

ATF Group (PDF) Limited

ACN 106 213 772

Notice of Annual General Meeting & Explanatory Statement

Date: 26 November 2009
Time: 11.00am
Location: Minter Ellison Lawyers
Level 23 North, Rialto Towers
525 Collins Street
Melbourne Victoria

ATF Group (PDF) Limited

ACN 106 213 772

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the shareholders of ATF Group (PDF) Limited ACN 106 213 772 (**Company**) will be held at the offices of Minter Ellison Lawyers, Level 23 North, Rialto Towers, 525 Collins Street, Melbourne, Victoria on Thursday, 26 November 2009 at 11.00am.

Ordinary Business

1. Financial statements and reports

To receive and consider:

- (a) the financial report;
- (b) the directors' report; and
- (c) the auditor's report

of the Company for the year ended 30 June 2009.

2. Election of Jon Lamb as a director (Resolution 1)

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

'That Jon Lamb, a director retiring from office by rotation in accordance with clause 58 of the Company's constitution and being eligible, is re-elected as a director of the Company.'

3. Appointment of auditor (Resolution 2)

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

'That Pitcher Partners be appointed as auditor of the Company and the Directors be authorised to fix the remuneration of the auditor.'

4. Issue shares to Jon Lamb (Resolution 3)

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

'That the Company issue to Jon Lamb (a director of the Company) or to his nominee 2,500,000 ordinary fully paid shares for nil consideration and otherwise on the terms and conditions set out in the Explanatory Statement attaching to and forming part of this Notice.'

5. Other business

To transact any other business which may legally be brought before the meeting.

Voting and proxies

Voting Exclusion Statement

Resolution 3

The Company will disregard any votes cast on Resolution 3 by:

- (a) Jon Lamb; or
- (b) any associate of Jon Lamb.

However, the Company need not disregard a vote in respect of Resolution 3 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.

Proxies

1. A member entitled to attend and vote at the meeting has a right to appoint a proxy.
2. The proxy need not be a member of the Company.
3. A member who is entitled to cast two or more votes may appoint up to two proxies and, in the case of such an appointment, may specify the proportion or number of votes each proxy is appointed to exercise.
4. If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes which each proxy may exercise, each proxy may exercise half of the votes.
5. The proxy form included in this Notice of Annual General Meeting must be signed by the member or the member's attorney. Proxies given by corporations must be signed under the hand of a duly authorised officer or attorney.
6. To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged with the Company's Share Registry - **Computershare Investor Services Pty Limited** at:

By hand: Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067;

By mail: GPO Box 242, Melbourne VIC 3001;

By facsimile: 1800 783 447 (from within Australia); or
+(61 3) 9473 2555 (from outside Australia).

as soon as possible and in any event by not later than 48 hours prior to the time appointed for the Annual General Meeting.

7. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution of the Company to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

8. If a shareholder appoints the chairperson of the meeting as the shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that shareholder, in favour of the item on a poll.
9. Members should refer to the Explanatory Statement, which accompanies and forms part of this Notice of Meeting, for information regarding voting restrictions.

Voting entitlements

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) for the purposes of the meeting, persons holding shares at 7.00pm (Melbourne time) on 24 November 2009 will be treated as shareholders. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to attend and vote in respect of that share at the Annual General Meeting.

By order of the Board
J A Wigginton
Company Secretary

30 October 2009

ATF Group (PDF) Limited

ACN 106 213 772

Explanatory Statement

1. Purpose of information

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Annual General Meeting dated 30 October 2009) is to provide members with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the Annual General Meeting (AGM) of the Company to be held at the offices of Minter Ellison Lawyers, Level 23 North, Rialto, 525 Collins Street, Melbourne, Victoria on Thursday, 26 November 2009 and to assist members to determine how they wish to vote on each resolution.

2. Glossary

AGM means the annual general meeting of the Company to be held on 28 November 2008.

Board means the board of Directors of the Company.

Company means ATF Group (PDF) Limited ACN 106 213 772.

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

Director means a director of the Company.

Notice means this Notice of Meeting dated 30 October 2009.

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

3. Financial statements and reports

Pursuant to the Corporations Act, the directors of a public company that is required to hold an annual general meeting must table the financial statements and reports of the company (including the directors' report and auditor's report) for the previous year before the members at the company's annual general meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements, directors' report and auditor's report in the Annual Report of the Company for the year ended 30 June 2009. A copy of the Annual Report has been forwarded to each shareholder other than those shareholders who have previously notified the Company that they elect not to receive the Annual Report, whether in paper form or electronically. Any shareholder who had made this election and now wishes to receive a paper or electronic copy of the Annual Report should contact the Company's office by phone on +61 3 9662 4049 to arrange receipt. The Annual Report can also be viewed, printed and downloaded from the Company's website at www.atfgroup.com.au. A copy of the financial statements, the directors' report and the auditor's report will also be tabled at the meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the AGM is to provide the shareholders with the opportunity to be able to ask questions or discuss matters arising from the financial statements or the reports at the meeting. It is not the purpose of the meeting that the financial statements or reports be accepted, rejected or

modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt, receive or consider the Company's financial statements or the reports (other than the remuneration report) will be put to the shareholders at the meeting.

Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on the financial statements and the reports. The Company's auditor will be available to receive questions and comments from shareholders about the preparation and content of the auditor's report and conduct of the audit.

Further, any shareholder entitled to cast a vote at the AGM may submit written questions to the auditor if:

- (a) the question is relevant to:
 - (i) the content of the auditor's report to be considered at the AGM; or
 - (ii) the conduct of the audit of the 2009 financial report to be considered at the AGM;
- and
- (b) the shareholder gives the question to the Company no later than the 5 business days before the day on which the AGM is to be held.

Where appropriate, and practical to do so, the Company may provide answers to any such written questions at the AGM.

4. Election of directors (Resolution 1)

Introduction

Clause 58 of the Company's constitution requires that at each annual general meeting one-third of the Directors must retire from office, or if their number is not a multiple of three, then the greater of one or the number nearest to, but not exceeding, one-third of the Directors must retire from office. Directors appointed during the year (to fill a casual vacancy or as an addition to the Board) and the managing director are not to be taken into account in determining the number of Directors who must retire by rotation. In accordance with this clause of the Company's constitution, Mr Jon Lamb, a Director who has been in office since November 2007, retires by rotation.

A Brief CV of Mr Lamb is included below.

Biography of Jon Lamb

Jon worked with a multinational pharmaceutical company for an eleven-year period in South Africa, London, Australia and New Zealand. He joined the Group in the marketing division in brand management and new product development and was responsible for the launch of a number of brands globally. At aged 30 years, and as the youngest CEO in the company, he reluctantly left the company after his family decided to settle permanently in New Zealand.

Jon joined Fletcher Holdings in New Zealand as a general manager in the Executive Directors department working on strategic investments. After a period as CEO of Nylex NZ, he returned to Fletcher Challenge working in agribusiness. For the next seven years, he was involved in major company restructures and the assessment of strategic industry initiatives across the group. Following his resignation from Fletcher Challenge, Jon set up a series of privately owned companies, including a consultancy that focused on company restructures. One of the high profile restructures was that of the then New Zealand Kiwi Fruit Board into a limited liability company and the international development of their brand 'Zespri'.

Jon was a director of Virionyx Corporation for seven years and was part of the team that successfully took it through the drug discovery stage into the clinical trial process with the FDA while at the same time building a robust, competent management team.

Through his international experience, spanning thirty years, Jon has developed an international network of talented senior business executives, scientists and investors. He has held directorships of both public and private companies, and heads an innovation commercialisation vehicle in New Zealand named 'The Factory'. It consults to companies undertaking global and regional ventures.

5. Appointment of auditor (Resolution 2)

The Company's current auditor, Pitcher Partners (Melbourne), was appointed as auditor of the Company following the retirement of the previous auditor, Pitcher Partners (Sydney), on 24 February 2009. When the administrative base of the Company was transferred from Sydney to Melbourne in 2008, the Company also transferred the audit of the Company. While Pitcher Partners (Sydney) and Pitcher Partners (Melbourne) are affiliated firms, for the purposes of the provisions of the Corporations Act relating to auditors, they are different entities and must be treated accordingly by the Company.

An auditor appointed to office to fill a vacancy (other than a vacancy caused by the removal of the former auditor) holds office only until the next annual general meeting of the company. That being the case, Pitcher Partners (Melbourne), will retire as the auditor of the Company at the conclusion of the AGM.

Under section 327B(1) of the Corporations Act, the Company must appoint an auditor to fill any vacancy in that office. An auditor appointed under section 327B(1) of the Corporations Act holds office as auditor until the auditor is removed, or resigns, from office or ceases to be capable of acting as, or holding the office of, auditor (as required by the provisions of the Corporations Act).

The Company is seeking to appoint Pitcher Partners (Melbourne) as its auditor under section 327B(1) of the Corporations Act. In order to do so, and in accordance with section 328B of the Corporations Act, a notice in writing nominating Pitcher Partners (Melbourne) as auditor has been given to the Company by a Shareholder. A copy of this notice is included as Annexure A to this Explanatory Memorandum.

6. Issue of shares – Jon Lamb (Resolution 3)

Mr Lamb joined the Board of the Company in November 2007.

Subsequent to departure of the executive Directors, Mr Sean Magee and Ms Jennifer Page, Mr Lamb has been instrumental in the rebuilding of the Company and driving the commercialisation programme for its investee company, Evivar Medical Pty Ltd (Evivar). In effect, despite being appointed a non-executive Director of the Company, Mr Lamb has in practical effect undertaken the role of an executive Director. In part, this has resulted from the fact that the Company does not have any full time employees. While Mr Romanin is the Chief Executive Officer of Evivar and can guide its affairs, Mr Lamb has filled the equivalent role in the Company and has consequently been heavily involved in raising new capital for the Company, determining the Company's business strategy and, with Mr Romanin, implementing that strategy. Mr Lamb has also been heavily involved in all joint venture discussions with Melbourne Health and in the resolution of all disputes and legal proceedings that followed the departures of Mr Magee and Ms Page from the Company.

In the period from November 2007 to 30 June 2009, Mr Lamb has not received any form of payment (other than reimbursement of expenses) from the Company for the work that he has done for the Company. In that period, Mr Lamb has undertaken over 200 days of work (full time or substantially full time) for or on behalf of the Company, including regularly travelling from his home in New Zealand to Australia (for purposes directly related to the Company) and to the USA and Europe (generally for purposes associated with the Evivar commercialisation programme). The commitment of Mr Lamb to the Company has been at the expense of his own business interests in New Zealand, particularly his innovative commercialisation consultancy conducted with others under 'The Factory' brand.

In recognition of the work performed by Mr Lamb over a two year period, the remaining Directors have resolved, subject to shareholder approval, to issue 2,500,000 Shares (for nil cash consideration) to Mr Lamb (or his nominee) in compensation for the time and effort he has committed to the Company over that period. While the Shares will be fully vested in Mr Lamb (or his nominee) from the date of issue, the Shares are issued on the basis that Mr Lamb agrees to continue to provide his services to the Company for a minimum further period of 12 months and not to transfer or dispose of any interest in the Shares for 12 months. Mr Lamb has agreed to accept the Shares on that basis. It is noted that, following the issue of the Shares, no further amounts will be paid to Mr Lamb in respect of the provision of consulting services for any period prior to 30 June 2009.

The Company is advised by Mr Lamb that he intends to nominate The Factory to be the holder of the Shares (assuming the issue of the Shares is approved by the Shareholders). This is in recognition of the impact that his work for the Company has had on the business of, and his partners in, The Factory. If this occurs, it is agreed The Factory will hold the Shares subject to the same limitations on transfer as noted above.

For the period subsequent to 1 July 2009, subject to completion of its next round of capital raising, the Company intends to formalise its arrangements with Mr Lamb by entry into a consultancy agreement.

The number of Shares to be issued (if approved by the Shareholders) has been determined by reference to the following rules:

- the provision of services by Mr Lamb over the period from November 2007 to 30 June 2009 for 200 days;
- an issue price of \$0.20 per Share (which reflects the offer price of Shares in the Company's current capital raising) was used; and
- a daily consultancy fee of \$2,500 (which is 50% of the normal rate payable to Mr Lamb by other clients of his commercialisation consultancy, The Factory).

In agreeing to the issue of the Shares to Mr Lamb (subject to shareholder approval), the Directors note the following:

- the Company's constitution permits the Company to remunerate non-executive Directors who perform services for the Company which in the opinion of the Directors are outside the scope of the ordinary duties of a Director;
- the issue of Shares to Mr Lamb (in contrast to the payment of a monetary sum) enables the Company to preserve its cash resources; and
- while the number of Shares to be issued is significant, the Directors are of the opinion that the remuneration is substantially less than the Company might otherwise have incurred for the services, particularly bearing in mind:

- the availability of Mr Lamb to provide the services at very short notice and at very significant cost to his other business interests;
- the critical nature of the services provided and materiality of those services to the success achieved by the Company to date;
- the payment is in the form of non-cash consideration;
- the agreement of Mr Lamb to continue to provide the services (on a basis to be agreed) and to accept the trading restrictions attached to the Shares; and
- Mr Lamb will only derive material benefit from the Shares if the Company continues its progress on the commercialisation of the Evivar technology.

The Directors (other than Mr Lamb) believe the issue of the Shares to Mr Lamb constitutes fair and reasonable compensation for the services provided by him to the Company and recommend that shareholders vote in favour of Resolution 3.

7. How to vote

To vote on the Resolutions, members will need to follow these steps:

EITHER: Complete the Form of Proxy and return it by facsimile or mail to be received by the Computershare Investor Services Pty Ltd (the Company's share registry) by no later than 11.00am on 26 November 2008 to the following office or facsimile number:

- **by post or hand delivery:**

By hand:

Yarra Falls, 452 Johnston Street,
Abbotsford, Victoria 3067

By post:

GPO Box 242
Melbourne VIC 3001

- **by facsimile:**

from within Australia - 1800 783 447

from outside Australia - +(61 3) 9473 2555

OR Attend the AGM.

8. Queries

If you have any queries about the AGM, the financial statements to be put to the AGM or the Resolutions being considered, please contact the Company Secretary, Mr Tony Wigginton, at the Company on +(61 3) 9662 4049.

By Order of the Board
J A (Tony) Wigginton
Company Secretary

Dated: 30 October 2009

Annexure A

ATF Group (PDF) Limited

ACN 106 213 772

Nomination of auditor

To:

The Company Secretary
ATF Group (PDF) Limited
Suite 501, 100 Victoria Street,
East Melbourne VIC 3002

Soldon Investments Pty Ltd is a member of ATF Group (PDF) Limited.

In accordance with section 328B(1) of the Corporations Act, it nominates Pitcher Partners of Level 19, 15 William Street, Melbourne, Victoria to be the auditors of ATF Group (PDF) Limited.

Signed:



Director

Dated: 28 October 2009