



## Notice of General Meeting

Notice is hereby given that a General Meeting of the Shareholders of **Optiscan Imaging Limited** ('Company') will be held at the offices of the Company, **15-17 Normanby Road, Notting Hill, Victoria on 12 August 2008 at 2.00pm** for the purposes of transacting the following business.

### Business

#### 1. Ratification of prior share issue

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

'That, in accordance with Australian Stock Exchange Listing Rule 7.4, shareholders ratify the issue on 17 June 2008 of 11,086,653 fully paid ordinary shares at the cost of 23 cents each.'

#### 2. Issue of shares to named directors

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

'That, in accordance with Australian Stock Exchange Listing Rule 10.11, shareholders approve the issue of fully paid ordinary shares in the capital of the Company to the directors named in the table below for a price of 23 cents each.'

Director	Number of fully paid ordinary shares
James Fox	484,783
Grant Latta	870,000
Tony Rogers	434,783
Vicki Tutungi	217,400

#### 3. Increase cap on directors' remuneration

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

'That, in accordance with Australian Stock Exchange Listing Rule 10.17 and the Company's Constitution, the total amount of fees that may be paid to the Company's non-executive directors as a whole be increased by \$150,000 from \$250,000 to a maximum of \$400,000 per annum.'

### Entitlement to Vote

In accordance with regulation 7.11.37 of the Corporations Regulations, all securities of the Company that are quoted securities at 7pm on 10 August 2008 are taken, for the purposes of the above meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the General Meeting on 12 August 2008.

### Proxies

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint no more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member(s) voting rights. Neither proxy is entitled to vote on a show of hands.

2. A proxy need not be a member of the Company.
3. If the form of proxy is signed but is blank in all other material aspects, it will be taken to mean that it is in favour of the chairman of the Meeting for full voting rights. The chairman intends to vote any undirected proxies in favour of all resolutions.
4. If a representative of a 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 office of Optiscan Imaging Limited.

Dated 16 July, 2008

By Order of the Board



Bruce R. Andrew  
Company Secretary

## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING 12 AUGUST 2008

### PURPOSE OF INFORMATION

The purpose of this Explanatory Memorandum (which is included in and forms part of the Notice of General Meeting dated 16 July 2008) is to provide Shareholders with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the General Meeting on 12 August 2008 and to assist Shareholders to determine how they wish to vote on these resolutions.

### RESOLUTION 1: RATIFICATION OF PRIOR SHARE ISSUE

In June 2008, the company issued 11,086,653 fully paid ordinary shares in a placement to various parties. Each share was issued on the same terms, and ranks equally in all respects, with existing fully paid ordinary shares. The purpose of the issue was to raise funds for working capital.

#### Shareholder Approval

Under Australian Stock Exchange ('ASX') Listing Rule 7.1, the prior approval of shareholders is required for the issue of shares which, when aggregated with securities issued during the previous twelve months, would exceed 15% of the number of securities on issue at the commencement of that 12 month period. ASX Listing rules 7.1 and 7.4 provide that where a company in general meeting ratifies an issue of equity securities, the issue will be treated as having been made with approval for the purposes of listing rule 7.1.

#### Effect of Shareholder Approval

If carried, this resolution will approve the June 2008 share issue, and effectively reinstate the capacity of the company to issue new shares up to the 15% limit. There is no intention at present to make such an issue, but the position of the company will be enhanced if the board has the ability to issue new shares without the cost and delay involved in seeking prior shareholder approval.

#### Voting Exclusion Statement

The Company will disregard any votes cast on resolution 1 by:

- A person who participated in the issue; and
- Any associates of a person who participated in the issue.

However, the Company 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.

### RESOLUTION 2: ISSUE OF SHARES TO DIRECTORS

#### Details of Issue

Shareholder approval is sought to issue fully paid ordinary shares in the capital of the Company for a price of 23 cents each to the named directors set out in the table below:

Director	Number of fully paid ordinary shares
James Fox	434,783
Grant Latta	870,000
Tony Rogers	434,783
Vicki Tutungi	217,400

### Reasons for and Benefits of Issue

The directors wish to demonstrate their support for the company by increasing their shareholdings through participation in the placement announced on 17 June 2008. Over recent times, there have been a number of matters under active consideration by directors including the cash position and potential fundraising that have precluded trading by directors in securities of the company on the market. The directors also believe there is a greater benefit to the company if it was to be the recipient of the proceeds of a share issue, as opposed to the on market purchase of securities, where the proceeds simply pass to the vendor with no benefit to the company.

### Proposed Date of Issue

The shares will be issued not later than 1 month after the date of this General Meeting.

### Shareholder Approval

The Company's approval for the issue of securities is sought in accordance with ASX Listing Rule 10.11, which provides that an entity must not issue equity securities to a related party, such as a director, without the approval of holders of ordinary securities. ASX Listing Rule 10.11 also operates as an exception to ASX Listing Rule 7.1, 'Issues exceeding 15% of capital'. Accordingly, if approval is given by holders of ordinary securities under ASX Listing Rule 10.11, approval under ASX Listing Rule 7.1 is not required.

### Effect of Shareholder Approval

The resolution, if approved, will allow the Company to rely on ASX Listing Rule 10.11 to issue fully paid ordinary shares to a Director of the Company.

### Use of Funds

The funds raised will be used for working capital.

### Voting Exclusion Statement

The Company will disregard any votes cast on resolution 2 by:

- The named directors; and
- any associates of the named directors.

However, the Company 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.

### RESOLUTION 3: INCREASE IN REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS

Shareholder approval is sought to increase the total sum available for the remuneration of non-executive directors from \$250,000 to \$400,000 per annum.

The board has recently appointed a new director, Mr Jim Fox, and has announced its intentions to make another appointment to the board later in the year. The company has always maintained a buffer in the fee pool to provide flexibility, and to enable the appointment of new directors before others retire, enabling orderly succession and handover. The current fee pool limit of \$250,000 has remained unchanged since it was first established in 1997. In order to have the flexibility to attract and remunerate new talent to the board of directors, an increase in the pool of funds available for remuneration to \$400,000 is sought. There is no intention to increase the remuneration of individual directors, nor is there any intention to fully utilize the limit at the present time.

### Shareholder Approval

The Company's approval for the increase is sought in accordance with ASX Listing Rule 10.17, which provides that an entity must not increase the total amount of directors' fees payable by it to its non-executive directors without the approval of holders of ordinary securities.

### **Effect of Shareholder Approval**

The resolution, if approved, will allow the Company to rely on ASX Listing Rule 10.17 to increase the total fee pool available for the remuneration of non-executive directors to \$400,000.

### **Voting Exclusion Statement**

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

- the non-executive directors of the Company; and
- any associates of the non-executive directors of the Company.

However, the Company 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.

