



NOTICE OF ANNUAL GENERAL MEETING

ATCOR MEDICAL HOLDINGS LIMITED

(ACN 113 252 234)

(“COMPANY”)

Notice is given that the 2006 Annual General Meeting (AGM) of the Company will be held at Level 16, 60 Castlereagh St, Sydney, NSW 2000 on Thursday, 9 November, 2006 commencing at 11:00 am.

ORDINARY BUSINESS

1. Financial Report, Directors’ Report and Audit Report

To receive and consider the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows of AtCor Medical Holdings Limited for the year ended 30 June 2006, together with the reports of the Directors and Auditors.

2. Remuneration Report

To consider the Remuneration Report as it appears in the Annual Report for the year ended 30 June 2006, and if thought fit, to pass the following non-binding resolution as an ordinary resolution of the company in accordance with section 250R of the Corporations Act 2001 (Cth):

“That the Remuneration Report of AtCor Medical Holdings Limited for the year ended 30 June 2006 be approved”.

AtCor will disregard any votes cast on this resolution by:

- any director or executive of AtCor or its subsidiaries whose remuneration has been disclosed in the Remuneration Report; and
- any of their Associates.

However, AtCor need not disregard a vote if:

- it is cast by directors or executives of AtCor whose remuneration has been disclosed that cast as a proxy for a person entitled to vote, in accordance with directions on the proxy form; or
- is cast by a 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.

3. Ordinary Resolution

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

- (a) To re-elect Donal O'Dwyer as a Director of the Company, who retires as a Director of the Company at this Annual General Meeting in accordance with the Company's Constitution and, being eligible, offers himself for re-election;
- (b) To re-elect Peter Jenkins as a Director of the Company, who retires as a Director of the Company at this Annual General Meeting in accordance with the Company's Constitution and, being eligible, offers himself for re-election;
- (c) To elect Duncan Ross as a Director of the Company.

SPECIAL BUSINESS

4. Approval for changes to terms of the Employee Share Option Plan

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

"That the amendment to the Employee Share Option Plan (ESOP) be approved such that all Options will become exercisable immediately upon the occurrence of a Change of Control Event. The Board of Directors shall also be given authority to amend or modify the terms and conditions of the plan, with the exception of changing the number of options over ordinary shares available to be allotted to eligible employees."

5. Approval for an increase to the options available to distribute under the Employee Share Option Plan.

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

"That the amendment to the Employee Share Option Plan (ESOP) be approved such that the number of options over ordinary shares available to be allotted to AtCor employees is increased from 5% to 10%."

By order of the Board

Peter Manley
Company Secretary
4 October 2006

Explanatory Memorandum

Resolution 1 – Financial Reports, Directors' and Auditors Reports

The financial report, directors and auditors reports may be found on pages 9 to 65 of the 2006 AtCor Medical Holdings Limited Annual Report, included with this Notice of Meeting.

Resolution 2 – Remuneration Report

The Corporations Act 2001 (Cth) requires that the section of the Directors' Report concerning the remuneration of Directors and up to five senior executives be put to a non-binding vote of the shareholders. The Remuneration report may be found on pages 13 to 21 of the Directors' report in the 2006 Annual Report.

Resolution 3 - Re-election of Directors

In accordance with Clause 6.1(f) of the AtCor Medical Holdings Limited constitution at least one third of directors must retire from office at each Annual General Meeting. Each of these directors is offering themselves for re-election per clause 6.1(i).

A summary of Mr. O'Dwyer's and Mr. Jenkins experience is shown below:

Donal O'Dwyer

Donal is currently chairman of the Board and has been a Director of the group since July 2004. He has extensive experience in the cardiovascular sector including the position of worldwide president of Cordis Cardiology, John & Johnson's cardiology division. He is currently a non-executive director of Cochlear Ltd, Mesoblast Ltd and Sunshine Heart Inc.

Donal is qualified with a BEng and MBA.

Peter Jenkins

Peter has served as a non-executive director on the AtCor groups' Board since 2000, including 4 years as Chairman, prior to the current chairman, Donal O'Dwyer. He was a consultant to Colonial First State Private Equity until his retirement in December 2005. Colonial First State is a major shareholder in AtCor. Peter is also a non-executive director of Queensland BioCapital Funds Ltd and Access Macquarie Ltd.

Peter holds a Dsc (honorary).

Resolution 3 – Election of Executive Director

Duncan Ross

The announced appointment of Duncan Ross to the position of Chief Executive Officer of AtCor Medical Holdings Limited is in accordance with the company's goal to have a US-based CEO within 2 years of listing. The Board of Directors is recommending his appointment as a Director.

Duncan is an experienced executive with more than 23 years experience in the clinical diagnostic and life sciences device industry. His previous role prior to joining AtCor was as President of Apogent Technologies' and Fisher Scientific Products laboratory equipment business, the number two supplier in the global US\$2.8 billion laboratory equipment market. Earlier in his career he spent 10 years with Baxter Healthcare Corporation.

Duncan holds a BS with highest distinction with majors in Finance and Economics from Babson College.

Resolution 4 & 5 – Changes to Employee Share Option Plan (ESOP)

Changes are being recommended by the Directors' to allow for accelerated vesting in the event of a Change of Control Event occurring. Additionally an amending provision is being added to allow for more efficient administration of the plan. The Directors are also recommending an increase in the number of Options available to issue under the ESOP to ensure that the company can attract and retain the best candidates to the Company, particularly in the USA. Following is the full ESOP with changes underlined.



LAWYERS

**EMPLOYEE SHARE OPTION PLAN
TERMS AND CONDITIONS**

ATCOR MEDICAL HOLDINGS LIMITED
ACN 113 252 234

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**TERMS AND CONDITIONS OF
ATCOR MEDICAL HOLDINGS LIMITED
EMPLOYEE SHARE OPTION PLAN**

The terms and conditions of AtCor Medical Holdings Limited Employee Share Option Plan are as follows:

1. DEFINITIONS

Board means the board of directors of the Company.

Bonus Date means any date after the Issue Date and before exercise or expiry of the Outstanding Options, on which entitlements are ascertained for holders of Shares to participate in any bonus issue by way of capitalisation of profits or reserves.

Business Day has the meaning given to that term in the Listing Rules of the Exchange.

Change of Control means an individual or entity either by itself or with its associates acquiring the power to control voting of at least 50% of the shares issued in the Company or if an individual or entity either by itself or with its associates acquires less than 50% of the issued shares but more than 40% of the issued shares and with this has the ability to effect a change in management or Board control.

Company means AtCor Medical Holdings Limited ACN 113 252 234.

Company Performance Hurdle at any given time means the performance by the Company against internal performance targets set by the Board from time to time.

Eligible Employee means any person who is employed by the Company or a director of the Company and whom the Board determines is eligible to participate in the Plan.

Exchange means the Australian Stock Exchange Limited.

Exercise Notice means a notice substantially in the form of Schedule One.

Exercise Period means in respect of a grant of Options, subject to clauses 5.2 and 5.4, the period commencing on the date, which is 1 year after the Issue Date, and ending on the Expiry Date.

Exercise Price means:

- (a) in relation to the Initial Options, \$0.50; and

- (b) in relation to all Options other than the Initial Options, the weighted average market price for sales of the Shares on the Exchange over the five trading days prior to the Issue Date;

Expiry Date means the earlier of:

- (a) 5 years from the Issue Date; or
- (b) 30 days after the date on which the Optionholder ceases to be an employee or a director of the Company or any of its subsidiaries, other than as a result of the death of the Optionholder,

or such later day as the Board in its absolute discretion determines.

Initial Options means Options granted to Eligible Employees on or before the date on which the Company is admitted to the official list of the Exchange.

Issue Date means the date upon which the Option Certificate is issued to the Optionholder as set out in the Option Certificate.

Listing Rules means the official listing rules of the Exchange.

Option Certificate means the certificate issued by the Company to the Optionholder setting out the number of Options issued to the Optionholder, the Issue Date, the Exercise Price, the Exercise Period, the Personal Performance Hurdles and the Company Performance Hurdles relating to those Options.

Optionholder means the person registered in the Company's register of options as the holder of the Options.

Options means the options over Shares contemplated in this Plan and referred to in the Option Certificate.

Outstanding Options means, in relation to an Optionholder, Options which remain unexercised from time to time.

Personal Performance Hurdles relating to Options for an individual Eligible Employee means the performance hurdles (if any) which are personal to that Eligible Employee, as set by the board from time to time and notified to that Eligible Employee in the relevant Option Certificate and/or terms of employment.

Plan means this employee share option plan.

Remuneration committee means the committee established by the Board to provide advice and make recommendations on remuneration policy. The remuneration committee comprises at least 3 directors, the majority of whom are independent non-executive directors.

ASTC Settlement Rules has the meaning given to that term in the *Corporations Regulations 2001 (Cth)*.

Shares means fully paid ordinary shares in the capital of the Company, or the ordinary shares into which fully paid ordinary shares are consolidated or subdivided or otherwise reconstructed from time to time.

2. INTERPRETATION

In these terms and conditions, unless the context otherwise requires:

- (a) headings and underlinings are for convenience only and do not affect the interpretation of these terms and conditions;
- (b) the singular includes the plural and vice versa;
- (c) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (d) a reference to any statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (e) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) an agreement, representation or warranty on the part of or in favour of two or more persons binds or is for the benefit of them jointly and severally;
- (h) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

- (i) a reference to a currency is a reference to Australian currency unless otherwise indicated; and
- (j) a reference to time is a reference to the time in Sydney, Australia.

3. OPTION ENTITLEMENT

- 3.1** Subject to clause 3.2, the Board may, from time to time, on advice from the Remuneration Committee, determine who is entitled to participate in the Plan and may grant Options in accordance with these terms and conditions.
- 3.2** At any one time, the maximum number of Shares and Outstanding Options on issue to Eligible Employees under this Plan will be the combined number of Shares and Outstanding Options representing 5% of the total issued share capital of the Company at that time on a fully diluted basis.
- 3.3** Subject to clauses 5, 7 and 8, on grant and exercise each Option entitles the Optionholder to subscribe for one Share at the Exercise Price.
- 3.4** Upon offer of Options to an Optionholder the Company will send the Optionholder an Application for Options in the form of Schedule 2 which must be signed by the Optionholder and returned to the Company within 5 Business Days. Upon the Company receiving the Application for Options in accordance with this clause the Company will grant the relevant number of Options to the Optionholder and issue the Optionholder with an Option Certificate.

4. DURATION OF OPTIONS

- 4.1** The Options expire at 5.00pm on the Expiry Date.
- 4.2** Options not exercised on or before the Expiry Date automatically lapse.

5. EXERCISE AND VESTING OF OPTIONS

- 5.1** Subject to clauses 5.2, 5.3 and 5.4, an Optionholder whose exercise of the Options would not be in breach of clause 11 may at any time during an Exercise Period exercise Outstanding Options, in whole or in part, by lodging with the Company at its registered office:
 - (a) the Option Certificate;

- (b) a duly completed and signed Exercise Notice; and
- (c) the subscription monies for the relevant Shares being the number of Options specified in the Exercise Notice multiplied by the Exercise Price.

5.2 Subject to clauses 5.3 and 5.4, but despite any other provision of these terms and conditions, Options will vest, and the Optionholder may only exercise the Options, as follows:

- (a) first tranche - between the date which is 1 years from the Issue Date and the day immediately preceding the date which is 2 years from the Issue Date, the Optionholder is only entitled to exercise up to one third of the total number of Options granted to the Optionholder on the Issue Date;
- (b) second tranche - between the date which is 2 years from the Issue Date and the day immediately preceding the date which is 3 years from the Issue Date, the Optionholder is only entitled to exercise up to two thirds of the total number of Options granted to the Optionholder on the Issue Date; and
- (c) third tranche - between the date, which is 3 years from the Issue Date, and the Expiry Date, the Optionholder is entitled to exercise all of the Options granted to the Optionholder.

5.3 Unless otherwise determined by the Board on recommendation from the Remuneration Committee, Options will not vest under clause 5.2 unless, over the 12 month period prior to the date of exercise, the Optionholder has achieved or bettered all outstanding Personal Performance Hurdles (if any) and the Company is performing at or above the Company Performance Hurdle.

5.4 Notwithstanding the conditions for exercise of Options under clauses 5.1, 5.2 and 5.3:

- (a) if a change of control, a reconstruction (which amounts to a Change in Control), merger or the sale of the whole of the assets and undertaking of the Company occurs (Change of Control Event), then subject to the Exchange listing rules, all Options (whether vested Options or not) will become exercisable immediately and the exercise conditions contained in clauses 5.1, 5.2 and 5.3 shall be waived. The Board must give the Optionholder written notice of the relevant Change of Control Event to enable the Optionholder to exercise his Options.
- (b) If a Change of Control Event gives rise to a Shareholder giving a compulsory acquisition notice to the Board under Chapter 6A of the Corporations Act, then the Board must notify the Optionholder in writing of the acquisition notice within seven days of the Board receiving the acquisition notice. The

Optionholder has a period of three weeks following the date of notification by the Board of the acquisition notice in which to exercise his Options. Any Options that are not exercised during this three week period shall expire.

6. ALLOTMENT AND ISSUE

The Company must allot the number of Shares which corresponds with the number of Options being exercised under clause 5 to the Optionholder on the date the Options are exercised and must issue those Shares to the Optionholder within 10 Business Days of the date the Options are exercised provided that if there is a reconstruction of the Company's shares in accordance with clause 7 between the time of allotment and issue of the Shares referred to in this clause 5.3 then the Shares referred to in this clause 6 will be similarly reconstructed.

7. RECONSTRUCTIONS

If at any time prior to the exercise by the Optionholder of any Outstanding Options there is any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the Outstanding Options will be reorganised in the manner required by the Listing Rules on a reconstruction of capital at the time of the reconstruction.

8. BONUS ISSUES

On each Bonus Date, each Outstanding Option confers on the Optionholder the right:

- (a) to receive on exercise of those Outstanding Options, not only an allotment of one Share for each of the Outstanding Options exercised but also an allotment of the additional Shares and/or other securities the Optionholder would have received had the Optionholder participated in that bonus issue as a holder of Shares of a number equal to the Shares that would have been allotted to the Optionholder had the Optionholder exercised those Outstanding Options immediately before that Bonus Date; and
- (b) to have profits or reserves, as the case may be, applied in paying up in full those additional Shares and/or other securities.

9. RIGHTS ISSUES

Outstanding Options do not carry the right to participate in any new issues of securities by the Company.

10. PARI PASSU RANKING

- 10.1** Subject to the provisions of clause 10.2, any Shares allotted pursuant to any exercise of the Options rank pari passu in all respects with other Shares of the Company on issue at the date of such allotment.
- 10.2** Where any Shares are allotted during a period in respect of which a dividend is declared, the holder of those Shares is only entitled to receive a dividend where the Option pursuant to which such Shares were allotted was exercised on or before the relevant dividend entitlement date.

11. COMPLIANCE WITH LAW AND ORDERS

- 11.1** An Optionholder must not exercise any of its Options to have Shares issued to it and no purported exercise shall have any effect, if in doing so it would be in breach of, or would cause the Company or its affiliates to be in breach of:
- (a) any provision of the Foreign Acquisitions and Takeovers Act 1975;
 - (b) any undertaking given by the Company to the Foreign Investment Review Board at the request of the Foreign Investment Review Board from time to time;
 - (c) the Listing Rules or the ASTC Settlement Rules; or
 - (d) any other applicable law.
- 11.2** For the purposes of clause 11.1, references to the Foreign Acquisitions and Takeovers Act mean the relevant Act as it may be amended or modified or replaced by another act dealing with similar subject matter.

12. TRADING POLICY

No Optionholder may sell, transfer or otherwise deal with Shares issued to them on the exercise of Options under this Plan unless that sale, transfer or dealing complies with the employee share trading policy adopted by the Board from time to time.

13. CALCULATIONS

13.1 Any calculations or adjustments which are required to be made for the purpose of these Options will be made by the auditors of the Company for the time being and will, in the absence of manifest error, be final and conclusive and binding on the Optionholder.

13.2 The Company must notify each Optionholder of any adjustments made to the Exercise Price or the number of Outstanding Options within 10 Business Days of the date of the adjustment. A reference to an adjustment to the Exercise Price of the outstanding Options does not include variations in the Exercise Price due to fluctuation of the prices for sales of the Shares on the Exchange.

14. REPLACEMENT OF CERTIFICATES

If any Option Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the registered office of the Company on payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, indemnity and security as the Company may reasonably require. Mutilated or defaced Option Certificates must be surrendered before replacements will be issued.

15. NOTICES

Any notice regarding the Options will be sent to the registered address of the Optionholder as recorded in the register of options maintained by the Company.

16. GOVERNING LAWS

The laws of New South Wales govern terms and conditions of the Options.

17. DUTIES AND TAXES

The Company is not responsible for any duties or taxes which may become payable in connection with the issue and allotment of Shares pursuant to an exercise of the Options or any other dealing with the Options or Shares.

18. NO ASSIGNMENT OF OPTIONS

The Options may not be assigned by the Optionholder to any other person. This does not prevent the exercise of the Options by the estate of a deceased Optionholder.

19. AMENDING PROVISION

The Board together with the Remuneration Committee will administer the Plan and has the power to:

- (a) determine procedures from time to time for administration of this Plan consistent with the terms and conditions of the Plan;
- (b) subject to clause 13, resolve conclusively all questions of fact or interpretation arising in connection with this Plan; and
- (c) amend or modify the terms and conditions of the Plan with the exception of clause 3.2.

**SCHEDULE 1
EXERCISE NOTICE**

I, being the registered holder of the Options specified below, elect to exercise the Options as specified below in accordance with clause 5 of the Terms and Conditions of the Options.

Number of Options being exercised:

Name and address of the Shareholder to be entered into the Share register in respect of Shares Issued:

.....

.....

..... Postcode

Name and address to which certificates evidencing the Shares should be sent:

.....

.....

..... Postcode

Enclosed with this notice is the certificate for the Options referred to above together with the relevant subscription money being \$

In exercising the Options in relation to the Shares, I agree to be bound by the provisions of the constitution of AtCor Medical Holdings Limited.

Date:

.....

Signed by the Optionholder

**SCHEDULE 2
APPLICATION FOR OPTIONS**

The Secretary
AtCor Medical Holdings Limited

Mr.

Mrs.

Miss.

(PLEASE USE BLOCK LETTERS)

Full Address:

.....
.....
.....Postcode

Tax File Number:

apply for:

.....(Number in Words)

..... (Number in Figures)

options in the AtCor Medical Holdings Limited Employee Share Option Plan.

I request you to grant those options and I agree to accept them subject to the terms of the AtCor Medical Holdings Limited Employee Share Option Plan.

Signature:

Date:

APPOINTMENT OF PROXY

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.



X99999999999

I/We being a member(s) of Atcor Medical Holdings Limited and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting (mark box)** **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman 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 instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am on Thursday, 9 November 2006 and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

B To direct your proxy how to vote on any resolution please insert in the appropriate box below.

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Receive the financial reports, directors' and auditors reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 3c To appoint Duncan Ross as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 The Remuneration Report for the year ended 30 June 2006 be approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 4 To approve the changes to terms of the Employee Share Option Plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3a To re-elect Donal O'Dwyer as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 To approve the increase of options available to distribute under the Employee Share Option Plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3b To re-elect Peter Jenkins as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* 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.

C SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwlth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).



How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman 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 Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two 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 telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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 your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

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

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

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing 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 produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 11:00am on Tuesday, 7 November 2006, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to Atcor Medical Holdings Limited's share registry as follows:
Atcor Medical Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.