Plan.

5.3 Legal constraints

Despite any other Rule, the Board may exclude a person from the issue of Options under the Plan if it appears to the Board that doing so would contravene:

- (a) these Rules;

- (b) the Listing Rules; or
- (c) any law of a jurisdiction in which an Eligible Participant resides at the time of the issue of an invitation to participate in the Plan,

or would give rise to unreasonable regulatory or administrative requirements for the Company determined by the Board in its sole discretion.

5.4 Acceptance

An Offer:

- (a) remains open for the period determined by the Board;
- (b) may only be accepted in writing.

6. Exercise Price

6.1 Determination by Board

The exercise Price per Option will be determined by the Board and stated in the Offer.

6.2 Adjustment to Exercise Price

The Exercise Price of an issued Option is subject to adjustment under clause 9.2.

7. Exercise of Options

7.1 Minimum Exercise

A Participant is, subject to this clause 7 entitled to exercise an Option during the Option Period provided that any exercise is for a minimum number or multiple of Shares as the Board may determine in the terms of the Offer.

7.2 Maximum of Exercise

Options may be exercised by the Participant in the manner specified in the offer.

7.3 Issue of Shares

On receipt of the full amount of the Exercise Price in respect of the Options exercised, the Company will allot and issue the Shares that relate to the Options. All such Shares will be credited as fully paid.

7.4 Quotation

As soon as practicable after allotment the Company will take all steps that are necessary to have the Shares quoted on the ASX.

7.5 Takeover

Despite the Board imposing a period during which any issued Options cannot be exercised, unexpired Options issued under this Plan become exercisable if a person announces an intention to make offers under a takeover bid for Shares in the Company, or initiates a scheme of arrangement, or other transaction which, in each case, has an effect similar to a takeover bid for Shares in the Company.

8. Restrictions on Dealings

8.1 Restriction

A Participant may not transfer or otherwise deal in a Plan Share before the earlier of the following times:

- (a) such period may be specified by the Board in the Offer following the issue of the Plan Shares; or
- (b) the time when the Participant ceases to be an Officer Employee or Consultant.

8.2 Segregation of Plan Shares by Share Registry

The Company may implement such procedures as it considers appropriate to restrict a Participant from transferring or dealing in Plan Shares for so long as dealing in those Plan Shares is restricted under clause 8.1. Without limiting the foregoing, each Participant:

- (a) agrees that the Plan Shares may be subject to a restricted trading provision; and
- (b) agrees that the Company may instruct the share registry to classify Plan Shares as 'Option Plan Shares' or similar and segregate Plan Shares in the Company's sponsored sub-register and record in the sub-register that those Shares are subject to the Plan and dealing in those Shares are restricted by these Rules.

9. Rights of Participants

9.1 Ranking for Dividends

A Participant will, from the date of allotment of Shares on the exercise of Options, hold the Shares free of restrictions. A Participant's Shares will rank for dividends in respect of any books closing date on or after the date of allotment, but will carry no right to receive any dividend in respect of any books closing date before the date of allotment.

9.2 Re-organisation

If after any Options are granted pursuant to this Plan, the Company undergoes a reorganisation or reconstruction of capital or any other change in the capital of the Company (other than by way of a bonus issue or issue for cash) occurs, the terms of the Options and rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

9.3 Death of Participant

If a Participant dies before exercising Options issued under this Plan then the legal personal representative of that deceased Participant will have the same rights and benefits to and be subject to the same obligations in respect of those Options as the deceased Participant would have had or been subject to had they survived until the expiration of the Option Period.

9.4 Ceasing to be an Eligible Participant

Subject to clause 9.3, if a Participant ceases (for any reason) to be a Officer, Employee or Consultant before the Participant has exercised his or her Options and despite that period during which the Option could be exercised has not commenced or has not expired those Options will upon cessation or termination (as the case may be) cease to be capable of being exercised by the Participant and the Company will have no obligations to the Participant in respect of the Options.

9.5 New Issues

A holder of Options is not entitled to participate in a new issue of Shares or other securities by the Company to holders of its Shares merely because he or she holds Options.

9.6 General

Except as expressly provided in these Rules, nothing in these Rules:

- (a) confers on any person the right to receive any Options;
- (b) affects the conditions of employment or engagement provided by the Participant;
- (c) confers on any Participant the right to continue as an Officer, Employee or Consultant;
- (d) affects any rights which a Group Company may have to have that Participant removed from office, or to terminate the employment or engagement of that Participant;
- (e) may be used to increase, to any extent, damages or other monetary claims whatsoever or any other claim including negligence, contract, restitution or under statute in any action brought against any Group Company in respect of any removal or termination referred to in clause 9.6(d) above;
- (f) may be used to increase, to any extent, damages or other monetary claims whatsoever or any other claim including negligence, contract, restitution, under statute or under this Plan in any action brought against the Company in respect of any delay by the Company in issuing Options or applying for quotation of Shares issued on exercise of Options; or
- (g) confers on any person any expectation of becoming a Participant.

10. Assignment of Options

Options cannot be transferred or assigned, except with the prior written approval of the Board.

11. Administration of the Plan

11.1 Commencement

The Plan will commence when determined by the Board.

11.2 Restrictions on issue of Plan Shares

The Board must not issue Options under this Plan:

- (a) if following the issue of the Options, the aggregate number of Shares:
 - (i) that have issued on exercise of Options issued under this Plan;
 - (ii) that have issued under any other employee plan of the Company; and
 - (iii) that would be issued if all options issued under this Plan and any other employee option plan of the Company were exercised,

exceeds 5% of the total number of Shares then on issue; or

- (b) to a Participant if following the exercise of those Options, a Participant will be in a position to control the casting of more than 5% of the voting rights in the Company or the Participant will hold a legal or beneficial interest in more than 5% of the Shares of the Company; or
- (c) to Permanent Employees, if less than 75% of Permanent Employees are eligible, or have previously been eligible, to participate in the Plan or in other employee share schemes or option of the Company, unless the Board determines otherwise.

11.3 Administration and Rules

- (a) The Plan will be administered by the Board in accordance with these Rules. The Board may make further Rules for the operation of the Plan, which are consistent with these Rules.
- (b) In administering the Plan, the Company must comply with:
 - (i) the *Corporations Act* 2001 (Cth); and
 - (ii) the Listing Rules.
- (c) To the extent that any provision of the Plan becomes inconsistent with:
 - (i) the *Corporations Act* 2001 (Cth); or
 - (ii) the Listing Rules,

the Company will do all things reasonably necessary to ensure that the Plan is amended, and that the Plan complies with the provisions of the *Corporations Act* 2001 (Cth) and the Listing Rules.

11.4 Power and Discretions

Any power or discretion which is conferred on the Board by these Rules must be exercised by the Board in the interest or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to a Participant.

11.5 Delegation

Any power or discretion that is conferred upon the Board by these Rules may be delegated by the Board to a sub-committee of the Board, or to a director or another officer of the Company or both as the Board see fit.

11.6 Interpretation

The decision of the Board as to any factual matter or interpretive matter, effect or application of these Rules will be final and conclusive in the absence of a manifest error.

11.7 Suspension or cancellation of Plan

The Board may from time to time suspend the operation of the Plan and may cancel the Plan. The suspension or cancellation of the Plan will not prejudice the existing rights of Participants in respect of Options already issued.

12. Amendment of these Rules

12.1 Amendment

Subject to clauses or Rules 12.2 and 12.3, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this Rule 11).

12.2 Accrued Rights

No amendment of the provisions of these Rules is to reduce the accrued rights of any Participant in respect of Options already issued under the Plan prior to the date of the amendment, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future state, territory or commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error;
- (c) to enable Participants or a Group Company to reduce the amount of fringe benefits tax under the *Fringe Benefits Tax Assessment Act* 1986, the amount of tax payable under the Australian Income Tax Act or the amount of any other tax or impost that may otherwise be payable by the Participant or a Group Company in relation to the Plan;
- (d) for the purpose of enabling a Participant to receive a more favourable taxation treatment in respect of their participation in the Plan as determined in the absolute discretion of the Board from time to time; or
- (e) to enable any Group Company to comply with the *Corporations Act* 2001, the Listing Rules or Division 13A.

12.3 Listing Rules

No amendment may be made except in accordance with and in the manner stipulated (if any) by the Listing Rules.

12.4 Retrospectivity

Subject to this clause 12, any amendment made pursuant to Rule 12.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made and, if so stated, amendments to these Rules, have the effect of automatically amending the terms of issued but unexercised Options.

13. General

13.1 Notices

Notices may be given by the Company to a Participant in the manner described by the Constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the Constitution shall apply with all necessary modification to notices to be given to Participants.

13.2 Rights to Notices and Accounts

Participants do not, by reason only of participating in the Plan, have the right to be sent notices of meetings, reports or accounts of the Company.

13.3 Governing Law

This Plan is governed by the laws of Queensland.

14. Administration of the Plan

14.1 Non-residents of Australia

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which Shares allocated under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant in relation to the Shares.

14.2 Board's Discretion

The Board has absolute and unfettered discretion:

- (a) to act or refrain from acting under these Rules or concerning the Plan; and
- (b) in exercising any power or discretion concerning the Plan or any Options issued under the Plan.

PROXY FORM

PROXY FORM

To be completed if you are not attending the meeting and wish to vote. Please see instructions on the next page for completion.

Anteo Diagnostics Limited A.B.N. 75 070 028 625

Return Proxy Form(s) To:
c/- Boardroom Pty Ltd
Level 7
207 Kent Street
Sydney NSW 2000

A Appointment

I/We.....

(PLEASE PRINT NAME)

Of.....

(ADDRESS)

being a member/members of Anteo Diagnostics Limited and entitled to attend and vote, appoint

(PLEASE PRINT NAME)

or failing the person so named (or if no person 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, as the proxy or the Chairman sees fit) at the meeting of members of Anteo Diagnostics Limited to be held on **24th October 2011, at 11am (Sydney time)** at **Royal Exchange of Sydney, 1 Gresham Street, Sydney NSW** and at any adjournment of that meeting.

IMPORTANT: If the Chairman of the meeting is your nominated proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of resolutions 1, 5, 6 and 7, please place an "X" in this box:

☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy on how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Please note that the Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 2 - 8. Accordingly, if you intend to appoint the Chairman as your proxy and do not wish to vote in favour of each Resolution, please do not mark the above box, but instead mark the appropriate boxes below. Please note that the Chairman will not vote for Resolution 1 in the absence of a direction.

B Business

Should you desire to direct your proxy how to vote on any resolution you should place a mark (X) in the appropriate box against each item below. If you wish to direct your proxy to vote some of your shares in a different manner to others, please insert the number of votes to be cast in respect of each resolution in each of the "For", "Against" and "Abstain" boxes for each resolution.

	FOR	AGAINST	ABSTAIN
Resolution 1: Adoption of Remuneration Report	☐	☐	☐
Resolution 2: Election of Director (Mr Mark Bouris)	☐	☐	☐
Resolution 3: Election of Director (Ms Sandra Andersen)	☐	☐	☐
Resolution 4: Re-election of Director (Mr Richard Martin)	☐	☐	☐
Resolution 5: Issue of Options (Mr Mark Bouris)	☐	☐	☐
Resolution 6: Issue of Options (Ms Sandra Andersen)	☐	☐	☐
Resolution 7: Issue of Options (Mr Richard Martin)	☐	☐	☐
Resolution 8: Approval of Plan	☐	☐	☐
Resolution 9: Adoption of New Constitution	☐	☐	☐
Resolution 10: Appointment of Auditors	☐	☐	☐

C If Appointing a Second Proxy

State here the percentage of your voting rights

 %

OR

The number of shares applicable to this form

Or

 Number

D Insert your daytime telephone number

 ()

E Signature(s)

Shareholder 1 (individual)

Sole Director & Company Secretary

Joint Shareholder 2 (individual)

Director / Company Secretary
(delete one)

Joint Shareholder 3 (individual)

Director

PROXY FORM

PROXY FORM

Instructions for completion and return of proxy form

1. Completion of this Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the Proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
2. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two Proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two Proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
5. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
6. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney must also be received at least forty eight (48) hours before the meeting.

7. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, each shareholder must sign.
Power of Attorney:	If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
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 indicate the office held by signing in the appropriate place.

8. Receipt of Proxy Forms

To be valid this Proxy Form (and any Power of Attorney under which it is signed) must be received at any of the addresses or the fax number below **no later than 11am (Sydney time) on Saturday 22 October 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Delivery Address:

Anteo Diagnostics Limited
c/- Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000

Postal Address:

Anteo Diagnostics Limited
c/- Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

Fax Number:

+612 9290 9655 (Australia)