COMPUMEDICS
LIMITED

# COMPUMEDICS LIMITED
ACN 006 854 897

# NOTICE OF ANNUAL GENERAL MEETING

# PROXY FORM

# AND

# EXPLANATORY MEMORANDUM

**Date of Meeting**
24 November 2008

**Time of Meeting**
10.30 am

**Place of Meeting**
30-40 Flockhart Street, Abbotsford Victoria 3067

**COMPUMEDICS LIMITED**
**ACN 006 854 897**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is given that the Annual General Meeting of Compumedics Limited (ACN 006 854 897) ("**the Company**") will be held at 30-40 Flockhart Street, Abbotsford Victoria 3067 Australia on Monday 24 November, 2008 at 10.30am.

The accompanying Explanatory Memorandum ("Explanatory Memorandum") provides additional information relating to the matters to be considered at the Annual General Meeting and forms part of this Notice of Annual General Meeting ("Notice"). Certain terms and abbreviations used in this Notice and the Explanatory Memorandum have defined meanings, which are explained in the Explanatory Memorandum.

**Business**

**1. Financial Statements and Reports**

To receive and consider the financial report of the Company and the reports of the Directors and the Company's auditor for the year ended 30 June 2008.

**2. Election of Director**

Mr. Anderson who retires by rotation offers himself for re-election as a Director of the Company.

**3. Adoption of Remuneration Report**

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

"That the section of the report of the Directors entitled "Directors' Remuneration" dealing with the remuneration of the Company's Directors be adopted".

Under s 250R(3) of the Corporations Act, the vote on this item is advisory only and does not bind the Directors or the Company.

**4. Removal of Auditor**

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

"That the members resolve to remove Pricewaterhouse Coopers as auditor of the company with an effective date of 25 November 2008".

**5. Appointment of Auditor**

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

"That the members resolve to appoint Ernst & Young as auditor of the company with an effective date of 25 November 2008".

BY ORDER OF THE BOARD

**David Lawson, Secretary**
**21 October, 2008**

**VOTING AND PROXIES**

*Eligibility*

You will be eligible to vote at the meeting if you are registered as a holder of shares of the Company at 7pm Melbourne time on 21 November 2008.

*Appointing a proxy*

If you are entitled to attend and vote at the meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a Shareholder of the Company and may be an individual or a body corporate.

If you are a Shareholder, and you are unable or do not wish to attend and vote at the meeting, and you wish to appoint a proxy, please complete and return the enclosed proxy form. If you are entitled to cast two or more votes, you may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact the Company on (03) 8420 7300.

*Lodging your proxy form*

You can lodge your proxy form by:

- Mailing it to the Company's Share Registry at Locked Bag A14, Sydney South NSW 1235;
- Faxing it to the Company's Share Registry on (02) 9287 0309 or to + 61 2 9287 0309 (from outside Australia);
- Hand delivering it to the Company's Share Registry at Level 12, 680 George Street, Sydney NSW 2000;
- Lodging your proxy online at www.linkmarketservices.com.au in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website).

Your completed proxy form (and any necessary supporting documentation) must be received by the Company no later than 10.30am on 22 November 2008.

If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by the Company by 10.30am on 22 November 2008 unless it has been previously provided to the Company. If the proxy is signed under power of attorney, the signatory must also declare that they have had no notice of revocation of the power of attorney.

If you appoint a proxy, you may still attend the meeting. However, if you vote on a resolution your proxy is not entitled to also vote on that resolution.

*Voting at the meeting*

At the meeting, on a show of hands each Shareholder present may cast one vote. For these purposes a Shareholder being 'present' includes a person present as a proxy, attorney or body corporate representative.

The Chair of the meeting will vote any undirected proxies in favour of all of the resolutions unless he or she has a personal interest in the relevant resolution. The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

## EXPLANATORY MEMORANDUM

### Defined Terms

The following terms, which are used in this Notice (including this Explanatory Memorandum), have the meanings set out below:
'ASX' means Australian Stock Exchange Limited ABN 98 008 624 691;
'Board' means the board of directors of the Company;
'Company' means Compumedics Limited ACN 006 854 897;
'Corporations Act' means the Corporations Act (Cth) 2001;
'Listing Rules' means the Listing Rules of the ASX;
'Shareholder' means a person who is registered as a holder of shares of the Company.

### Item 1:
### Financial Statements and Reports

During this item there will be an opportunity for Shareholders at the meeting to ask questions and comment on the Director's Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2008. No resolution will be required to be passed on this matter.

### Item 2:

### Retirement and re-election of Director

Mr. Alan Anderson retires by rotation and offers himself for re-election as a Director of the Company.

Details of Mr. Anderson's skills and experience are contained on page 24 of the 2008 annual report and page 4 of the 2008 annual report financial statements.

### Item 3:
### Adoption of Remuneration Report

The Corporations Act requires that the section of the Directors' report relating to director and executive remuneration (the "Remuneration Report") be put to a vote of Shareholders for its adoption. The vote is advisory only and does not bind the directors of the Company.

The Remuneration Report can be found at pages 4 to 11 of the Financial Statements in the Company's 2008 Annual Report. Following consideration of the Remuneration Report, Shareholders will be given a reasonable opportunity to ask questions or comment on the Remuneration Report.

### Item 4 & 5:
### Removal and Appointment of Auditor

The Board unanimously recommends that the members pass the resolutions firstly, to remove Pricewaterhouse Coopers as the company's auditors, and secondly, to appoint Ernst & Young as the company's auditors for the following reasons.

The company has engaged PricewaterhouseCoopers as auditor for a number of years. Under the direction of the Board, the company's management engaged in a tender process for the provision of audit services to the company in 2006, to ensure that the company was receiving the appropriate services in a cost-effective manner. The tender process indicated that it might be possible to engage a more effective provider of audit services. However, in light of the re-structuring that the company was undergoing at the time, the Board considered that the current audit arrangements should be maintained until a later date. The Board has reviewed its position on the provision of audit services to the company. It has formed the view that it is timely to replace the current auditors. Notwithstanding the benefits of a long history of auditing the company's accounts, a long history does not necessarily result in the best value service, particularly given the multiple changes at partner and manager level the Company has recently experienced, which diminishes the knowledge and value the Company receives . The tender process revealed that Ernst & Young has experience in auditing companies with similar operations to those of the company and could provide audit services at a competitive cost. In light of the competitive tendering process the Board has concluded that the level of service and cost effectiveness of the audit services should improve with the removal of Pricewaterhouse Coopers as the company's auditors and appointment of Ernst & Young as the company's new auditors.