

**STEMCELL UNITED LIMITED
(ACN 009 104 330)**

NOTICE OF ANNUAL GENERAL MEETING

Meeting to be held at 10 Pulteney Street, Adelaide, ECIC, University of Adelaide, 5th Floor Board Room on 30 November 2017 commencing at 2.30pm (Adelaide time).

This Notice and Explanatory Statement should be read in its entirety.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

STEMCELL UNITED LIMITED (ACN 009 104 330)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Stemcell United Limited (ACN 009 104 330) will be held at 10 Pulteney Street, Adelaide, ECIC, University of Adelaide, 5th Floor Board Room on 30 November 2017 commencing at 2.30pm (Adelaide time).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

AGENDA

Ordinary business

1. Financial Statements

To receive the Financial Statements for the year ended 30 June 2017.

Note: There is no requirement for Shareholders to approve these statements.

2. Resolution 1 – Adoption of the Remuneration Report

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

“To adopt the Remuneration Report for the financial year ended 30 June 2017.”

Note: This Resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company’s remuneration policies.

Voting Prohibition Statement:

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

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

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

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:

- (i) does not specify the way the proxy is to vote on this Resolution; and
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Ms Jamie Gee Choo Khoo as a Director

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

“That for the purposes of clause 11.4 of the Company’s Constitution and for all other purposes, Ms Jamie Gee Choo Khoo, retires and, being eligible, is re-elected as a Director of the Company.”

4. Resolution 3 – Re-election of Mr Savio Cheung Ka Lung as a Director

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

“That for the purposes of clause 11.4 of the Company’s Constitution and for all other purposes, Mr Savio Cheung Ka Lung, retires and, being eligible, is re-elected as a Director of the Company.”

5. Resolution 4 – Adoption of Employee Incentive Plan

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Plan Rules and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

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

- (a) a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the entity); and
- (b) an associate of that person (or those persons).

However, the Company need not disregard a vote if:

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

6. Resolution 5 – Issue of Shares to Ms Jamie Khoo Gee Choo

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 3,500,000 Shares to Ms Jamie Khoo Gee Choo or her nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of the Directors and any of their associates.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson of 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (a) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

7. Resolution 6 – Issue of Shares to Mr Philip Gu Huanqing

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 3,500,000 Shares to Mr Philip Gu Huanqing or his nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of the Directors and any of their associates.

However, the Company need not disregard a vote cast if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chairperson of 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (b) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

8. Resolution 7 – Issue of Shares to Mr Savio Cheung Ka Lung

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 500,000 Shares to Mr Savio Cheung Ka Lung or his nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of the Directors and any of their associates.

However, the Company need not disregard a vote cast if:

- (e) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (f) it is cast by the Chairperson of 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (c) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (e) the proxy is the Chair; and
- (f) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

9. Resolution 8 – Issue of Shares to Mr Chow Yee Koh

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 3,000,000 Shares to Mr Chow Yee Koh or his nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of the Directors and any of their associates.

However, the Company need not disregard a vote cast if:

- (g) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (h) it is cast by the Chairperson of 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (d) the proxy is either:

- (i) a member of Key Management Personnel; or
- (ii) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (g) the proxy is the Chair; and
- (h) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

10. Resolution 9 – Ratification of the issue of Shares to Mr Nevil Schoenmakers

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

"That pursuant to ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment and issue of 10,000,000 Shares in the capital of the Company to Mr Nevil Schoenmakers at a deemed issue price of \$0.01 per Share as a joining bonus, and on such terms and conditions referred to in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Nevil Schoenmakers and any of their associates.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson of 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.

11. Resolution 10 – Ratification of the issue of Shares to Mr Steve Nicols

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

"That pursuant to ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment and issue of 1,000,000 Shares in the capital of the Company to Mr Steve Nicols at a deemed issue price of \$0.01 per Share as referral bonus for introducing Mr Schoenmakers, and on such terms and conditions referred to in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Steve Nicols and any of their associates.

However, the Company need not disregard a vote cast if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chairperson of 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.

12. Resolution 11 – Ratification of the issue of convertible notes to Mr Li Chi Keung

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

"That pursuant to ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment and issue of 650,000 convertible notes to Mr Li Chi Keung at a deemed issue price of \$1.00 per convertible note to raise funds for the development of the dendrobium business and proposed cannabis business, and for working capital, and on such terms and conditions referred to in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Li Chi Keung and any of their associates.

However, the Company need not disregard a vote cast if:

- (e) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (f) it is cast by the Chairperson of 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.

13. Resolution 12 – Ratification of the issue of convertible notes to Mr Tse Chi Nang

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

"That pursuant to ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment and issue of 350,000 convertible notes to Mr Tse Chi Nang at a deemed issue price of \$1.00 per convertible note to raise funds for the development of the dendrobium business and proposed cannabis business, and for working capital, and on such terms and conditions referred to in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Tse Chi Nang and any of their associates.

However, the Company need not disregard a vote cast if:

- (g) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (h) it is cast by the Chairperson of 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.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting Entitlements

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2:30pm (Adelaide time) on 28th November 2017.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company Secretary in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

By order of the Board

Ms Jamie Khoo
Chairperson
27 October 2017

EXPLANATORY STATEMENT

1. Financial Statements

The Financial Statements are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The Company's auditor will be attending the Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

No vote will be taken on the Financial Statements. However, shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Financial Statements.

2. Resolution 1 – Adoption of the Remuneration Report

2.1 Background

The Annual Report for the year ended 30 June 2017 contains the Remuneration Report which:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company;
- (b) sets out the remuneration details for each Director; and
- (c) sets out the details of any Share based compensation.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

The Chairperson of the Meeting will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the Meeting.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive meetings, Shareholders will be required to vote at the second of those meetings on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting must be held within 90 days at which all of the Company's Directors (other than the Executive Chairperson) who were in office at the date of approval of the applicable Directors' Report must go up for re-election.

2.2 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

3. Resolutions 2 and 3 – Re-election of Ms Jamie Gee Choo Khoo and Mr Savio Cheung Ka Lung as Director

3.1 Background

In accordance with clause 11.4 of the Company's Constitution, Ms Jamie Gee Choo Khoo and Mr Savio Cheung Ka Lung retire, and being eligible, offer themselves for re-election as Directors.

Ms Khoo graduated with an MBA from University of Hull, UK and is a member of the Institute of Singapore Chartered Accountants. Ms Khoo has over 20 years experience in accounting and corporate finance with extensive experience in corporate funding, investment evaluation, due diligence and corporate structuring. Ms Khoo also holds directorships in ASX-listed Lionhub Group Limited and Invitrocue Limited.

Mr Cheung graduated with a Bachelor of Business Administration (Finance) from the Hong Kong University of Science and Technology and is the holder of a Chartered Financial Analyst qualification. He has over 17 years experience in the corporate finance and private equity investment industry. He is experienced in various corporate actions such as initial public offerings, mergers and acquisitions and corporate restructuring.

3.2 Recommendation

The Board (excluding Ms Khoo in respect of Resolution 2 and Mr Cheung in respect of Resolution 3) recommends that Shareholders vote in favour of Resolution 2 and 3.

4. Resolution 4 – Adoption of Employee Incentive Plan

4.1 Background

Resolution 4 seeks Shareholder approval for the adoption of the employee incentive scheme titled Adoption of Employee Incentive Plan (**Incentive Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue a limited number of securities under the Incentive Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Incentive Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the

Incentive Plan and the future issue of securities under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of securities under the Incentive Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

4.2 Information required by the ASX Listing Rules

A summary of the key terms and conditions of the Incentive Plan is set out in Schedule 1. A copy of the Incentive Plan can also be sent to Shareholders upon request to the Company Secretary (chowyee@scu.com.sg) until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries or concerns.

Shareholders should note that no securities have previously been issued under the Incentive Plan.

4.3 Directors' Recommendation

The Directors decline to make a recommendation on Resolution 4 based on their interest in the outcome of this Resolution.

5. Resolutions 5 to 8 – Issue of Shares to Ms Jamie Khoo Gee Choo, Mr Philip Gu Huanqing, Mr Savio Cheung Ka Lung and Mr Chow Yee Koh

5.1 General

The Board is seeking Shareholder approval to grant up to:

- (a) 3,500,000 Shares to Ms Jamie Khoo Gee Choo, or her nominee;
- (b) 3,500,000 Shares to Mr Philip Gu Huangqing, or his nominee;
- (c) 500,000 Shares to Mr Savio Cheung Ka Lung, or his nominee; and
- (d) 3,000,000 Shares to Mr Chow Yee Koh, or his nominee,

(together, the **Directors** and the **Director Incentive Shares**).

Ms Jamie Khoo Gee Choo and Mr Savio Cheung Ka Lung are Non-executive Directors of the Company. Mr Philip Gu Huanqing is Managing Director of the Company. Mr Chow Yee Koh is a director of the Company.

The Director Incentive Shares are, subject to obtaining Shareholder approval, to be issued in accordance with the Incentive Plan.

Therefore, the approval of the issue of the Director Incentive Shares is intended to approve the issue of Shares in accordance with the Incentive Plan.

5.2 Reasons for grant of Director Incentive Shares

The grant of the Director Incentive Shares is considered to be a cost-effective mechanism to assist in the reward and retention of the Directors of the

Company. The grant of the Director Incentive Shares forms part of the Company's long-term incentive objectives to encourage the relevant Directors to have a greater involvement in the achievement of the Company's objectives and to provide them with the opportunity to participate in the future growth and prosperity of the Company through share ownership.

The Board considers the number of Director Incentive Shares proposed to be granted will ensure that overall Director remuneration remains competitive with market standards.

5.3 Purpose of approval

Approval for the grant of the Director Incentive Shares is sought for the purposes of Listing Rule 10.14 and for all other purposes.

Listing Rule 10.14 requires the Company to obtain Shareholder approval to issue, or agree to issue, securities to a related party.

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. The Directors are considered to be related parties within the meaning of the Corporations Act, and the Director Incentive Shares will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act. This concept includes issuing shares to a related party.

Section 211 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit is remuneration of a related party as an officer of the Company and is on terms that would be reasonable in the circumstances.

The Company considers that the proposed issues of Shares to the Directors fall within the reasonable remuneration exception set out in section 211 of the Corporations Act.

5.4 Key terms of the grant

A summary of the terms of the grant is set out below:

Related party relationship

Ms Jamie Khoo Gee Choo and Mr Savio Cheung Ka Lung are Non-executive Directors of the Company. Mr Philip Gu Huanqing is Managing Director of the Company. Mr Chow Yee Koh is a director of the Company.

Maximum number of securities that may be granted

The Company will issue Director Incentive Shares as follows:

- (a) 3,500,000 Shares to Ms Jamie Khoo Gee Choo, or her nominee;
- (b) 3,500,000 Shares to Mr Philip Gu Huangqing, or his nominee;
- (c) 500,000 Shares to Mr Savio Cheung Ka Lung, or his nominee; and
- (d) 3,000,000 Shares to Mr Chow Yee Koh, or his nominee,

therefore up to 10,500,000 Shares in total.

Price

Each Director Incentive Share will be granted for a deemed issue price of \$0.03, and forms part of the remuneration of the Director for services provided as a director of the Company.

Names of all persons who received securities previously

The Company has not previously issued any securities under the Employee Incentive Plan.

Names of persons entitled to participate

The names of all persons referred to in rule Listing Rule 10.14 entitled to participate in the Employee Incentive Plan are:

- Ms Jamie Khoo Gee Choo;
- Mr Philip Gu Huangqing;
- Mr Savio Cheung Ka Lung; and
- Mr Chow Yee Koh.

Voting exclusion statement

A voting exclusion statement is included in the Notice.

Loans

There are no loans that relate to the issue of the Director Incentive Shares.

Date of Grant

- Up to 3,500,000 Shares to Ms Jamie Gee Choo, or her nominee on or before 30 June 2018;
- Up to 3,500,000 Shares to Mr Philip Gu Huangqing, or his nominee on or before 30 June 2018;
- Up to 500,000 Shares to Mr Savio Cheung Ka Lung, or his nominee on or before 30 June 2018; and
- Up to 3,000,000 Shares to Mr Chow Yee Koh, or his nominee on or before 30 June 2018.

Intended use of funds raised

No funds will be raised from the grant of Director Incentive Shares.

Terms

The Director Incentive Shares will be fully paid ordinary shares in the Company.

5.5 Corporate governance

The ASX Listing Rules set out best practice recommendations for ASX listed entities. In accordance with the corporate governance guidelines there are no performance hurdles attached to the Director Incentive Shares. The periodic grant of Shares to Non-executive Directors as a component of their remuneration is considered appropriate by the Board for the Company's current stage of development.

The Board considers the grant of the Director Incentive Shares to the Directors is reasonable in the circumstances, where the preservation of the Company's cash resources is important and the retention of high quality and well-credentialed Directors is considered paramount to the ongoing development of the Company.

5.6 Listing Rule 7.1

Approval under Listing Rule 7.1 is not required in order to grant the Director Incentive Shares to the Directors or their nominees as approval is being obtained under Listing Rule 10.14.

Accordingly, the grant of the Director Incentive Shares will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's Shares under Listing Rule 7.1.

5.7 Directors' Recommendation

The Directors decline to make a recommendation on Resolutions 5 to 8 respectively based on their interest in the outcome of these Resolutions.

6. Resolution 9 – Ratification of the issue of Shares to Mr Nevil Schoenmakers

6.1 Background

On 17 March 2017 the Company announced that it had issued 11,000,000 Shares, of which 10,000,000 Shares are to Mr Nevil Schoenmakers.

6.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The total number of Shares issued to Mr Nevil Schoenmakers was 10,000,000.
- (b) The price for the Shares was \$0.01 per Share.

- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company.
- (d) The Shares were issued to Mr Nevil Schoenmakers.
- (e) There were no funds raised from the issue of the Shares.
- (f) The Shares were issued pursuant to an agreement between the Company and Mr Nevil Schoenmakers dated 28 February 2017 as a joining bonus for becoming the Company's advisor.
- (g) A voting exclusion statement is included in the Notice.

6.3 Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

7. Resolution 10 – Ratification of the issue of Shares to Mr Steve Nicols

7.1 Background

On 17 March 2017 the Company announced that it had issued 11,000,000 Shares, of which 1,000,000 Shares are to Mr Steve Nicols.

7.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The total number of Shares issued to Mr Steve Nicols was 1,000,000.
- (b) The price for the Shares was \$0.01 per Share.
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company.
- (d) The Shares were issued to Mr Steve Nicols's associate.
- (e) There were no funds raised from the issue of the Shares.
- (f) The Shares were issued as a referral bonus to Mr Steve Nicols for the introduction of Mr Schoenmakers.
- (g) A voting exclusion statement is included in the Notice.

7.3 Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

8. Resolution 11 – Ratification of the issue of convertible notes to Mr Li Chi Keung

8.1 Background

On 5 April 2017 the Company announced that it had issued 1,000,000 convertible notes, of which 650,000 convertible notes were subscribed by Mr Li Chi Keung.

8.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The total number of convertible notes issued to Mr Li was 650,000, all of which have been converted to 7,142,675 Shares on 28 April 2017.
- (b) The price for the convertible notes was \$1.00 per convertible note.
- (c) The terms of the convertible notes are as follows:
 - (i) The noteholder may convert all or some of the convertible notes into such number of Shares as is the product of the aggregate subscription amount for such convertible notes divided by 80% of the VWAP over the preceding 5 day trading period immediately prior to the issue of the Shares into which the convertible notes are to be converted.
 - (ii) The convertible notes will earn interest at the rate of 12% per annum, such interest to be paid on the earlier of the date on which the convertible notes are repaid in full, and the date on which the convertible notes are converted. If the convertible notes are converted, the interest to be paid will be converted into Shares per the formula above.
 - (iii) If not converted, the convertible notes will be repaid, together with interest on the second anniversary of issue.
- (d) The convertible notes were issued to Mr Li Chi Keung.
- (e) The funds raised from the issue of the convertible notes was used for the development of the dendrobium business and proposed cannabis business, and for working capital.
- (f) A voting exclusion statement is included in the Notice.

8.3 Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

9. Resolution 12 – Ratification of the issue of convertible notes to Mr Tse Chi Nang

9.1 Background

On 5 April 2017 the Company announced that it had issued 1,000,000 convertible notes, of which 350,000 convertible notes were subscribed by Mr Tse Chi Nang.

9.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The total number of convertible notes issued to Mr Tse was 350,000, all of which have been converted to 3,258,065 Shares on 15 May 2017.
- (b) The price for the convertible notes was \$1.00 per convertible note.
- (c) The terms of the convertible notes are as follows:
 - (i) The noteholder may convert all or some of the convertible notes into such number of Shares as is the product of the aggregate subscription amount for such convertible notes divided by 80% of the VWAP over the preceding 5 day trading period immediately prior to the issue of the Shares into which the convertible notes are to be converted.
 - (ii) The convertible notes will earn interest at the rate of 12% per annum, such interest to be paid on the earlier of the date on which the convertible notes are repaid in full, and the date on which the convertible notes are converted. If the convertible notes are converted, the interest to be paid will be converted into Shares per the formula above.
 - (iii) If not converted, the convertible notes will be repaid, together with interest on the second anniversary of issue.
- (d) The convertible notes were issued to Mr Tse Chi Nang.
- (e) The funds raised from the issue of the convertible notes was used for the development of the dendrobium business and proposed cannabis business, and for working capital.
- (f) A voting exclusion statement is included in the Notice.

9.3 Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

10. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

11. Glossary

\$ means Australian dollars.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is on the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of this definition.

Company means Stemcell United Limited (ACN 009 104 330)

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

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to the Notice.

Financial Statements means the financial reports, directors' declaration and reports, and the auditor's report for the Company.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the ASX Listing Rules.

Meeting means the annual general meeting the subject of this Notice.

Non-executive Director means a non-executive Director of the Company.

Notice means this notice of meeting.

Resolution means a resolution contained in the Notice.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Summary of Employee Incentive Plan

The key terms of the Incentive Plan are as follows:

- (a) In the Incentive Plan, **Award** means:
- (i) options issued for nil monetary consideration to subscribe for a Share issued in accordance with the Incentive Plan and subject to the satisfaction of any vesting conditions, performance conditions and/or exercise conditions and payment of the relevant exercise price (**Options**);
 - (ii) entitlements of a participant to one Share, subject to the satisfaction of any vesting conditions and/or performance conditions (for which no consideration is payable upon the automatic conversion) (**Performance Right**); and
 - (iii) Shares offered to employees:
 - (A) who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; and
 - (B) in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment,subject to restriction periods (**Deferred Share Award**).
- (b) **Eligibility:** Participants in the Incentive Plan may be:
- (i) full-time or part-time employee, including an executive Director;
 - (ii) a non-executive Director;
 - (iii) a contractor;
 - (iv) casual employee where they are, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position; or
 - (v) a person to whom an Offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (i), (ii), (iii) or (iv) above,
- (**Eligible Person**).
- (c) **Administration of Plan:** Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Incentive Plan and determine:
- (i) the persons to whom the Awards will be offered under the Plan; and
 - (ii) the number of Awards which may be offered to those persons.
- (d) **Offer:** Following determination that an Eligible Person may participate in the Incentive Plan, the Board may from time to time make an offer in writing to an Eligible Person. Each offer must specify, in a clear, concise and effective manner:

- (i) the date of the offer, and the final date the offer must be accepted by (**Final Acceptance Date**);
 - (ii) the name and address of the Eligible Person to whom the offer is made;
 - (iii) the type of Awards being offered;
 - (iv) the maximum number of Awards being offered;
 - (v) in the case of an Option, the exercise price and the exercise period;
 - (vi) the vesting conditions (if any), the performance conditions and performance period (if any), the test dates (if any) and/or exercise conditions (if any) relating to the Awards being offered;
 - (vii) the term and expiry date or end date (if any);
 - (viii) a summary of any rights attaching to the Awards;
 - (ix) agreement with the Eligible Person for the Company to supply details to third parties (including the share registry of the Company) where required by law; and
 - (x) any other matters required to be specified in the Offer by either the Corporations Act, the Listing Rules or an applicable ASIC Class Order or instrument of relief, and attach an Application and a copy of this Plan.
- (e) **Restriction Conditions:** Awards may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered.
- (f) **Power of Attorney:** In consideration of the issue of the Awards, each Participant irrevocably appoints each Director and the Secretary (as appointed from time to time) of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of the Incentive Plan or the terms of the Awards, including for the purposes of giving effect to the buy-back or sale of forfeited Shares, and the application of the proceeds of the sale of forfeited Shares.
- (g) **Plan limit:** The Directors will not make an Offer or issue Awards in accordance with the Offer Plan unless they have reasonable grounds to believe that the number of underlying Shares that form part of the issued capital of the Company that have been or may be issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of underlying Shares in that class on issue:
- (i) underlying Shares that may be issued under the Offer; and
 - (ii) underlying Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:
 - (A) an employee incentive scheme covered by ASIC Class Order [CO 14/1000]; and

- (B) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
- (h) **Restriction on transfer:** Shares, or any beneficial or legal interest in Shares, may not be transferred, encumbered or otherwise disposed of, or have a security interest granted over them, unless all restrictions on the transfer, encumbrance or disposal of the Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.
- (i) **Rights attaching to Shares:** Any Shares issued by the Company to an Eligible Person will rank equally with all existing Shares on and from the date of issue.

Company or Trust in which Securityholding is held**STEMCELL UNITED LIMITED (ACN 009 104 330)**Registered
Name(s)Registered
AddressHolder Identification Number (HIN) or
Securityholder Reference Number (SRN)Use a black pen.
Print in CAPITAL letters.**A B C****1 2 3**Where a choice is required,
mark the box with an 'X'**X****Appointment of Corporate Representative****A Appointment of Corporate Representative**

The abovenamed registered holder hereby appoints:

to act as its representative at:

☐

the meeting of the above named company to be held on:

Day	Month	Year
/	/	

*and at any adjournment of that meeting

OR☐

all meetings of the above named company.

YES ☐ NO ☐

Please state if there are any restrictions on the representative's power:

If yes, please describe these restrictions

Contact Name

Telephone Number – Business Hours / After Hours

B Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with the instructions set out above. We acknowledge that these instructions supersede and priority over all previous instructions.

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

Day	Month	Year
/	/	

How to complete this form

A

Appointment of Corporate Representative

Enter the name of the person you wish to appoint as a corporate representative

Indicate whether this appointment is for one specific meeting or all future meetings. If it is only for one specific meeting, enter the date of that meeting.

State if there are any restrictions to the representative's power and, if so, describe these.

Please enter contact details so that we can call you in the instance we have a query regarding this form.

B

Signature(s)

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

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary.

Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

«EFT_REFERENCE_NUMBER»

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STEMCELL UNITED LIMITED

ACN: 009 104 330

REGISTERED OFFICE:LEVEL 2, 350 KENT STREET
SYDNEY NSW 2000
AUSTRALIA

+

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52

Collins Street West VIC 8007

Suite 913, Exchange Tower

530 Little Collins Street

Melbourne VIC 3000

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au



«Post_zone»

«Company_code» «Sequence_number»

«Holder_name»

«Address_line_1»

«Address_line_2»

«Address_line_3»

«Address_line_4»

«Address_line_5»

Code:

SCU

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.

2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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 sees fit) at the Annual General Meeting of the Company to be held at 2:30pm (Adelaide time) on Thursday 30 November 2017 at 10 Pulteney Street, Adelaide, ECIC, University of Adelaide, 5th Floor Board Room and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Adoption of the Remuneration Report	☐	☐	☐	7. Issue of Shares to Mr Savio Cheung Ka Lung	☐	☐	☐
2. Re-election of Ms Jamie Gee Choo Khoo as a Director	☐	☐	☐	8. Issue of Shares to Mr Chow Yee Koh	☐	☐	☐
3. Re-election of Mr Savio Cheung Ka Lung as a Director	☐	☐	☐	9. Ratification of the issue of Shares to Mr Nevil Schoenmakers	☐	☐	☐
4. Adoption of Employee Incentive Plan	☐	☐	☐	10. Ratification of the issue of Shares to Mr Steve Nicols	☐	☐	☐
5. Issue of Shares to Ms Jamie Khoo Gee Choo	☐	☐	☐	11. Ratification of the issue of convertible notes to Mr Li Chi Keung	☐	☐	☐
6. Issue of Shares to Mr Philip Gu Huanqing	☐	☐	☐	12. Ratification of the issue of convertible notes to Mr Tse Chi Nang	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 2:30pm (Adelaide time) on Tuesday 28 November 2017.

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My/Our contact details in case of enquiries are:

Name:

Number:

()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.