

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about what action you should take, you should consult your stockbroker, bank manager, solicitor or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Company is speculative and may involve a high degree of risk.

If you have sold or transferred all of your Ordinary Shares in Rex Bionics Plc (the “Company”), please pass this document and the Proxy Form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, these documents should not be forwarded or sent within, into or from the United States, Australia, Canada, the Republic of South Africa, Japan, the People’s Republic of China, or any other state or jurisdiction, where release, publication or distribution would be unlawful and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares you should retain this document and the accompanying Proxy Form however, please also contact your bank, stockbroker or other agent through which the sale or transfer was effected immediately.

The Directors whose names and functions appear on page 5, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.



REX BIONICS Plc

(Registered in England and Wales with registered number 06425793)

Proposed transfer of the Rex Business from Rex Bionics Plc to Rex Bionics Pty Ltd

Fundamental Change of Business pursuant to AIM Rule 15

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from your Chairman, which is set out at Part I of this document and which contains a recommendation from your Board that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

A Notice of a General Meeting of the Company to be held at 11.00 a.m. on 22nd May 2017 at the offices of Simmons & Simmons LLP, CityPoint, 1 Ropemaker Street, London EC2Y 9SS is set out at the end of this document.

Whether or not you propose to attend the General Meeting, please complete and submit the Proxy Form in accordance with the instructions printed on the enclosed form. The Proxy Form must be received by the Registrars of the Company, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, not later 11:00 a.m. on 20th May 2017.

Stifel Nicolaus Europe Limited (“Stifel”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting as nominated adviser to the Company for the purposes of the AIM Rules. Stifel is acting exclusively for the Company in connection with this document, and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the proposals in this document or any other matter referred to in this document. Stifel has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Stifel as to any of the contents or completeness of this document.

This document contains forward looking statements relating to the Company’s future prospects, plans, developments and strategies, which have been made after due and careful enquiry and are based on the Directors’ current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Forward-looking statements are identified by their use of terms and phrases such as “project”, “expect”, “potential”, “believe”, “could”, “envisage”, “estimate”, “intend”, “may”, “plan”, “will” or the negative of those, variations or comparable expressions, including references to assumptions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchanges rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, changes or developments in technology or its application, project delivery risks, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company’s control. As a result, the Company’s actual future results may differ materially from the plans, goals, and expectations set out in the Company’s forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company’s judgement at the date of this document and are not intended to give any assurance as to future results. Except as required by the Financial Conduct Authority, the London Stock Exchange, the AIM Rules for Companies or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company’s expectations about them or any changes in events, conditions or circumstances on which any such statement is based.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Posting of this document and Form of Proxy to Shareholders	2017 4 th May
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	11.00 a.m. on 20 th May
Time and Date of General Meeting	11.00 a.m. on 22 nd May
Anticipated date of Completion	24 th May

Notes:

1. Each of these times and dates are indicative only and are subject to change. If any of these times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a Regulatory Information Service.
2. All of the times in this document refer to London time unless otherwise stated.
3. Completion of the Proposed Transaction is conditional, among other matters, on the passing of the Resolution at the General Meeting.

PART I
LETTER FROM THE CHAIRMAN

REX BIONICS PLC

(Registered in England and Wales with registered number 06425793)

Directors:

David Macfarlane (*Chairman*)
Crispin Simon (*Chief Executive Officer*)
Richard Little (*Chief Technical Officer*)
Victoria Provis (*Senior Non-executive Director*)
Jeremy Curnock Cook (*Non-executive Director*)
William Hunter (*Non-executive Director*)
John Plimmer (*Non-executive Director*)
Joseph Cucolo (*Non-executive Director*)

Registered Office:

4th Floor
1-3 Pemberton Row
London EC4A 3BG
United Kingdom

4th May 2017

Dear Shareholder,

Proposed transfer of the Rex Business from Rex Bionics Plc to Rex Bionics Pty Ltd for an all share consideration and Notice of General Meeting

1. Introduction

Rex Bionics Plc (the "Company") (AIM: RXB), the pioneer of the REX™ Robot technology that enhances the mobility of wheelchair users, today announces that Rex Bionics Group companies ("Rex Group") have entered into various agreements, the combination of which will result in a major restructuring of the Rex Group (the "Proposed Transaction"), as indicated in the outline plan described in the Company's announcement of 13th March 2017 (the "March Announcement"). The principal agreements are described below.

- An asset transfer agreement between the Company and its wholly-owned Australian subsidiary Rex Pty to transfer ownership of substantially all of the Rex Business (but not cash) from the Company to Rex Pty for an all share consideration;
- A subscription agreement between the Company, Rex Pty and the BML Funds to make an initial equity investment of, in aggregate, AUD7.5 million (approximately £4.36 million) directly into Rex Pty immediately after the completion of the Asset Transfer with a further investment of AUD2.5 million (approximately £1.45 million), subject to the achievement of specified performance milestones;
- A shareholders' deed between the Company and the BML Funds regulating the operation of Rex Pty following Completion and includes the right for the Company to appoint a director of Rex Pty as well as standard pre-emption clauses; and
- A collaborative development agreement between Rex Pty and McLaren Applied Technologies Ltd, the applied technologies division of the McLaren Group, to collaborate on the next phase of the design and development of the REX robotic mobility aid that builds on the clinical and competitive advantages of the existing REX device whilst at the same time seeking to achieve a significant reduction in manufacturing cost and improvements in the product's aesthetics and ergonomics.

The purpose of this document is to provide Shareholders with information on the Proposed Transaction, to explain why the Directors consider the Proposed Transaction to be in the best interests of the Company and the Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolution to be proposed at the General Meeting to be held on 22nd May 2017 at the offices of Simmons & Simmons LLP, CityPoint, One Ropemaker Street, London EC2Y 9SS. Each member of the Board who holds Ordinary Shares intends to vote in favour of the Resolution in respect of his or her own beneficial holdings of Ordinary Shares. Shareholders should read this document in its entirety.

If Shareholders do not approve the Proposed Transaction at the General Meeting, the Board considers that the Company would become unable to pay its debts as they fall due and will be forced to cease operating and/or enter into an insolvency procedure with immediate effect, in which case, Shareholders would lose their entire equity investment.

2. Arrangements in relation to Rex Pty

Pursuant to the Asset Transfer, the Company will transfer the ownership of substantially all of the Rex Business and assets (but not cash) to Rex Pty in exchange for further shares in Rex Pty. BML has agreed, pursuant to the terms of the Subscription Agreement, to procure that the BML Funds make an equity investment of AUD7.5 million (approximately £4.36 million) directly into Rex Pty immediately after the completion of the Asset Transfer. The terms of the Subscription Agreement also provide for those BML Funds to make a further investment of AUD2.5 million (approximately £1.45 million), subject to the achievement of specified performance milestones. It should be noted, therefore, that there is no guarantee that these additional funds will become payable by the BML Funds. In consideration of the funds provided by the BML Funds, the BML Funds will be issued shares in Rex Pty. At the time of any Second Investment by the BML Funds, the Company will have the right to make (or procure) an investment in Rex Pty up to its pro rata entitlement on the same terms as the BML Funds.

On Completion, the Company will, on a fully diluted basis, retain a 36% interest in Rex Pty whereas the BML Funds will collectively hold a 64% direct interest (the Translation Fund will hold 42.67% and BioSciences Managers will hold 21.33%). Rex Pty will own all the technology and assets that support the REX product. Rex Pty will have funding for, and will progress, the next phase of development of the REX technology in collaboration with McLaren (see paragraph 3 for further details), and will be responsible for its subsequent commercialisation

Immediately following the initial investment, the enlarged issued share capital of Rex Pty will amount to 7,087,183 shares, equating to an equity valuation of AUD11.69 million (approximately £6.80 million) at the price per share paid by BML funds. At the price per share paid by the BML funds, the Company's holding in Rex Pty would be valued at approximately AUD4.21million (approximately £2.45 million), equivalent to approximately 10p per Ordinary Share, representing a 82% premium to the closing mid-market price of the Ordinary Shares on 2nd May 2017.

Following Completion, responsibility for the strategic direction and day to day management of the Rex Business will be assumed by the board and management of Rex Pty, although the Company will continue to provide strategic input through its representative on the Rex Pty board.

The BML funds have a mission to promote technological innovation in Australia, specifically including healthcare. As a result, the Company expects there to be significant investment in staff, facilities and development programmes in Australia. In other respects, the expectation is that the new Rex Pty management team will broadly follow the strategic approach to developing and commercialising the REX technology that has been pursued in recent times, notably the investment in clinical data generation and the development of Robot-Assisted Physiotherapy techniques and protocols, as well as a continued commercial focus on the US and Chinese markets.

The Board of Directors of Rex Pty, following Completion, will comprise Jeremy Curnock Cook, two directors appointed by the BML Fund (Amanda Gillon and Bill Hunter) and one appointed by the Company, who will be David Macfarlane.

Further, the transfer of the business of REX as part of the reorganisation means that Rex NZ and Rex Bionics, Inc. will become wholly-owned subsidiaries of Rex Pty. Rex NZ will own the REX patents, product registrations, operating systems and other intellectual property required to operate the Rex Business.

Furthermore, the Company, Rex Pty and BML have agreed a three-year period (the "Standstill Period") in which, subject to certain permitted transfers, the Company will be unable to distribute its shares in Rex Pty. In recognition of the Company agreeing to the Standstill Period, the BML Funds have agreed to procure the payment of the Rex Pty Payments (further details of which are set out in paragraph 4).

3. Collaborative product development partnership with McLaren

Further to the Company's announcement on 13th March 2017, which stated that the Company was exploring "a potential product development agreement with a substantial international partner", the Company is pleased to announce that Rex Pty has, conditionally upon the Resolution being approved by Shareholders at the General Meeting and the required level of funding thereby becoming available to Rex Pty, entered into a new product development agreement with McLaren.

The Development Agreement is focused on the next phase of the design and development of the REX product ("REX 3") that builds on the clinical and competitive advantages of the existing REX device whilst at the same time seeking to achieve a significant reduction in manufacturing costs and important improvements in the product's aesthetics and ergonomics.

The joint development programme is planned to take approximately two years to bring a REX 3 to the point of transfer to manufacturing. Further funding is likely to be required to commercialise the new product, which could result in further substantial dilution of the Company's stake in Rex Pty. Were the Company unable to invest

alongside the Second Investment, its interest in Rex Pty will reduce, on a fully undiluted basis, to 29.7%. If McLaren had fully exercised the McLaren Warrants by the time of the Second Investment, and if the Company were unable to invest alongside the Second Investment, the Company's interest in Rex Pty would be diluted to 29.2%. To the extent that any further funds are required to complete the development programme, while the Company would have some pre-emption protections while it holds more than 15% in Rex Pty, its interests in Rex Pty could be further diluted. Rex Pty will pay for access to McLaren's expertise and intellectual property through a combination of cash, funded through BML's equity investment in Rex Pty, the McLaren Warrants (which if fully exercised would decrease the Company's interest in Rex Pty to 35.3% before any impact from the Second Investment), and royalties payable at a low-to-mid single digit percentage level of future sales (with minimum royalty payments coming into effect from the second anniversary following the launch of the new product).

It should be noted that there is no guarantee that the joint development programme will lead to the successful development of a commercially viable REX 3 product within the timescales set out above and in the Development Agreement or within the current agreed financial parameters laid out therein. In common with other similar development programmes, there remains an element of execution and technology risk which cannot be mitigated.

The McLaren Warrants will be exercisable at any time between the Effective Date (as such term is defined under the Development Agreement) and 31 March 2022 and will thereafter lapse. The exercise price will be AUD 2.48 (approximately £1.44) per share in Rex Pty subject to any adjustments, if applicable.

4. Effect of the Proposed Transaction on the Company

Fundamental Change of Business under AIM Rule 15

The Proposed Transaction will constitute a disposal resulting in a fundamental change of business under the AIM Rules and is, therefore, subject to the approval of the Resolution by Shareholders at the General Meeting.

As the Company, following Completion, will have no other business streams apart from its minority investment in Rex Pty, with the effect that it will cease to own or control substantially all of its trading business and assets, the Company will be deemed to become an AIM Rule 15 cash shell under the AIM Rules.

Related Party Transaction

The investments by the BML Funds represent a related party transaction pursuant to Rule 13 of the AIM Rules, as BML is also manager of the Asia Pacific Healthcare Fund II, an existing substantial shareholder in the Company. The Independent Directors (excluding Jeremy Curnock Cook who is not considered independent given his relationship as Managing Director of BML) having consulted with the Company's nominated adviser, Stifel, consider that the terms of the BML Funds' investments to be fair and reasonable insofar as the Company's shareholders are concerned.

Board structure and corporate governance

Following Completion the Company will no longer have the scale of operation to justify its current organisational structure. The Board, therefore, intends to initiate an accelerated evaluation of structural options, including whether to continue trading of its Ordinary Shares on AIM, that would enable the Company to reduce its costs while nurturing Shareholders' investment in the REX technology.

It is intended that substantial reductions will be made to the Board. Crispin Simon, Chief Executive Officer, will resign from his role as Chief Executive immediately on Completion, but will serve as a non-executive director for a short transitional period. All of the existing Non-Executive Directors with the exception of David Macfarlane, Non-Executive Chairman, will resign immediately on Completion. Mr Macfarlane has agreed to continue in his current role, and will appoint at least one additional director following Completion.

The Company will continue to ensure that appropriate standards of corporate governance are in operation and the principles of the UK Corporate Governance Code are followed insofar as is practical and appropriate to the size and nature of the Company and the composition of its board post Completion.

Financial position of the Company post-Completion

On Completion (but prior to the payment of the Rex Pty Payments), the Company will have approximately £50,000 of cash.

In addition, the Shareholders' Deed provides for additional funds to be paid by Rex Pty to the Company. These fees include the repayment, on Completion, of the Intercompany Debt and the Initial Management Fee, the Further Management Fees over the course of the Standstill Period as well as the reasonable costs of winding up the Company at the end of the Standstill Period, if applicable. The amount of the Rex Pty Payments expected to be

received by the Company on Completion is approximately AUD721,000 (approximately £419,000). The terms of such funding include certain customary restrictions on the use of such funds.

The Board believes that, taking into account the cash reserves available to the Company at Completion and the Rex Pty Payments, the Company has sufficient cash resources to meet the obligations and liabilities not assumed by Rex Pty at Completion (which include, but are not limited to, professional advisers' fees, fees payable to AIM, past and future tax liability, liabilities relating to the REX Business but which accrued before Completion) over the duration of the Standstill Period.

The Board will provide further updates as appropriate as this accelerated evaluation of structural options progresses.

5. Trading update

Further to the Interim Results Announcement and the March Announcement, the Company has made further good progress with its clinical trial programme; and product development (which includes the project with the US Army) and commercial activities have continued, albeit on a low investment basis.

Clinical Trials

Following the presentation, in November 2016, of the RAPPER II clinical trial data at the annual meeting of the American College of Rehabilitation Medicine (ACRM), a manuscript of the interim analysis of the data from the first 20 patients has now been sent for peer review in a respected rehabilitation medicine journal. If approved for publication, the paper would be an important milestone in the process of securing market acceptance and treatment reimbursement for the REX technology.

The Company has, in collaboration with East Kent Hospitals University NHS Foundation Trust and Kent University, initiated a clinical trial to evaluate the use of the REX in patients with multiple sclerosis ("MS"). The trial is being conducted at the Canterbury site of the East Kent Hospitals under the direction of Dr Mohammed Sakel, Consultant and Director of the Neurorehabilitation service. The trial, known as RAPPER III, is a trial to evaluate the feasibility and safety of using the REX 1 in rehabilitation for people with MS who have moderate to severe mobility restriction. The trial will recruit ten patients, the first of whom were recruited in April. The primary end-point is the completion of a transfer, stand, balance and walk rehabilitation programme over six weeks. The aim of the programme is to increase strength and improve balance-related skills and walking ability. There are a number of secondary end-points, including the Multiple Sclerosis Walking scale (MSWS-12) and the Multiple Sclerosis Impact scale (MSIS-29). Ethics Committee Approval has been provided by the NHS's National Institute for Health Research (NIHR).

Work has also continued on the planning of a clinical trial for the use of REX for stroke patients. Individual patient experiences have shown that the REX is suited to the demands of patients who have suffered a stroke and who are re-building their capacity to walk - especially those who have not recovered their balance. There are 795,000 new stroke patients each year in the US who bear a substantial burden of morbidity and cost.

The US Army Programme

On 11 March 2016, the Company formerly announced that it had agreed the terms of a Materiel Transfer Agreement with the United States (US) Army Medical Research and Materiel Command that would lead to a program of design modifications to the REX 1 that would allow its use for early ambulation of patients with lower limb loss. The Company is pleased to report that following a productive interaction with US Army personnel, the required modifications are now in the development process.

Other Commercial Activities

Commercial activities have continued on a low investment basis. More progress has been made with the China regulatory approval process, in partnership with Maxhealth; further clinic evaluations have been successfully completed in the US; and in the UK, there is promising initial feedback from a woman with a severe traumatic brain injury who is evaluating the REX as part of a newly-designed rental programme.

6. Waiver of payments to Directors

In the circumstances, the Non-Executive Directors who are, in aggregate, owed a total of, approximately, £250,000 in salaries and director's fees have agreed to waive repayment of these monies owed to them.

Crispin Simon, Chief Executive Officer, is owed a total of, approximately, £75,000 by way of unpaid salary and bonuses. In recognition of the work undertaken by him in finalising the Proposed Transaction, the Board has agreed that he will not waive such arrears, but he has agreed that these monies will only become repayable, if ever,

without using any of the Rex Pty Payments provided by Rex Pty to meet the Company's ongoing expenses, when the Company is in a financial position to repay them (acting properly and fairly in relation to all its creditors). If ever the repayment of these monies would make any liquidation of the Company insolvent (or more so) Crispin would waive the repayment. Further, if the Company were restructured the Company has agreed to procure the transfer of this arrangement to its successor.

7. General Meeting

Set out in Part III of this document is a notice convening the General Meeting to be held at 11.00 a.m. on 22nd May 2017 at the offices of Simmons & Simmons LLP, CityPoint, One Ropemaker Street, London EC2Y 9SS at which the Resolution will be proposed for the purposes of approving the Asset Transfer. The Resolution will be proposed as an ordinary resolution and will require a simple majority of the votes cast for it to be passed.

8. Importance of the vote

Your attention is drawn to the fact the Proposed Transaction is conditional and dependent on the Resolution being passed by Shareholders at the General Meeting. Shareholders are asked to vote in favour of the Resolution in order for the Proposed Transaction to proceed.

If Shareholders do not approve the Proposed Transaction at the General Meeting, the Board considers that the Company would become unable to pay its debts as they fall due and will be forced to cease operating and/or enter into an insolvency procedure with immediate effect, in which case, Shareholders would lose their entire equity investment.

9. Action to be taken

In connection with the General Meeting

You will find enclosed with this document a Proxy Form for use at the General Meeting. Whether you intend to be present at the General Meeting or not, you are asked to complete the Proxy Form in accordance with the instructions printed on it and to return it to the Registrars as soon as possible and, in any event, so as to be received by no later than 11.00 a.m. on 20th May 2017. The completion and return of the Proxy Form will not preclude you from attending the General Meeting and voting in person if you wish to do so.

Shareholders who hold their shares in the Company through CREST are referred to Note 4 of the Notes to the Notice of General Meeting.

If the Proxy Form is not returned or the CREST Proxy Instructions submitted by 11.00 a.m. on 20th May 2017, your vote will not count.

10. Nominated Adviser

The Company's nominated adviser, Stifel, has notified the Company of its intention to resign on 26th May 2017. If no alternative nominated adviser had been appointed before that time, or other alternative arrangement has been made, the Ordinary Shares will therefore then be suspended with no certainty that trading would resume at any time. If no new nominated adviser is appointed within one month of Stifel's resignation, the Company's admission to trading on AIM will be cancelled.

The Board and I would also like to take this opportunity to thank our nominated adviser, Stifel, for its unstinting support over the past three years.

11. Recommendations and irrevocable undertakings

The Board considers that the Proposed Transaction is in the best interests of the Company and its Shareholders as a whole and that the terms are fair and reasonable. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution as they have irrevocably undertaken to do in respect of their own legal and beneficial shareholdings amounting, as at the date of this document, in aggregate to 995,028 Ordinary Shares, representing 3.9 per cent. of the Ordinary Shares in issue.

Yours faithfully,

David Macfarlane
Chairman

PART II DEFINITIONS

Act	the Companies Act 2006
Agreements	the Asset Transfer Agreement, the Subscription Agreement, the Shareholders' Deed and the Development Agreement
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
Asset Transfer Agreement	the agreement between (1) the Company and (2) Rex Pty to effect the Asset Transfer
Asset Transfer	the transfer of substantially all of the Rex Business from the Company to Rex Pty in consideration for shares in Rex Pty
AUD	Australian Dollars, the lawful currency of Australia
BioScience Managers	BioScience Managers LP, an incorporated limited partnership (NSW Registration number ILP 1500020) of Level 9, 56 Pitt Street, Sydney, NSW 2000
BML	BioSciences Managers Pty Ltd
BML Funds	BML, the Translation Fund and BioScience Managers
Board or Directors	the Directors of the Company from time to time
certificated or in certificated form	recorded on the relevant register of the share or security concerned as being held in certificated form (that is not in CREST)
Company	Rex Bionics Plc, a company incorporated in England and Wales with company number 06425793
Completion	completion of the Proposed Transaction, in accordance with the terms of the Agreements
CREST	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
Development Agreement	the development agreement between (1) Rex Pty and (2) McLaren relating to the development of REX 3
Euroclear	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales with registered number 02878738 and the operator of CREST
Further Management Fees	the payment by the BML Funds of £8,333 to the Company payable monthly in advance for two years from the first anniversary of the Completion
General Meeting	the general meeting to be held at 11.00 a.m. on 22 nd May 2017 at the offices of Simmons & Simmons LLP, CityPoint, 1 Ropemaker Street, London EC2Y 9SS, notice of which is set out in the Notice
Initial Management Fee	the payment by the BML Funds of AUD258,000 (approximately £150,000) to the Company payable immediately on Completion
Intercompany Debt	the intercompany debt due from Rex Pty to the Company, the outstanding amount of which, at the date of this document is, approximately, AUD463,000 (approximately

	£269,000)
Interim Results Announcement	the announcement by the Company of the Company's interim results for the six-months ending 30 th September 2016 on 5 th December 2016
London Stock Exchange	London Stock Exchange plc
March Announcement	the funding and strategic review update announcement made by the Company on 13 th March 2017
McLaren	McLaren Applied Technologies Limited
McLaren Group	McLaren and companies in its commercial group
McLaren Warrants	the 141,743 warrants to be issued to McLaren by Rex Pty, further details of which are set out in paragraph 3 of Part I of this document
Notice or Notice of General Meeting	notice of the General Meeting set out in Part III of this document
Ordinary Shares	ordinary shares of nominal value 10p each in the capital of the Company
Proxy Form	the form of proxy sent to Shareholders with this document for use at the General Meeting in connection with the Resolution
Registrars	Share Registrars Limited, a company incorporated under the laws of England and Wales with registered number 04715037
Resolution	the resolution to be proposed at the General Meeting as set out in the Notice of General Meeting in Part III of this document
REX	the current products commercially available from the Company, being 'REX Rehab' and 'REX Personal'
REX 1	the first generation of REX product
REX 3	the next generation of REX product to be developed in partnership with McLaren
Rex Business	the business of development, manufacture and sale of exoskeletons carried on by the Rex Group (other than Rex Pty) as at the date of Completion
Rex Group	the Company and its subsidiaries and subsidiary undertakings, from time to time
Rex NZ	Rex Bionics Limited
Rex Pty	Rex Bionics Pty Ltd
Robot-Assisted Physiotherapy	physiotherapy sessions using REX to lift the patient from a sitting position into a robot-supported standing position and providing a set of supported walking and stretching exercises, designed by specialist physiotherapists
Shareholder	a holder of Ordinary Shares
Shareholders' Deed	the shareholders' deed made between (1) the Company and (2) the BML Funds regulating the operation of Rex Pty following Completion
Stifel	Stifel Nicolaus Europe Limited, a company incorporated under the laws of England and Wales with registered number 03719559, and nominated adviser to the Company
Subscription Agreement	the subscription agreement made between (1) the Company, (2) Rex Pty and (3) the BML Funds relating to equity subscriptions by the Company and the BML Funds into Rex Pty

UK	the United Kingdom of Great Britain and Northern Ireland
Translation Fund	BioScience Managers Translation Fund I Trust of Level 10, 330 Collins Street, Melbourne, Victoria, Australia of which Philip Asset Management Limited (CAN 064 847 669) is trustee
uncertificated or in uncertificated form	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
£ or p	United Kingdom pound and pence sterling respectively
Exchange Rate as at market close on 2nd May 2017	
£ - AUD	£1 = AUD1.72

PART III

NOTICE OF GENERAL MEETING

REX BIONICS Plc

(Registered in England and Wales with registered number 06425793)

Notice is given that a General Meeting of Rex Bionics Plc will be held at the offices of Simmons & Simmons LLP, CityPoint, 1 Ropemaker Street, London EC2Y 9SS on 22nd May 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution.

Ordinary Resolution

THAT the transfer of substantially all of the Rex business and assets from Rex Bionics Plc to Rex Bionics Pty Ltd for an all share consideration as described in the circular to shareholders dated 4th May 2017 is approved

By Order of the Board

Keith Robinson
Company Secretary
4th May 2017

EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

1. Entitlement to Attend and Vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

- 11.00 a.m. on 20th May 2017; or,
- If this General Meeting is adjourned, at 11.00 a.m. on the day two days before the adjourned meeting,

shall be entitled to attend and vote at the General Meeting.

2. Appointment of Proxies

If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a Proxy Form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Proxy Form. A member may appoint more than one proxy to attend the meeting, but must specify the number of shares in respect of which each proxy is appointed.

A proxy does not need to be a member of the Company, but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

3. Appointment of proxy using hard copy Proxy Form

The notes to the Proxy Form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the Proxy Form, the form must be:

- completed and signed and faxed to Share Registrars Limited at 01252719232;
- sent or delivered to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR; and
- received by Share Registrars Limited no later than 11.00 a.m. on 20th May 2017.

In the case of a member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer of the company or the attorney for the company.

Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form.

4. Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent (7RA 36) by 11.00 a.m. on 20th May 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy Proxy Form and would like to change the instructions using another hard-copy Proxy Form, please contact Share Registrars Limited. Telephone 01252 821390 or from overseas +44 (0)1252 821390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. Termination of proxy appointments

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Share Registrars Limited no later than 11.00 a.m. on 20th May 2017.

If you attempt to revoke your proxy appointment, but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

7. Issued Shares and Total Voting Rights

As at 5.00 p.m. on 2nd May 2017, the Company's issued share capital comprised of 25,513,859 Ordinary Shares of 10p each. Consequently the total number of voting rights in the Company as at 22nd May 2017 will be 25,513,859.

8. Communication

Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

Calling our shareholder helpline on 01252 821390 or from overseas +44 (0)1252 821390.

You may not use any electronic address provided either in this Notice of General Meeting; or any related documents (including the Chairman's letter and Proxy Form) to communicate with the Company for any purposes other than those expressly stated.