

**TISSUE THERAPIES LIMITED  
MEETING DOCUMENTATION  
2010 ANNUAL GENERAL MEETING**

To be held at the offices of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on  
Wednesday 13 October 2010 at 3:30 p.m..

## CHAIRMAN'S LETTER

Tissue Therapies Limited  
ABN 45 101 955 088

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Dear Shareholder

I am pleased to invite you to the Annual General Meeting of Tissue Therapies Limited (Company), which will be held at the office of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Wednesday 13<sup>th</sup> October, 2010 at 3.30 p.m.

At the meeting, our Managing Director Dr Steven Mercer and I will take the opportunity to update shareholders on progress and outlook. I also encourage you to read the 2010 Annual Report for further information in relation to the Company's financial position and performance. The Company's recent key achievements and milestones, as announced to ASX, include:

- 1 Excellent clinical results from the Australian human trial of VitroGro® for the treatment of chronic venous ulcers;
- 2 Using the combined, exceptional Australian and Canadian VitroGro® clinical trial results for the treatment of venous and diabetic ulcers to progress to the final stage of formal negotiations with identified commercialisation partners for the world wide launch of VitroGro® wound healing products;
- 3 Successful completion of commercial scale GMP manufacturing of new formulation VitroGro®;
- 4 Commencement of the final clinical trial necessary for approval for sale of new formulation VitroGro® wound healing products in most territories world wide;
- 5 Proceeding with development of other commercial applications for VitroGro® and other technologies for the treatment of psoriasis, scar prevention and treatment and potential treatments for various cancers including those of the breast, colon and prostate.

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

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

Yours sincerely



Roger Clarke  
Chairman

## NOTICE OF ANNUAL GENERAL MEETING

Tissue Therapies Limited  
ABN 45 101 955 088

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Notice is given that the Annual General Meeting of Tissue Therapies Limited (**Company**) will be held at the office of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Wednesday 13<sup>th</sup> October, 2010 at 3.30 p.m.

### AGENDA

#### Ordinary Business

##### 1. Financial Statements and Reports

To receive and consider the Company's financial statements and the reports of the directors and the auditor for the financial year ended 30 June 2010.

##### 2. Directors' Remuneration Report

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

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

NB: This resolution shall be determined as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company.

##### 3. Re-election of Melvyn Bridges

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

*'That Melvyn Bridges, who was appointed to fill a casual vacancy and retires in accordance with Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'*

NB: Information about Melvyn Bridges appears in the Explanatory Memorandum accompanying this Notice of Meeting.

##### 4. Re-election of Dr Cherrell Hirst

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

*'That Dr Cherrell Hirst who was appointed to fill a casual vacancy and retires in accordance with Listing Rule 14.4 and Rule 16.1 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'*

NB: Information about Dr Cherrell Hirst appears in the Explanatory Memorandum accompanying this Notice of Meeting.

##### 5. Issue of Options to Directors

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

*'That, pursuant to section 208(1)(a) of the Corporations Act and Listing Rule 10.14, and in accordance with the Company's Equity Option Plan, the members of the Company approve the granting of options as follows, in the manner outlined in the Explanatory Memorandum:*

- a. 250,000 options to Dr Steven Mercer, Executive Director and Chief executive Officer; and
- b. 250,000 options to Melvin Bridges, Director;
- c. 250,000 options to Dr Cherrell Hirst, Director;

NB: if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

## Special Business

### 6. Ratification and Approval of Previous Issue of Shares under Interim Placement

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

*'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of approximately 3,288,513 shares at an issue price of \$0.1184 per share, issued under a placement to sophisticated and institutional investors as detailed in the Explanatory Memorandum attached to this Notice of Meeting.'*

DATED 10 September 2010

By Order of the Board



Drummond McKenzie  
Company Secretary

#### NOTES

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form.
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the *Corporations Act 2001* in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The manner in which the Chairman intends to cast any undirected proxies given to him, ie proxies that do not specify the manner in which way the proxy is to be cast, is set out in the Proxy Form.
- (f) The Company has determined in accordance with Regulation 7.11.37 *Corporations Regulations 2001* that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of members as at 7pm (Sydney time) on Monday 11<sup>th</sup> October, 2010.
- (g) If you have any queries on how to cast your votes then call (07) 3839 1482 during business hours.

#### VOTING EXCLUSION STATEMENTS

Under Listing Rule 14.11, Tissue Therapies will disregard any vote cast on:

- **Resolution 5(a)** (Approval of Issue of Options to Dr Steven Mercer under the Company's Equity Option Plan), by each director who may be eligible to participate in the Plan, namely Mr Roger Clarke, Mr Mel Bridges, Dr Cherrell Hirst and Mr Greg Baynton and their associates.
- **Resolution 5(b)** (Approval of Issue of Options to Mr Mel Bridges under the Company's Equity Option Plan), by each director who may be eligible to participate in the Plan, namely Mr Roger Clarke, Mr Mel Bridges, Dr Cherrell Hirst and Mr Greg Baynton and their associates.
- **Resolution 5(c)** (Approval of Issue of Options to Dr Cherrell Hirst under the Company's Equity Option Plan), by each director who may be eligible to participate in the Plan, namely Mr Roger Clarke, Mr Mel Bridges, Dr Cherrell Hirst and Mr Greg Baynton and their associates.

- **Resolution 6** (Ratification and Approval of Previous Issue of Shares under Placement) by any person, and an associate of any person, who participated in the interim placement described in Resolution 7(a);

However, Tissue Therapies need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## EXPLANATORY MEMORANDUM

Tissue Therapies Limited  
ABN 45 101 955 088

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### Ordinary business

#### 1. Financial Statements and Reports

The Corporations Act 2001 requires that the report of the Directors, the Auditor's report and the financial statements be laid before the Annual General Meeting. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports or statements. However, shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

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

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

Any written questions must be submitted to the Company Secretary before 6<sup>th</sup> October 2010 by email to [info@tissuetherapies.com](mailto:info@tissuetherapies.com), fax to (07) 3839 1486 or by mail to GPO Box 1596, Brisbane, Queensland 4001.

#### 2. Remuneration Report

The Corporations Act 2001 requires that the section of the Directors' Report dealing with the remuneration of Directors, the Company Secretary and up to 5 senior executives (**Remuneration Report**) be put to Shareholders for adoption by way of a non-binding vote.

The Remuneration Report may be found in the Annual Report.

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

#### 3. Re-election of Melvyn Bridges

Rule 16.1 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides for the retirement of one third of the directors from office at each annual general meeting which is consistent with the requirements of the Listing Rules.

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

Set out below is a brief bio for Melvyn Bridges.

##### Melvyn Bridges

Melvyn Bridges is a non-executive director of the Company. Melvyn holds a Bachelor of Applied Science and has spent the majority of his career in the biotech and healthcare industry, where he has over 30 years experience building successful biotech companies and commercialising a wide range of Australian technology.

Melvyn is Chairman of Alchemia, ImpediMed and Incitive as well as a Director of Benitec Ltd, Campbell Brothers Limited and Genera Biosystems Ltd. He is also Chairman of a number of private biotechnology companies based in Brisbane, Sydney and Melbourne.

##### Directors' recommendation

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

#### 4. Re-election of Dr Cherrell Hirst

Rule 16.1 of the Company's Constitution, and in accordance with Listing Rule 14.4, provides for the retirement of one third of the directors from office at each annual general meeting which is consistent with the requirements of the Listing Rules.

In accordance with the constitution, Cherrell Hirst retires as Director and offers herself for election as a new director at this Annual General Meeting.

Set out below is a brief bio for Dr Cherrell Hirst

#### **Dr Cherrell Hirst**

Dr Cherrell Hirst is a non-executive director of the Company who in addition to her distinguished clinical career in the detection and treatment of breast cancer, has extensive and highly respected achievements in both commercial and not-for-profit organisations. Dr Hirst is a former Chancellor of the Queensland University of Technology and has services as Director and Chair of multiple commercial, community and government organisations throughout her career.

Dr Hirst is currently Deputy Chair and CEO (part time) of Queensland Biocapital Funds and a Director of Medibank Private, Avant Mutual Group and Avant Insurance Ltd, Impedimed Ltd and Xenome Ltd.

#### **Directors' recommendation**

The Directors (with Dr Cherrell Hirst abstaining) recommend that you vote in favour of this resolution.

### **5. Issue of Options to Directors**

Subject to the approval of Resolution 5, the Company proposes to issue options to each of the following directors under the Equity Option Plan. The options will in each case be issued for nil consideration.

Once approval is obtained pursuant to Listing Rule 10.14, Tissue Therapies is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

Approval is sought for the grant of the following options as detailed below:

#### **5 (a) Issue of 250,000 Options to Dr Steven Mercer, Executive Director and Chief executive Officer, on the following terms and conditions:**

1. the exercise price of the Options to be offered is calculated as a 15% premium to the volume-weighted average price of Tissue Therapies shares for the 10 day period ending 3 March 2010; which is 26c;
2. the term of these Options will expire 12 months from date of issue;
3. Options issued will vest 12 months from the date of their issue (or immediately, in the event that the Directors recommend acceptance of a takeover bid for the Company);
4. in the event that the Option holder is no longer employed by either Queensland University of Technology or Tissue Therapies Limited, the Options will lapse if not exercised within 30 days from the date of termination of employment;
5. the Options will not be transferable;
6. The options cannot be exercised unless the exercise price is less than the share price on the exercise date

It is intended that the Options will be issued within 5 days after the Annual General Meeting, but in any event will be issued no later than 12 months after the meeting;

The options will not be quoted on ASX. Tissue Therapies intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

#### **5 (b) Issue of 250,000 Options to Mr Mel Bridges, Non- Executive Director, on the following terms and conditions:**

1. the exercise price of the Options to be offered is calculated as a 15% premium to the volume-weighted average price of Tissue Therapies shares for the 10 day period ending 3 March 2010; which is 26c;
2. the term of these Options will expire 12 months from date of issue;
3. Options issued will vest 12 months from the date of their issue (or immediately, in the event that the Directors recommend acceptance of a takeover bid for the Company);
4. in the event that the Option holder is no longer employed by either Queensland University of Technology or Tissue Therapies Limited, the Options will lapse if not exercised within 30 days from the date of termination of employment;
5. the Options will not be transferable;
6. The options cannot be exercised unless the exercise price is less than the share price on the exercise date

It is intended that the Options will be issued within 5 days after the Annual General Meeting, but in any event will be issued no later than 12 months after the meeting;

The options will not be quoted on ASX. Tissue Therapies intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

**5 (c) Issue of 250,000 Options to Dr Cherrell Hirst, Non- Executive Director, on the following terms and conditions:**

1. the exercise price of the Options to be offered is calculated as a 15% premium to the volume-weighted average price of Tissue Therapies shares for the 10 day period ending 3 March 2010; which is 26c;
2. the term of these Options will expire 12 months from date of issue;
3. Options issued will vest 12 months from the date of their issue (or immediately, in the event that the Directors recommend acceptance of a takeover bid for the Company);
4. in the event that the Option holder is no longer employed by either Queensland University of Technology or Tissue Therapies Limited, the Options will lapse if not exercised within 30 days from the date of termination of employment;
5. the Options will not be transferable;
6. The options cannot be exercised unless the exercise price is less than the share price on the exercise date

It is intended that the Options will be issued within 5 days after the Annual General Meeting, but in any event will be issued no later than 12 months after the meeting;

The options will not be quoted on ASX. Tissue Therapies intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

Directors potentially eligible to participate in the Equity Option Plan include Messrs Roger Clarke, Steven Mercer, Gregory Baynton, Mel Bridges and Dr Cherrell Hirst.

Previously the following parties have received options under the Equity Option Plan:

Roger Clarke - 150,000 options (since lapsed);

Steven Mercer – 200,000 options upon commencement (since lapsed), 300,000 previous milestone options (since lapsed); 400,000 previous milestone options (130,000 since lapsed), 500,000 previous milestone options (175,000 since lapsed);

Gregory Baynton – 600,000 options (via Orbit Capital) (since lapsed);

David Gardiner (retired director) – 100,000 options (beneficially held by QUT); (since lapsed);

Neil Reinhardt (retired director) – 100,000 options. (since lapsed);

Additional details are available in the Annual Report for the year ended 20 June 2010. The other general terms for each of the options to be issued under resolutions 5(a),5(b) and 5(c) are:

- (a) if there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, the rights of each holder of options issued will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation;
- (b) all shares issued pursuant to the exercise of options will, subject to the Constitution of the Company, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) *pari passu* with the existing Shares at the date of issue and allotment; and
- (c) the options will not be quoted on ASX. Tissue Therapies intends to apply to ASX for quotation of any Shares acquired on exercise of the options.

**General Information**

Consistent with the accounting standards, the Company discloses the following information concerning the value of the options to be issued to each of the Directors. A fair value for the options to be issued has been calculated using the Black Scholes methodology and based on a number of assumptions, set out below, with an adjustment to the expected life of the option to take account of limitations on transferability. The Board believes this valuation model to be appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options.

The Board draws shareholders' attention to the fact the stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 26 August 2010.

Underlying price	\$0.18
Volatility	75%
Dividend Yield (estimate)	0
Expiry Date	31 October 2012
Exercise (strike) price	\$0.26
Risk free rate	5.5%
<b>Option Value</b>	<b>\$0.04</b>
Number of options issued	750,000
<b>Employee benefit expense</b>	<b>\$30,000</b>

### Remuneration

The following table sets out fees received by Steven Mercer, Mel Bridges and Cherrell Hirst for the year ended 30 June 2010:

Director	Steven Mercer	Mel Bridges	Cherrell Hirst
Annual Director's fees (inclusive of superannuation where applicable)	-	\$40,000	\$43,600
Base annual salary (inclusive of superannuation where applicable)	\$216,463		-
Equity based compensation (12 months to 30 June 2010)	\$2,256		-

### Financial Benefit – Details and reasons

Approval has been sought for the giving of a financial benefit to related parties under s208 of the Corporations Act (Cth) 2001 ('Act'). Section 229(3)(f) of the Act provides that the 'issuing of securities or granting of an option to a related party' (which includes a director of an entity) is an example of the giving of a financial benefit.

Under resolutions 5(a) to (c) as noted above, 250,000 options will be issued to Dr Steven Mercer. Issue of 250,000 options will be issued to Mr Mel Bridges, 250,000 options will be issued to Dr Cherrell Hirst, each being directors of the Company. The amount, terms and value (subject to the stated assumptions) of those options are set out above.

The reasons for giving this financial benefit are:

- the Company wishes to maximise the use of its cash resources towards clinical development and equity based incentives such as options are used to supplement cash based remuneration;
- the exercise (strike) price and the other option terms are designed to incentivise the directors to maximise the Company's development and growth, as represented by an increased share price;
- equity based incentives, such as options, assist in the alignment of shareholders and directors' interests;
- the remuneration package is designed to attract and retain suitably qualified and experienced directors, with expertise in growing biotechnology companies;
- the Company believes the associated expense is limited and the nature of the options package proposed is commensurate with market practice.

On this basis the Company believes the giving of the benefits, as constituted by the issue of the options to the specified directors under resolution 5(a)-(c), is in the best interests of the Company and its shareholders.

**Existing interests and the dilutionary effect on other members interests**

The effect that the exercise of the options will have on the interests of the Director relative to other members' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of the Company during the time between issue and exercise of the option.

<b>Steven Mercer (As at the date of this Notice of Meeting)</b>	
The total number of shares on issue in the capital of the Company	138,201,447 ordinary shares in Tissue Therapies Limited
Shares currently held by Steven Mercer, Director (including indirect interests)	1,025,750 ordinary shares in Tissue Therapies Limited
% of shares currently held by Director	0.74% of the ordinary shares in Tissue Therapies Limited
Options held by Director prior to Annual General Meeting (including indirect interests)	595,000 options
Options to be issued under this resolution to Director following Annual General Meeting	250,000 options
Shares that will be held following the exercise of all Options held by Director	1,870,750 ordinary shares in Tissue Therapies Limited
% of Shares that would be held by Director assuming no other Options held by other parties were exercised	1.35% of the ordinary shares in Tissue Therapies Limited
% of Shares that would be held by Director assuming all other Options held by other parties were exercised (fully diluted basis)	1.33% of the ordinary shares in Tissue Therapies Limited

<b>Mel Bridges (As at the date of this Notice of Meeting)</b>	
The total number of shares on issue in the capital of the Company	138,201,447 ordinary shares in Tissue Therapies Limited
Shares currently held by Mel Bridges, Director (including indirect interests)	68,200 ordinary shares in Tissue Therapies Limited
% of shares currently held by Director	0.05% of the ordinary shares in Tissue Therapies Limited
Options held by Director prior to Annual General Meeting (including indirect interests)	NIL options
Options to be issued under this resolution to Director following Annual General Meeting	250,000 options
Shares that will be held following the exercise of all Options held by Director	318,200 ordinary shares in Tissue Therapies Limited
% of Shares that would be held by Director assuming no other Options held by other parties were exercised	0.23% of the ordinary shares in Tissue Therapies Limited
% of Shares that would be held by Director assuming all other Options held by other parties were exercised (fully diluted basis)	0.23% of the ordinary shares in Tissue Therapies Limited

<b>Cherrell Hirst (As at the date of this Notice of Meeting)</b>	
The total number of shares on issue in the capital of the Company	138,201,447 ordinary shares in Tissue Therapies Limited
Shares currently held by Cherrell Hirst, Director (including indirect interests)	NIL ordinary shares in Tissue Therapies Limited
% of shares currently held by Director	0.0% of the ordinary shares in Tissue Therapies Limited
Options held by Director prior to Annual General Meeting (including indirect interests)	NIL options
Options to be issued under this resolution to Director following Annual General Meeting	250,000 options
Shares that will be held following the exercise of all Options held by Director	250,000 ordinary shares in Tissue Therapies Limited
% of Shares that would be held by Director assuming no other Options held by other parties were exercised	0.18% of the ordinary shares in Tissue Therapies Limited
% of Shares that would be held by Director assuming all other Options held by other parties were exercised (fully diluted basis)	0.18% of the ordinary shares in Tissue Therapies Limited

#### Directors' recommendation

The Directors (with Steven Mercer, Mel Bridges and Cherrell Hirst abstaining) recommend that you vote in favour of this resolution.

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

The purpose of Resolution 6 is for shareholders to approve, pursuant to Listing Rule 7.4, those securities issued pursuant to the institutional placement which occurred on 14<sup>th</sup> December 2009 which will otherwise count toward the 15% limit under Listing Rule 7.1.

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

The allotment and issue of securities detailed in Resolution 6 will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 7(a) proposes the approval of the previous allotment and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

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

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

<b>Date of issue</b>	14 <sup>th</sup> December 2009
<b>Number of shares issued</b>	Approximately 3,288,513
<b>Issue Price and terms of issue</b>	<ul style="list-style-type: none"> <li>The issue price was \$0.1184</li> <li>The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares and are quoted on ASX.</li> </ul>
<b>Persons to whom shares were issued</b>	Sophisticated and institutional investors under a mandate entered into with RBS Morgans Limited.
<b>Intended use of funds:</b>	To provide additional working capital for the completion of clinical trials and research and development, production and marketing of the Company's products.

**Directors' recommendation**

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



# TISSUE THERAPIES

ABN 45 101 955 088

## LODGE YOUR VOTE



**By mail:**  
Tissue Therapies Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



**By fax:** +61 2 9287 0309



**All enquiries to: Telephone:** (02) 8280 7454



**X99999999999**

## SECURITYHOLDER VOTING FORM

I/We being a member(s) of Tissue Therapies Limited and entitled to attend and vote hereby appoint:

### STEP 1

### APPOINT A PROXY

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 and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 3:30pm on Wednesday, 13 October 2010, at the office of McCullough Robertson, Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

### STEP 2

### VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
<b>Resolution 2</b> Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5b</b> Issue of Options to Melvin Bridges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Re-election of Melvyn Bridges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5c</b> Issue of Options to Cherrell Hirst	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Re-election of Cherrell Hirst	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 6</b> Ratification and Approval of Previous Issue of Shares under Interim Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5a</b> Issue of Options to Steven Mercer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**i** \* 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.

### STEP 3

### SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

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 company's constitution and the *Corporations Act 2001* (Cth).

**TIS PRX001**



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

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

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 Step 1. 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 securityholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities 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 securities 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.

### 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 security registry or you may copy this form and return them both together.

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 securities 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.

### 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 lodge 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.

### Corporate Representatives

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 in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 3:30pm on Monday, 11 October 2010, 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 mail:**

Tissue Therapies Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

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.