



NOTICE OF ANNUAL GENERAL MEETING
ATCOR MEDICAL HOLDINGS LIMITED
(ACN 113 252 234)
(“COMPANY”)

Notice is given that the 2011 Annual General Meeting (AGM) of the Company will be held at the offices of DibbsBarker, Level 8, Angel Place, 123 Pitt St, Sydney, NSW 2000 on Friday, 21st October, 2011 commencing at 11:00am.

ORDINARY BUSINESS

1. Remuneration Report

To consider the Remuneration Report as it appears in the Annual Report for the year ended 30 June 2011, and if thought fit, to pass the following non-binding ordinary resolution of the Company in accordance with section 250R of the Corporations Act 2001 (Cth):

“That the Remuneration Report of the Company for the year ended 30 June 2011 be approved”.

2. Re-election of Donal O’Dwyer as a director

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

“To re-elect Mr 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”;

3. Re-election of Peter Jenkins as a director

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

“To re-elect Mr 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”;

SPECIAL BUSINESS

4. Renew proportional takeover provisions in Constitution

To consider, and if thought fit, to pass the following resolution as a special resolution:

“To approve the re-insertion of clause 14 of the Constitution requiring members to approve a proportional takeover bid for the Company, in the form attached to the Notice of Meeting as Annexure A”.

5. Approval of allotment of options to a Director, Mr. Duncan Ross

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

“To approve under Listing Rule 10.14:

(a) the issue of 2,500,000 options over ordinary shares to Mr. Duncan Ross, Chief Executive Officer and Executive Director with an issue date of 21 October 2011 and an exercise price being 20% greater than the volume weighted average market price for sales of the Company’s Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date. Options issued will be issued under the Company’s Employee Share Option Plan (ESOP); and

(b) the issue of fully paid shares upon exercise of the Options.

Voting Restrictions:

Resolution 1

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on resolution 1 by any of the key management personnel listed in the Remuneration Report and by any “closely related party” of that person. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote:

- (a) where the proxy-holder votes in accordance with the directions on the Proxy Form; or
- (b) where the proxy-holder is the person chairing the meeting and votes in accordance with the directions on the Proxy Form to vote as the proxy decides.

Resolution 5

In accordance with the Listing Rules, the Company will disregard any votes cast on resolutions 5 by:

- o a Director; or
- o his/her associates.

However, the Company need not disregard a vote if:

- o It is cast by a Director as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- o It is cast by a Director in the event he/she is 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.

In accordance with section 250BD of the Corporations Act, the Company will also disregard any votes cast on resolution 5 by any of the key management personnel listed in the Remuneration Report and by any "closely related party" of that person. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote:

- (c) where the proxy-holder votes in accordance with the directions on the Proxy Form; or
- (d) where the proxy-holder is the person chairing the meeting and votes in accordance with the directions on the Proxy Form to vote as the proxy decides.

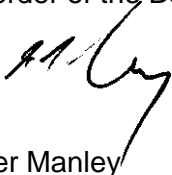
Voting Entitlements

For the purpose of the Annual General Meeting, the Company has determined that all securities of the Company that are quoted securities at 7:00pm Australian Eastern Daylight Time on 19 October 2011 will be taken, for the purpose of the AGM, to be held by the persons who were registered holders at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Proxies

A shareholder has the right to appoint a proxy who need not be a shareholder of the Company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form (which is enclosed with this Notice of Meeting) and any power of attorney or authority under which they are signed must be received at the share registry of the Company, c/- Link Market Services Ltd, Locked Bag A14, Sydney South, NSW 1235, Australia or at the Company's Registered Office, Suite 11, 1059-1063 Victoria Rd, West Ryde, NSW 2114, Australia, or by facsimile to Link Market Services Ltd on +61 (2) 9287 0309 or to the Company on +61 (2) 9874 9022 or online at www.linkmarketservices.com.au at least 48 hours prior to the AGM (i.e. by no later than 11:00am Australian Eastern Daylight Time on 19 October 2011) or any adjournment. Any proxy form received after this deadline, including at the Meeting, will be invalid.

By order of the Board



Peter Manley
Company Secretary
20 September 2011

Explanatory Memorandum

Resolution 1 – Remuneration Report

The Corporations Act 2001 (Cth) requires that the section of the Directors' Report concerning the remuneration of Directors and senior executives be put to a non-binding vote of the shareholders. The Remuneration Report may be found on pages 10 to 18 of the Directors' report in the 2011 Annual Report.

Although non-binding, the directors may take into future consideration the shareholders' vote on this matter.

Under what is referred to as the "two strikes rule", if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders must be given the opportunity to vote at the second of those AGMs on a resolution (a spill resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.

As the 'two strikes' rule only applies to annual general meetings held on or after 1 July 2011, there is no requirement to allow for a possible 'spill resolution' at this annual general meeting.

The Chair will allow a reasonable opportunity at the AGM for shareholders as a whole to ask questions about or make comments on the Remuneration Report.

The directors will consider the outcome of this vote and any comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 1.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consent to, the Chair to vote in favour of Resolution 1.

The Directors recommend you vote in favour of Resolution 1.

Resolution 2 & 3 - Re-election of Directors

In accordance with Clause 6.1(f) of the Company's constitution at least one third of directors (not including the Managing Director), rounded down to the nearest whole number, must retire from office at each Annual General Meeting as must any Director who has been in office for three or more years at the conclusion of the meeting or it is three or more AGM's since he or she was last elected to office. Mr. Donal O'Dwyer and Mr. Peter Jenkins are offering themselves for re-election per clause 6.1(i).

A summary of their relevant experience is shown below:

Mr. Donal O'Dwyer

Donal has served on the Board of the AtCor group since September 2004 and as chairman since November 2004. He brings considerable skill and market knowledge to AtCor with past experience including his role as worldwide president of Cordis Cardiology. Donal is also a director of 3 other Australian- listed life science companies - Cochlear Ltd, Mesoblast Ltd and Sunshine Heart Inc.

Donal is qualified with BEng & MBA.

The Directors (with Mr. O'Dwyer absent and not voting) recommend you vote in favour of Resolution 2.

Mr. Peter Jenkins

Peter has been a Director of the AtCor group since January 1999 including 4 years as chairman of the Board. He initially represented Colonial First State Private Equity until his retirement from Colonial First State in 2005. Colonial First State is no longer a shareholder. He provides a broad understanding of AtCor's strategy and history to the Board. Peter holds a directorship with Queensland BioCapital Funds Ltd and was until recently Chair of the Science and Technology Advisory Board at Macquarie University.

Peter is the recipient of an honorary DSc.

The Directors (with Mr. Jenkins absent and not voting) recommend you vote in favour of Resolution 3.

Resolution 4 - Renew proportional takeover provisions in Constitution

When it was incorporated in March 2005, the Company's constitution included Clause 14 which restricted proportional takeovers. This clause was renewed on 4 November 2008. Where a party made an off-market bid for a proportion of shares held by each AtCor shareholder (rather than for their entire shareholding), no acquisition of shares could be completed unless the shareholders approved it by ordinary resolution.

Provisions such as Clause 14 are permitted by the Corporations Act, but only have force for a maximum of 3 years. They can be renewed or re-inserted into the constitution by a special resolution of shareholders. As it almost 3 years since the clause 14 was renewed, the provision will expire shortly but the Directors would like to renew it, because it ensures that shareholders have the opportunity to decide as a whole whether a partial (as opposed to a full) takeover offer is desirable.

The Directors recommend that you vote in favour of Resolution 4.

Resolution 5 – Approval of allotment of Options to a Director, Mr. Duncan Ross

Mr. Duncan Ross, CEO and Executive Director of the Company, has been offered 2,500,000 options over ordinary shares with an exercise price being 20% greater than the volume weighted average market price for sales of the Company's Shares on the Australian Stock Exchange over the 5 trading days prior to the issue date, subject to approval by shareholders at the Annual General Meeting. The terms of the offer are governed by the Employee Share Option Plan (ESOP), which is available on request. The key rules of the ESOP are summarized below:

- Each option entitles the holder to receive one ordinary share on exercise (i.e. a maximum total of 2,500,000 ordinary shares would be issued if all options referred to in this resolution 5 were exercised).
- Vesting periods. Twelve months from the issue date the option holder is entitled to exercise one-third of the total options issued. Twenty four months from the issue date the option holder is entitled to exercise two-third of the total options issued. All options are available to exercise by the option holder three years after the issue date.
- Options expire five years from the issue date.
- In the event of a change of control event occurring, all options whether vested or not become exercisable immediately.
- In the event that the option holder leaves the company's employ, any unvested options will be cancelled. The option holder has 30 days from the final day as an employee in which to exercise any vested option. Those not exercised are cancelled.
- Options are being issued for nil consideration and carry no voting rights, nor are they entitled to a dividend.
- The options will not be quoted securities and are not transferable.
- Options do not carry any right to participate in any rights issue.
- Optionholders have no additional rights conferred to participate in other offers of securities.
- In the event of a reorganization of the issued capital of AtCor (including consolidation, subdivision, reduction or return) the outstanding options will be reorganized in the manner required by the Listing Rules at the time of reconstruction.

With respect to the proposed issue of options to Mr. Ross:

- Approval is required under Listing Rule 10.14 for a director to acquire securities (other than by on-market purchase) under the ESOP;
- None of the options, nor shares issued on exercise of options, will be purchased with a loan from the Company;
- If approval is granted, the options will be issued on the date of the Annual General Meeting, 21 October 2011.
- The following people named below are referred to in Listing Rule 10.14 and are entitled to receive options under the AtCor Medical Holdings ESOP. Also shown is options received by each since the plan was last approved on 4 November 2008.

Name	# of options	Exercise price	Issue Date
D O'Dwyer	400,000	\$0.215	21 October 2009
D R Ross	1,500,000	\$0.15	4 November 2008
M O'Rourke	200,000	\$0.215	21 October 2009
P Jenkins	200,000	\$0.215	21 October 2009
D Brookes	200,000	\$0.215	21 October 2009

The directors (with Mr. Duncan Ross absent and not voting) recommend you vote in favour of Resolution 5.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of Resolution 5.

If you appoint the Chair as your proxy, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consent to, the Chair to vote in favour of Resolution 5.

Annexure A

14. APPROVAL OF PROPORTIONAL TAKEOVER BIDS

14.1 Definitions

In this rule 14:

- (a) **Approving Resolution**, in relation to a Proportional Takeover Bid, means a resolution to approve the Proportional Takeover Bid passed in accordance with rule 14.3;
- (b) **Proportional Takeover Bid** means an off-market bid that is made or purports to be made under section 618(1(b) of the *Corporations Act 2001* (Cth) in respect of a specified proportion of shares included in a class of shares in the company; and
- (c) **Approving Resolution Deadline**, in relation to a Proportional Takeover Bid, means the day that is 14 days before the last day of the bid period in respect of the Proportional Takeover Bid.

14.2 Transfers not to be registered

Despite rules 4.1(g) and 4.2, a transfer giving effect to a takeover contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless and until an Approving Resolution to approve the Proportional Takeover Bid has been passed or is taken to have been passed in accordance with rule 14.3.

14.3 Resolution

- (a) Where offers have been made under a Proportional Takeover Bid, the directors must:
 - (i) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing an Approving Resolution to approve the Proportional Takeover Bid; and
 - (ii) ensure that such a resolution is voted on in accordance with rule 14.3,

before the Approving Resolution Deadline in relation to that Proportional Takeover Bid.

- (b) The provisions of this constitution that apply to a general meeting of the company apply:
 - (i) with any changes that the circumstances require, to a meeting convened under paragraph (a); and
 - (ii) as if the meeting convened under paragraph (a) were a general meeting of the company.
- (c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution relating to that Proportional Takeover Bid and, if they do vote, their votes must not be counted.
- (d) Subject to paragraph (c), a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held bid class shares is entitled to vote on the Approving Resolution relating to the Proportional Takeover Bid.
- (e) An Approving Resolution is to be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is to be taken to have been rejected.
- (f) If an Approving Resolution to approve a Proportional Takeover Bid has not been voted on in accordance with this rule 14.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution to approve the Proportional Takeover Bid will be taken to have been passed in accordance with rule 14.3.

14.4 Sunset

Rules 14.1, 14.2 and 14.3 cease to have effect at the end of three years beginning:

- (a) on the date this constitution is adopted by the company; or
- (b) where those rules have been renewed in accordance with the *Corporations Act 2001* (Cth), on the date those rules were last renewed.