

**Cyclopharm Limited**  
**Notice of Annual General Meeting**

cyclopharm

**This is an important document**

If you are in any doubt about how to deal with this document, please consult your legal, financial advisor





The Annual General Meeting of the Company will be held  
at: Boardroom 1, Level 1, St Kilda Road Towers, 1  
Queens Road, Melbourne  
on: Tuesday 8 May 2007, commencing at  
11.30am

## Ordinary Business

### 1 - Financial Statements and Reports

- (a) To receive and, consider the financial statements and the reports of the directors and the auditors for the year ended 31 December 2006.

(See the Explanatory Statement with regard to a shareholder's right to submit written questions to the auditors in connection with the auditor's report or the conduct of the audit.)

- b) To consider and, if thought fit, pass the following ordinary resolution:

*"That the Remuneration Report for the financial year ended 31 December 2006 be adopted."*

Note: The vote on this resolution is advisory only and does not bind the directors of the Company.

(See the Explanatory Statement with regard to the reasons for the resolution in connection with the Remuneration Report)

### 2 - Election of Directors

Mr Vanda Gould stands for election as a Director of the Company in accordance with the Company's Constitution.

Mr David Heaney stands for election as a Director of the Company in accordance with the Company's Constitution.

Dr Bernard Salin stands for election as a Director of the Company in accordance with the Company's Constitution.

Mr Henry Townsing stands for election as a Director of the Company in accordance with the Company's Constitution.

- (a) To consider and, if thought fit, pass the following ordinary resolution with effect from the close of this meeting:

*"That Mr Vanda Gould be elected as a Director of the Company."*

(See Explanatory Statement for more information on Mr Vanda Gould)

- (b) To consider and, if thought fit, pass the following ordinary resolution with effect from the close of this meeting:

*"That Mr David Heaney be elected as a Director of the Company."*

(See Explanatory Statement for more information on Mr David Heaney)

- (c) To consider and if thought fit, pass the following ordinary resolution with effect from the close of this meeting:

*"That Dr Bernard Salin be elected as a Director of the Company."*

(See Explanatory Statement for more information on Dr Bernard Salin)

- (d) To consider and, if thought fit, pass the following ordinary resolution with effect from the close of this meeting:

*"That Mr Henry Townsing be elected a Director of the Company."*

(See Explanatory Statement for more information on Mr Henry Townsing)

## Special Business

### 3 - Long Term Incentive Plan

Members will be asked to consider and, if thought fit, to pass the following resolution as a special resolution:

*"That the Cyclopharm Long Term Incentive Plan (Plan) tabled by the Chairman be approved for all purposes including:*

- a) For the purposes of section 259B of the Corporations Act 2001, as amended (Act) to permit the Company taking security over shares in itself which are issued under the Plan; and



- b) For the purposes of section 260C(4) to permit the Company to provide financial assistance to persons for the purpose of acquiring shares in the Company without separate shareholder approval.”

(See the Explanatory Statement for an explanation and summary of the Plan)

## 4 - Loan in accordance with the Long Term Incentive Plan – Managing Director

Members will be asked to consider and, if thought fit, to pass the following resolution as a special resolution:

*“That in accordance with the Cyclopharm Long Term Incentive Plan (Plan), tabled by the Chairman approval is given to make a limited recourse loan to Mr John Sharman, being Managing Director of the Company, for the sum of \$420,000 (Loan) which will be used to purchase 1,400,000 new shares in Cyclopharm Limited.”*

(See the Explanatory Statement for an explanation and summary of the Plan and Loan)

### Other Business

To consider any other business brought forwarded in accordance with the Company’s constitution or the law.

### By order of the Board

Dated 2 April 2007

William N Richardson  
Company Secretary

### INFORMATION

The notes to the Notice of Meeting and the Explanatory Statement accompany and form part of this Notice of Annual General Meeting.

### PROXY FORM

A Proxy Form accompanies this Notice of Annual General Meeting.

### ENQUIRIES

For enquiries or further information, please contact William Richardson, Company Secretary at the Company on (03) 9867 2811.



### **Documents**

A proxy form accompanies these documents.

### **Members entitled to vote and attend the meeting of shareholders**

In accordance with the Company's Constitution and the *Corporations Regulations 2001*, as amended, the Board has determined that the members entitled to vote at the meeting shall be those persons who are recorded in the register of members at 5.00pm (Melbourne time) Friday 4 May 2007.

### **Appointment of proxy**

A shareholder entitled to attend and vote at the meeting may appoint a person as the member's proxy to attend and vote for the shareholder at the meeting. The person appointed as a proxy may be an individual or a body corporate. If a shareholder chooses to appoint a body corporate as its proxy, the body corporate may appoint a representative to exercise the powers that the body corporate may exercise as the shareholder's proxy.

### **Number of proxies and proportion of votes per proxy**

A shareholder entitled to attend and vote is entitled to appoint one or two proxies to attend and vote in their place. If 2 proxies are appointed, the shareholder may specify the proportion or number of votes which each proxy may exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

If you wish to appoint one proxy, please use the form provided. If you wish to appoint 2 proxies, please complete a separate form for each proxy. You can obtain a second proxy form by contacting the Company directly on: (03) 9820 5957.

### **Proxy need not be shareholder**

A proxy need not be a shareholder of the Company.

### **Directing your proxy**

You can direct your proxy how to vote by marking the "for", "against" or "abstain" boxes on the Proxy Form. If you choose to direct your proxy but do not mark the boxes correctly, the proxy's vote will be invalid. If you have appointed someone other than the Chairman as your proxy and do not direct them how to vote, that person may vote, or abstain from voting, at their discretion.

### **Lodgement of proxy forms**

A proxy form is enclosed with this Notice of Meeting. To be effective, a proxy form and the power of attorney (if any) under which it is signed or a certified copy of that power of attorney must be received by or faxed to the Company at the address or fax number below, at least 48 hours before the time for commencement of the meeting.

Please send your completed proxy form by post or fax to:  
Cyclopharm Limited  
Suite 630, Level 6  
1 Queens Road  
Melbourne VIC 3004  
T: (03) 9867 2811  
F: (03) 9820 5957

**to be received no later than 5.00pm (Melbourne time) on 4 May 2007.**

### **No direction (where Chairman is proxy)**

If the Chairman is your proxy and you do not specifically direct how your proxy is to vote on a resolution, you will be taken to have directed your proxy to vote in favour of that resolution.

### **Questions and comments by members at the Meeting**

In accordance with the *Corporations Act 2001*, a reasonable opportunity will be given to members to ask questions about or make comments on the management at the meeting. Any shareholder who wishes to submit a question to the Company or Company's auditor on these matters must submit that question. Please direct all questions in written form to the Company Secretary, Suite 630, Level 6, 1 Queens Road, Melbourne, VIC, 3004 no later than 4 May 2007.

### Ordinary Business

## Item 1(a) - Financial Statements and Reports

The *Corporations Act 2001* requires that the report of the Directors, the report of the Auditor and the Financial statements of the Company be presented at the Annual General Meeting. They are contained in the Annual Report which has been previously made available to shareholders and can be found on the Company's website ([www.cyclopharm.com.au](http://www.cyclopharm.com.au)). Neither the *Corporations Act 2001* nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports and statements. However, shareholders will be given ample opportunity to raise questions at the meeting with both the Chairman and the Auditor, with respect to these reports and statements.

In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company. Similarly, a reasonable opportunity will be given to shareholders to ask the Company's auditor, Russell Bedford NSW, questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders who are unable to attend the meeting or who may prefer to register questions in advance of the meeting are invited to do so.

Shareholders may also submit a written question to the auditor that relates to:

- the content of the auditor's report to be considered at the meeting; or
- the conduct of the audit of the annual Financial Report to be considered at the meeting.

Any shareholder who wishes to submit a question to the Company's auditor on these matters must submit that question. Please direct all questions to the Company Secretary in written form to Suite 630, Level 6, 1 Queens Road, Melbourne, VIC, 3004 no later than 4 May 2007. The Company will then pass the questions on to the auditor for consideration.

A list of questions that the auditor considers relevant to the matters outlined above will be made available to shareholders at the meeting. A representative of the Company's auditor, Russell Bedford NSW, will attend the meeting.

## Item 1(b) - Adoption of the Remuneration Report

Shareholders entitled to vote at the AGM will also be entitled to vote on the adoption of the Remuneration Report set out in the Report of the Directors in the Annual Report. In accordance with section 250R the *Corporations Act 2001*, the vote on the resolution is advisory only and does not bind the directors or the Company.

A reasonable opportunity will be provided to shareholders to ask questions about, or to make comments on, the Remuneration Report at the meeting. Shareholders who are unable to attend the meeting, or who may prefer to register questions in advance of the meeting, are invited to do so by using the form attached to this Notice of Meeting.

The Chairman of the meeting intends to vote any undirected proxies in favour of Item 1(b).

### Directors' Recommendation

The Directors recommend that shareholders vote in favour of item 1(b).

## Item 2a to 2d - Election of Directors

The Board of the Company consists of up to 9 Directors, under the Company's Constitution ("**Constitution**").

### Item 2a

Mr Vanda Gould, being eligible, offers himself for election as a Director of the Company.

## EXPLANATORY STATEMENT

The Board Nomination Committee (excluding Mr Gould) of the Board has conducted an assessment of Mr Gould, and has reviewed the skills, knowledge, experience and diversity represented on the Board. Having conducted those assessments and that review, the Board recommends to shareholders the election of Mr Gould.

The following is a profile of Mr Vanda Gould:

- Board position:** Chairman of the Company since March 2006. Appointed Non-Executive Director on 21 November 2005.
- Qualifications:** B.Com, M.Com, FCA, FCPA
- Experience:** Mr Gould has broad business experience having practiced as a chartered accountant for more than 30 years. As founding Chairman in 1984 of CVC Limited (listed on the ASX) he has overseen investments in several companies involved in the health services/medical industries including Cyclomedica. He is also chairman of several other private and public companies and educational establishments.
- Committees:** Chairman of the Remuneration, Board Nomination and Audit Committees

**The Deputy Chairman of the meeting intends to vote any undirected proxies in favour of Mr Gould.**

### Item 2b

Mr David Heaney, being eligible, offers himself for election as a Director of the Company.

The Board Nomination Committee (excluding Mr Heaney) of the Board has conducted an assessment of Mr Heaney, and has reviewed the skills, knowledge, experience and diversity represented on the Board. Having conducted those assessments and that review, the Board recommends to shareholders the election of Mr Heaney.

The following is a profile of Mr David Heaney:

- Board position:** Appointed Non Executive Director on 20 November 2006
- Experience:** David has more than 38 years experience in all aspects of wholesale banking and finance, gained in senior management roles with The National Australia Bank Limited and subsidiary companies in both Australia and the US.

**Committees:** Member of the Board Nomination and Audit Committees

**The Chairman of the meeting intends to vote any undirected proxies in favour of Mr Heaney.**

### Item 2c

Dr Bernard Salin, being eligible, offers himself for election as Director of the Company.

The Board Nomination Committee (excluding Dr Salin) of the Board has conducted an assessment of Dr Salin, and has reviewed the skills, knowledge, experience and diversity represented on the Board. Having conducted those assessments and that review, the Board recommends to shareholders the election of Dr Salin.

The following is a profile of Dr Bernard Salin:

- Board position:** Appointed Non-Executive Director on 1 September 2006.
- Qualifications:** Ph D Biophysics and Biochemistry
- Experience:** Bernard has broad research experience from his years at the Atomic Energy Centre, Saclay, France. In business he has held several key executive positions including President and CEO for Pfizer Europe Diagnostics Division. In 2000 he founded and became Chairman of Cyclopharma Laboratoires SA, which has developed a completely new fully automated radiopharmaceutical production centre (industrial cyclotron and production tools) process for the production of short life PET isotopes.
- Committees:** Member of the Board Nomination Committee

**The Chairman of the meeting intends to vote any undirected proxies in favour of Mr Salin.**

### Item 2d

Mr Henry Townsing, being eligible, offers himself for election as a Director of the Company.

The Board Nomination Committee (excluding Mr Townsing) of the Board has conducted an assessment of Mr Townsing, and has reviewed the skills, knowledge, experience and diversity represented on the Board. Having conducted those assessments and that review, the Board recommends to shareholders the election of Mr Townsing.

## EXPLANATORY STATEMENT

The following is a profile of Mr Henry Townsing:

Board position: Appointed Non-Executive Director on 22 November 2005.

Qualifications: Dip. Val

Experience: Henry has more than 20 years experience in corporate finance and private equity. He is a director of Normandy Finance & Investments Asia Ltd and several other companies.

Committees: Member of the Board Nomination and Remuneration Committees

**The Chairman of the meeting intends to vote any undirected proxies in favour of Mr Townsing.**

### Directors' Recommendation

Each Director of the Company (excluding Mr Vanda Gould) recommends that shareholders vote in favour of the resolution to elect Mr Vanda Gould.

Each Director of the Company (excluding Mr David Heaney) recommends that shareholders vote in favour of the resolution to elect Mr David Heaney.

Each Director of the Company (excluding Dr Bernard Salin) recommends that shareholders vote in favour of the resolution to elect Dr Bernard Salin.

Each Director of the Company (excluding Mr Henry Townsing) recommends that shareholders vote in favour of the resolution to elect Mr Henry Townsing.

## Item 3 - Long Term Incentive Plan

### Background

In an effort to retain key employees, directors and officers the Company proposes to adopt a "Long Term Incentive Plan" ("**Plan**".)

A summary of the main details of the Plan are as follows:

### Introduction to the Plan

- (a) The purpose of the Plan is to encourage employees, directors and officers to share in the ownership of the Company and therefore retain and motivate senior executives to drive performance at both the individual and corporate level.

Those employees, directors and officers who do participate are selected as they have the capacity to make an impact on the long term performance of Cyclopharm and are defined as "Participating Employees or Officers". Shares in the Company that are purchased pursuant to the Plan are referred to as "Plan Shares".

### Invitation to Participate and Acquisition of Plan Shares

- (b) The maximum Plan Shares to be purchased pursuant to this Plan shall be not more than 7.5% of the Company's issued shares.
- (c) There may be risks associated with participation in the Plan in that in certain circumstances the Plan Shares may lose value and Participating Employees or Officers may not benefit from the investment.
- (d) Participation in the Plan is by invitation of the Board. Such invitation to participate is at the absolute discretion of the Board.
- (e) There are rules covering the form of invitation and a minimum parcel of 100 shares must be applied for by Participating Employees or Officers. There are rules covering the acceptance and allotment of Plan Shares. Under no circumstances will shares be allotted if to do so would be in breach of the Corporations Act or any applicable listing rule of the Australian Securities Exchange
- (f) The number of shares, issue price and allocation date are determined by the Board.
- (g) Performance hurdles have been determined by the Board and are summarized below:



## EXPLANATORY STATEMENT

Participant Group	Performance Hurdle
Operations	Achievement of new business targets
Sales	Sales budgets achieved
Regulatory	TGA approval for additional sites
Accounting	Annual and half year accounts completed on time for each year

### Financial assistance

- (g) A Participating Employee or Officer may apply to the Company for Financial Assistance to finance the subscription for Plan Shares.
- (h) The Company may accept the application for Financial Assistance by making an interest limited (limited to dividends on the underlying shares) loan to the Participating Employee or Officer ("Borrower"). In any event the Company will not accept an application for Financial Assistance under the Plan if to do so would be in breach of the Corporations Act.
- (i) Financial Assistance is repayable:
- At the end of 5 years (or a shorter period which the Board may determine); or
  - Immediately upon the dismissal or resignation of the Borrower; or
  - immediately upon failure to satisfy the Performance Hurdle (if any) within the time period determined by the Company or upon the death or retirement of the Participating Employee or Officer or upon the termination of the employment of the Participating Employee or Officer otherwise than by way of dismissal or resignation.
- (j) A Participating Employee or Officer who received Financial Assistance shall:
- authorise the Company to sell any bonus shares, rights or further shares issued in: respect of the Plan Shares and to apply all or any of the proceeds thereof in reduction of the amount of the Borrower's indebtedness to the Company; and
  - give an irrevocable direction to the Company to pay to itself on behalf of the Borrower and for the purposes of reducing the amount of the Borrower's indebtedness to the Company or to meet any interest charge on the Financial Assistance, all or any monies that

may from time to time become payable in respect of the Plan Shares or other shares, including dividends.

- (k) A Participating Employee or Officer who received Financial Assistance will be required to transfer the Plan Shares to the Company for their original Subscription Price upon:
- Dismissal or acceptance of resignation; or
  - Failure to satisfy Performance Hurdles within the time period (if any); or
  - At the end of 5 years (or a shorter period which the Board may determine); unless
  - The Borrower lodges a written request to retain the Plan Shares with the Board before the fifth anniversary (or a shorter period which the Board may determine) of the issue of the Plan Shares and the Board, at its absolute discretion, decides to waive the transfer requirement.
- (l) Where the Financial Assistance provided to a Participating Employee or Officer is required to be repaid, the Financial Assistance provided must be repaid in full. Payment may be undertaken by offsetting any monies which the Company owes the Borrower against the outstanding balance of the borrowings.
- (m) The Board may at its absolute discretion provide Financial Assistance to a Participating Employee or Officer, which Financial Assistance is secured by and strictly limited in all circumstances to the value of the Plan Shares. Where the Board has provided Financial Assistance in these circumstances the Company will not in any circumstances be able to make any claim against the Participating Employee or Officer in excess of the value realized for the Plan Shares.
- (n) If the Company is authorised to sell any Plan Shares in order to pay any money owing by the Participating Employee or Officer and the proceeds of sale exceed the total amount owing to the Company, the surplus shall be paid by the Company to the Participating Employee or Officer.
- ### Security for Financial Assistance
- (o) As Security for Financial Assistance, a Participating Employee or Officer must grant to the Company:
- a pledge of the Plan Shares acquired by the Borrower at the time the Financial Assistance is provided to the Borrower; and

- (ii) a charge over:
  - i. all the bonus shares, rights and further shares issued in respect of those Plan Shares; and
  - ii. all the dividends paid or payable on those Plan Shares or other shares the subject of the charge.
- (p) The Participating Employee or Officer must not create any other security interest over the Plan Shares whilst they are subject to the Plan. Where, a Participating Employee or Officer does create a security interest over the Plan Shares, that Participating Employee or Officer must transfer the Plan Shares to the Company for their original Subscription Price and fully repay any outstanding loan related the Plan Shares and have no further entitlement under the Plan.

### Alteration of the terms and provisions of the Plan

- (q) Subject to the listing rules of the Securities Exchange and law the Company may make such alterations, variations, additions, deletions or modifications to all or any of the provisions of the Plan or to all or any of the rights or obligations of the participants or any of them as may be determined by the Board, provided however that no such alteration, variation, addition, deletion or modification shall be made if it would have the effect of depriving the holders of issued Plan Shares of any rights to which they are then entitled unless approved by 75% of the holders of Plan Shares affected by such a change or unless the amendments are required by law.

### Period of Plan

- (r) The Plan shall commence upon its approval by members of the Company in general meeting and shall continue until terminated by resolution of the Board at any stage.
- (s) The Company will meet the ongoing administration expenses of the Plan. The Participating Employee or Officer will meet all outgoings and expenses in selling or otherwise dealing with his or her shares.

### Directors' Recommendation

Each Director of the Company recommends that shareholders vote in favour of the Resolution.

## Item 4 - Loan in accordance with the Long Term Incentive Plan – Managing Director

Listing rule 10.14 prohibits the acquisition by a director of the Company (or an associate of the director) of shares in the Company under an employee incentive scheme without shareholder approval.

Accordingly, shareholder approval is sought under ASX Listing Rule 10.14 and for all other purposes for the proposed issue and allotment of 1,400,000 fully paid ordinary shares under the Plan to the Managing Director, Mr John Sharman, or his nominee on the terms and conditions set out below.

Members will be asked to consider and, if thought fit, to pass the following resolution as a special resolution: "That in accordance with the Cyclopharm "Long Term Incentive Plan" approval is given to make a limited recourse loan to Mr John S Sharman, being the managing director of the Company, for the sum of AUD \$420,000 which will be used to purchase 1,400,000 new shares in Cyclopharm Limited."

Mr Sharman has been Managing Director of Cyclopharm since 1 September 2006. Mr Sharman has been instrumental in the restructure, capital raising, Australian Stock Exchange listing, day to day operations and strategic vision for the company. The provision of this limited recourse loan to Mr Sharman is proposed to serve as a long term incentive for his continued involvement and support of the business.

Members should be aware that Mr Sharman should only benefit from this loan in the event that a price in excess of AUD \$0.30 cents is obtained for the shares of the Company.

Members are also asked to note the following:

<b>Number</b>	The total number of Plan Shares applied for is 1,400,000
<b>Price</b>	The same price of shares offered to shareholders during the IPO being \$0.30 per share.
<b>Security</b>	Limited to the 1,400,000 Plan Shares. The Company will have no other recourse to Mr Sharman for repayment of the loan other than the security provided by the Plan Shares themselves;

## EXPLANATORY STATEMENT

<b>Interest</b>	Limited to dividends on the Plan Shares in accordance with clause 4.4 of the Plan;
<b>Hurdle</b>	No performance hurdle has been set.
<b>Term</b>	2 years from date of shareholder approval.

### **Voting Exclusion Statement – Resolution 4**

Members are also asked to note the following in relation to the votes cast in respect of this resolution.

The Company will disregard any votes cast in respect of the resolution by:

- (a) a person who may participate in the proposed issue or a person who might obtain a benefit (except a benefit solely in the capacity of a security holder of the Company); and
- (b) associates of that person.

Accordingly, neither Mr Sharman nor his associates may vote on the resolution. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions of the proxy form or if 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.

As the Managing Director, Mr Sharman, is the only director of the Company currently entitled to participate in any employee incentive scheme of the Company, all the other directors and their associates will be entitled to vote on resolution 4.

### **Directors' Recommendation**

Each Director of the Company (excluding Mr John Sharman) recommends that shareholders vote in favour of the resolution.

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