

**TISSUE THERAPIES LIMITED  
MEETING DOCUMENTATION  
2011 ANNUAL GENERAL MEETING**

To be held at the offices of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Monday 28 November 2011 at 10.30 a.m.

## CHAIRMAN'S LETTER

Tissue Therapies Limited  
ABN 45 101 955 088

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Dear Shareholder

I am pleased to invite you to the Annual General Meeting of Tissue Therapies Limited (Company), which will be held at the office of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Monday 28 November 2011 at 10.30 a.m.

At the meeting, our CEO and Managing Director Dr Steven Mercer and I will take the opportunity to update shareholders on progress and outlook. I also encourage you to read the 2011 Annual Report for further information in relation to the Company's financial position and performance. The Company's recent key achievements and milestones, as announced to the ASX, include:

- 1 Advancing commercial negotiations to the point where the Board is confident that an announcement will be made during November 2011 and sales of VitroGro® ECM to treat chronic wounds are expected to start in the UK and Europe during the second quarter of calendar 2012, as planned;
- 2 The manufacturing of VitroGro® ECM to the desired larger scale has been successfully completed to the Good Manufacturing Practice (GMP) standard required for human use. Final packaging design consistent with regulatory and commercial requirements is complete and packaging of ready-for-sale VitroGro® is about to start;
- 3 The announcement of strong clinical trial results for the treatment of chronic wounds, particularly venous ulcers;
- 4 The successful classification of VitroGro® ECM as a device by an EU Notified Body, following the earlier device classification by Health Canada and the submission of a formal Request for Designation (RFD) to the USA FDA;
- 5 Preparations for the USA FDA clinical trial of VitroGro® ECM for the treatment of venous ulcers are almost complete. The Chief Clinical Investigator and Clinical Research Organisation have been appointed, the protocol has been finalised, site selection is underway and patient recruitment is planned to start during December 2011.

If you are unable to attend the meeting, I would encourage you to participate by completing and returning the enclosed proxy form.

I look forward to seeing you at this year's AGM.

Yours sincerely



Roger Clarke  
Chairman

## NOTICE OF ANNUAL GENERAL MEETING

Tissue Therapies Limited  
ABN 45 101 955 088

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Notice is given that the Annual General Meeting of Tissue Therapies Limited (**Company**) will be held at the office of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Monday 28 November 2011 at 10.30 a.m.

### AGENDA

#### Ordinary Business

##### Financial Statements and Reports

To receive and consider the Company's financial statements and the reports of the Directors and the Auditor for the financial year ended 30 June 2011.

##### *Resolutions*

#### 1. Directors' Remuneration Report

To consider and, if thought fit, to pass the following resolution in accordance with section 250R(2) of the Corporations Act:

*'That the section of the Directors' Report dealing with the remuneration of the Company's Directors, Company Secretary and Senior Executives (**Remuneration Report**) be adopted.'*

NB: This resolution shall be determined under section 250R(2) of the Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

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

#### 2. Re-election of Roger Clarke

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

*'That Roger Clarke, who retires in accordance with Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, and being eligible, and having offered himself for re-election, be re-elected as a Director of the Company.'*

NB: Information about Roger Clarke appears in the Explanatory Memorandum accompanying this Notice of Meeting.

The Directors (with Mr Roger Clarke abstaining) recommend that you vote in favour of this resolution.

#### 3. Re-election of Greg Baynton

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

*'That Greg Baynton, who retires in accordance with Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, and being eligible, and having offered himself for re-election, be re-elected as a Director of the Company.'*

NB: Information about Greg Baynton appears in the Explanatory Memorandum accompanying this Notice of Meeting.

The Directors (with Mr Greg Baynton abstaining) recommend that you vote in favour of this resolution.

## Special Business

### 4. Ratification and Approval of Previous Allotment and Issue of Shares under a Placement

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

*'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of approximately 11,500,000 shares at an issue price of \$0.50 per share, issued under a placement to sophisticated and institutional investors as detailed in the Explanatory Memorandum attached to this Notice of Meeting.'*

The Directors recommend that you vote in favour of this resolution.

### 5. Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services

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

*'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 55,511 ordinary shares at an issue price of \$0.57 per share to Mr Geoff Morris in part payment of consultancy services provided to Tissue Therapies pursuant to a Consultancy Agreement, the terms of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting.'*

The Directors recommend that you vote in favour of this resolution.

### 6. Increase in Directors' Fee Pool

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

*'That in accordance with Listing Rule 10.17 and rule 13.3 of the Company's Constitution, the maximum aggregate remuneration payable out of the funds of the Company to non-executive Directors of the Company for their services as Directors, including their service on a committee of Directors, be increased by \$150,000 from \$250,000 to a maximum sum of \$400,000 per annum to be split between the non-executive Directors as they determine.'*

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

DATED: 14<sup>th</sup> October, 2011.

By Order of the Board



Drummond McKenzie  
Company Secretary

## VOTING EXCLUSION STATEMENTS

### Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 6 – The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

### Listing Rules

In accordance with the Listing Rule 14.11, the Company will disregard votes cast:

Resolution 4 – Ratification and Approval of Previous Allotment and Issue of Shares under Placement	By any person (or their nominees) and associates of any person who participated in the placement the subject of resolution 4.
Resolution 5 – Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services	Mr Geoff Morris (or his nominees) and his associates.
Resolution 6 – Increase in Non-Executive Directors' Fee Pool.	All Directors (or their nominees) and their associates.

However, Tissue Therapies need not disregard a vote if:

- 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
- 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.

## NOTES

- Subject to the Corporations Act, including sections 250R and 250BD: A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form.
- A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- The Company has determined in accordance with Regulation 7.11.37 Corporations Regulations that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of members as at 7.00pm (Sydney time) on Friday 25 November 2011.
- If you have any queries on how to cast your votes then call (07) 3839 9938 during business hours.

## **VOTING ENTITLEMENT AND ADMISSION TO MEETING**

For the purpose of determining entitlement to attend and vote and voting rights at the Annual General Meeting, Shares shall be taken to be held by persons who are registered as Shareholders as at 7.00pm (Sydney Time) on Friday 25 November 2011. Transactions registered after that time will be disregarded in determining entitlements to attend and vote.

## **VOTING BY PROXY**

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

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

To be effective, the proxy must be received at the share registry of the Company no later than 10.30am (Brisbane time) on Saturday 26 November 2011 (48 hours before the commencement of the meeting). Proxies must be received before that time by one of the following methods:

By post:	Link Market Services Limited Locked Bag A14 SYDNEY SOUTH NSW 1235
By facsimile:	In Australia (02) 9287 0309 From outside Australia +61 2 9287 0309
By delivery:	Link Market Services Limited Level 15, 324 Queen Street BRISBANE QLD 4000

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

## **VOTING BY ATTORNEY**

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.30am (Brisbane time) on Saturday 26 November 2011.

## **CORPORATE REPRESENTATIVES**

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

## EXPLANATORY MEMORANDUM

Tissue Therapies Limited  
ABN 45 101 955 088

### Ordinary Business

#### Financial Statements and Reports

The Corporations Act requires that the report of the Directors, the Auditor's report and the financial statements be laid before the Annual General Meeting. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the Annual General Meeting on such reports or statements. However, Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial statements to be considered at the meeting.

Any written questions must be submitted to the Company Secretary before 14<sup>th</sup> November, 2011 by email to [info@tissuetherapies.com](mailto:info@tissuetherapies.com), fax to (07) 3839 1486 or by mail to GPO Box 1596, Brisbane, Queensland 4001.

#### Resolutions

##### 1. Remuneration Report

The Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors, the Company Secretary and up to 5 senior executives (**Remuneration Report**) be put to Shareholders for adoption by way of a non-binding vote. Under the current legislation, this vote is advisory and does not bind the Directors or the Company in relation to the remuneration policy.

The Remuneration Report may be found in the Annual Report.

Following consideration of the Remuneration Report, the Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments upon, the Remuneration Report.

##### Directors' recommendation

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, make no recommendation regarding this resolution.

##### 2. Re-election of Roger Clarke

Rule 16.1 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides for the retirement of one third of the Directors from office at each Annual General Meeting which is consistent with the requirements of the Listing Rules.

In accordance with the Constitution, Roger Clarke retires as Director and offers himself for election as a new Director at this Annual General Meeting.

Set out below is a brief bio for Roger Clarke.

##### Roger Clarke

Roger Clarke is a non-executive Director and Chairman of the Company. He holds a Bachelor of Commerce and is a Chartered Accountant.

Roger has over 30 years commercial experience, principally in the investment banking industry, with responsibilities in fund management, banking and corporate finance, and involvement in a significant number of initial public offers, capital raisings and corporate transactions.

Roger is Chairman of Board of Advice, RBS Morgans Limited, NextDC Limited, Coalbank Limited, and MTQ Insurance Ltd, and a Director of Trojan Equity Limited and Maverick Drilling and Exploration Limited.

##### Directors' recommendation

The Directors (with Mr Roger Clarke abstaining) recommend you vote in favour of this resolution.

### 3. Re-election of Greg Baynton

Rule 16.1 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides for the retirement of one third of the Directors from office at each Annual General Meeting which is consistent with the requirements of the Listing Rules.

In accordance with the constitution, Gregory Baynton retires as Director and offers himself for election as a new Director at this Annual General Meeting.

Set out below is a brief bio for Gregory Baynton.

#### Greg Baynton

Greg Baynton is a non- executive Director of the Company. Greg holds a Bachelor of Business, a Master of Economic Studies, a Master of Business Administration and a Post Graduate diploma in Applied Finance and Investment.

Greg is a Director of Coalbank Limited, NextDC Limited and Diversa Limited.

#### Directors' recommendation

The Directors (with Mr Gregory Baynton abstaining) recommend that you vote in favour of this resolution.

### Special Business

#### 4. Ratification and Approval of Previous Allotment and Issue of Shares under Placement

The purpose of resolution 4 is for Shareholders to approve, pursuant to Listing Rule 7.4, those securities issued pursuant to the institutional placement which occurred on 20<sup>th</sup> April, 2011 which will otherwise count toward the 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 4 will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 4 proposes the approval of the previous allotment and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

The information required to be provided to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	20 <sup>th</sup> April, 2011
<b>Number of Shares issued</b>	11,500,000 ordinary shares
<b>Issue price and terms of issue</b>	<ul style="list-style-type: none"> <li>The issue price was \$0. 50</li> <li>The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and are quoted on ASX.</li> </ul>
<b>Persons to whom Shares were issued</b>	Sophisticated and institutional investors under a mandate entered into with RBS Morgans Limited.
<b>Intended use of funds:</b>	To provide additional working capital for the completion of clinical trials and research and development, production and marketing of the Company's products.

#### Directors' recommendation

The Directors recommend that you vote in favour of this resolution.

## 5. Ratification and Approval of Previous Allotment and Issue of Shares for Consultancy Services

The purpose of resolution 5 is for Shareholders to approve, pursuant to Listing Rule 7.4, those securities issued pursuant on 21<sup>st</sup> June, 2011 pursuant to a consulting agreement which will otherwise count toward the 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

The allotment and issue of securities detailed in resolution 5 will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 5 proposes the approval of the previous allotment and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

The information required to be provided to Shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5.

In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	21 <sup>st</sup> June, 2011
<b>Number of Shares issued</b>	55,511 ordinary shares
<b>Issue price and terms of issue</b>	<ul style="list-style-type: none"> <li>The issue price was \$0. 57</li> <li>The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and are quoted on ASX.</li> </ul>
<b>Persons to whom Shares were issued</b>	Mr Geoff Morris
<b>Intended use of funds:</b>	<p>Securities issued, for the period to 31 March 2011, under a consultancy agreement under which the consultant, Mr Geoff Morris, provides consultancy services to Tissue Therapies which include:</p> <ul style="list-style-type: none"> <li>the selection of potential commercial partners;</li> <li>the development of negotiating strategies; and</li> <li>the facilitation of negotiations.</li> </ul>

### Directors' recommendation

The Directors recommend that you vote in favour of this resolution.

## 6. Increase in Directors' Fee Pool

Total fees paid to Directors of the Company are limited to a maximum amount set by Shareholders. The present limit of \$250,000 per annum was set on 29 January 2004, prior to the Company listing on the ASX. Shareholder approval is sought for an increase of that limit by \$150,000 to \$400,000 (inclusive of SGC contributions).

The Company has grown significantly since the existing Directors' Fee Pool was set. In addition, the Company is now proceeding towards commercialisation.

The increased Directors' Fee Pool will ensure the Company is well placed to appropriately remunerate non -executive Directors as the Company approaches its commercialisation phase.

In summary, the proposed increase aggregate amount will:

- provide scope for additional Directors to join the Board at appropriate times;
- allow greater flexibility with respect to individual Director's remuneration;
- increase the potential for the Board to be able to both retain and attract further appropriately qualified directors, by increasing the benchmark remuneration of the Company's Directors;



- (d) provide an incentive for the Directors to strive for greater Company success;
- (e) in the opinion of the Board, see the aggregate available remuneration level of the Company become consistent with that available for similarly sized companies; and
- (f) be an appropriate quantum in recognition of the increased responsibility and liability the Directors have and continue to attract as members of the Board of a continuous disclosing entity.

**Directors' recommendation**

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

## GLOSSARY

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<b>Annual General Meeting</b>	means the Company's annual general meeting the subject of this Notice of Meeting.
<b>Annual Report</b>	means the 2011 Annual Report of the Company.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or the securities market which it operates, as the context requires.
<b>Board</b>	means the Board of Directors of the Company.
<b>Company or Tissue Therapies</b>	means Tissue Therapies Limited ABN 45 101 955 088.
<b>Constitution</b>	means the constitution of the Company from time to time.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company (from time to time, as the context requires).
<b>Explanatory Memorandum</b>	means the explanatory memorandum attached to the Notice of Meeting.
<b>Key Management Personnel</b>	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice of Meeting</b>	means the notice of meeting and includes the Explanatory Memorandum.
<b>Shares</b>	means the existing fully paid ordinary shares in the Company.
<b>Shareholder</b>	means a person who is the registered holder of Shares.