

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) (“FSMA”) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Rex Bionics Plc (the “Company”) or Rex Bionics Pty Limited (“Rex Pty”) is speculative and may involve a high degree of risk.

If you have sold or transferred all of your Ordinary Shares in the Company, please pass this document and the Form of Proxy 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, New Zealand, The People’s Republic of China or any other state or jurisdiction in which 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 Form of Proxy however, please also contact your bank, stockbroker or other agent through which the sale or transfer was effected immediately.

This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for any shares or securities in the Company nor an invitation to buy, acquire or subscribe for any shares or securities or any other company in any jurisdiction. This document has not been filed with, examined or approved by the Financial Conduct Authority or the London Stock Exchange or any other regulatory authority.

REX BIONICS Plc

Registered in England and Wales with registered number 06425793

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company
to be held at 12 noon
on Thursday 21 September 2017
at 1-3 Pemberton Row, London EC4A 3BG
is set out at the end of this document.

Whether or not you propose to attend the General Meeting, please complete and submit the Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by the Registrars of the Company, Share Registrars Limited not later than 48 hours before the time of the holding of the General Meeting.

REX BIONICS Plc

Registered in England and Wales with registered number 06425793

DIRECTORS

David Macfarlane *Chairman*
Crispin Simon

REGISTERED OFFICE

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

25 August 2017

LETTER FROM THE CHAIRMAN

Dear Shareholders,

I enclose the Annual Report and Accounts of the Company for the year ended 31 March 2017 together with the Notice of the Annual General Meeting. I also want to draw to your attention that there is likely to be a fundraising by Rex Bionics Pty Limited ("Rex Pty") in the near future which will dilute the investment of the Company in Rex Pty unless there is further subscription for shares in Rex Pty by the Company, or its shareholders, at the same time as such fundraising. Further information is set out below.

Rex Pty

You will be aware that pursuant to the restructuring and further financing of the business of the Company, which shareholders approved on 22 May 2017, the business of the Company was sold to Rex Pty and that funds managed by BioScience Managers Limited (the "BML Funds") subscribed for capital. As a result, the Company owns approximately 36 per cent of the issued share capital of Rex Pty and the BML Funds own, collectively, the balance.

The Company continues in existence with the only business objective of holding long-term the investment in Rex Pty and exercising its influence (but not control) over Rex Pty. In this regard, I also have pleasure in enclosing a report from Chuck Carignan, the chief executive of Rex Pty, in relation to its business. Future such reports, approximately quarterly, from Rex Pty will appear on the Company's website and, in the interest of saving cost will not be circulated to shareholders in hard copy.

Whilst in other circumstances it might have appeared natural to have wound the Company up and to have distributed the investment in Pty to the shareholders of the Company, in this case this was not possible. Such a distribution and the consequent direct holding of shares in Rex Pty by all of the shareholders of the Company would have caused, under Australian securities laws, Rex Pty to become a public company in which the BML Funds would have been unwilling to invest. As a result, the BML Funds and Rex Pty have required the Company to continue in existence for three years from the date of the restructuring and to that end have agreed to fund the cost of maintaining the Company and administering it on a minimum cost basis, but no more.

In May 2017 the BML Funds invested Aus\$7.5 million and agreed subject to the achievement of a certain milestone to invest a further Aus\$2.5 million (the "Second Instalment"). The Board believes that it is likely that the Second Instalment will be drawn down and subscribed for in October 2017. Upon subscription of the Second Instalment the interest of the Company in Rex Pty would be, without any further investment by the Company, thereby diluted to approximately 24 per cent.

Under the subscription agreement (the "Subscription Agreement") entered into with the BML Funds, the Company has the right to maintain its percentage interest in Rex Pty by subscribing "or procuring subscribers connected with the Company and approved by the BML Funds" ("Connected Persons") for further shares in Rex Pty on the same terms as the BML Funds. The aggregate subscription funds required to maintain the interest of the Company and Connected Persons at its current level would be approximately Aus\$1.4 million.

The Company does not however have the resources to make any further investment in Rex Pty without recourse to outside funding.

The Board has concluded that it is not practical or affordable to seek funding for this purpose, even from the only likely source, you, its existing shareholders. Any fundraising incurs costs which the Company is not in a position to bear.

However, if there were any appetite, Rex Pty has confirmed the position stated in the Subscription Agreement that it would entertain investment direct from any shareholders of the Company as Connected Persons. Any such investment would be subject to a number of matters, including approval by the BML Funds, compliance with all applicable laws, and minimum size of investment. There would also be a limit on the numbers of subscribers for the reasons mentioned above.

If any shareholder has an interest in considering a possible direct investment in Rex Pty please could they inform the Company Secretary (by e-mail to keith.robinson@sherrards.com) prior to the Annual General Meeting and arrangements will be made in due course and if permitted by applicable laws for such shareholder to be put in direct contact with Rex Pty and/or its advisers.

Annual General Meeting

You will find at the end of this document a Notice of Annual General Meeting which will be held at 12 noon on Thursday 21 September 2017 at 1-3 Pemberton Row, London EC4A 3BG.

The following resolutions will be proposed at the Annual General Meeting as Ordinary Resolutions:

Ordinary Resolutions

1. To approve the Financial Statements for the year ended 31 March 2017
2. To re-appoint Grant Thornton as auditors and to authorise the Directors to fix their remuneration.

It should be noted that pursuant to the Articles of Association of the Company one third of the Directors are required retire by rotation, and such Directors are entitled to seek re-election. Crispin Simon will retire by rotation but because his next appointment which is in public service precludes him from continuing in office as a Director of the Company he will not seek re-election.

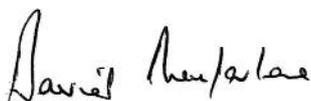
I wish to thank Crispin for his dedication to what proved to be a very challenging task and for his effort in delivering the reconstruction and refinancing in May enabling the Rex Bionics project to continue and the shareholders to have a continuing interest in it.

Sue Fraser will join me on the Board with effect from the conclusion of the Annual General Meeting. Sue joined Rex Bionics plc as the Group Finance Manager in September 2014 and assisted Peter Worrall, who recently retired as Finance Director, in the financial and other administration of the Company.

Action to be Taken

A Form of Proxy is enclosed for use in connection with the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Share Registrars Limited, as soon as possible but in any event so as to arrive not later than noon on 19 September 2017. The completion and return of a Form of Proxy will not preclude you from attending the meeting, or speaking and voting in person should you subsequently wish to do so.

Yours



David Macfarlane
Chairman

NOTICE OF ANNUAL GENERAL MEETING



Registered in England and Wales with registered number 06425793

NOTICE is hereby given that the Annual General Meeting of Rex Bionics plc will be held at 12 noon on Thursday 21 September 2017 at 1-3 Pemberton Row, London EC4A 3BG at which the following resolutions will be proposed, both of which will be proposed as Ordinary Resolutions.

Ordinary Resolutions

1. To receive the Report of the Directors and Financial Statements for the period ended 31 March 2017 together with the report of the auditors.
2. To reappoint Messrs Grant Thornton, Chartered Accountants and Statutory Auditors, as auditors of the Company and authorise the Directors to fix their remuneration.

A handwritten signature in black ink, appearing to read "Keith Robinson", with a long horizontal flourish extending to the right.

Keith Robinson
Company Secretary

25 August 2017

Registered Office:
1-3 Pemberton Row
London EC4A 3BG

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL 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:

- 12 noon on 19 September 2017; or,
- If this Meeting is adjourned, at 12 noon on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the AGM.

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 at The Courtyard, 17 West Street, Surrey GU9 7DR, and,
- received by Share Registrars Limited no later than 12 noon on 19 September 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 UK & Ireland Limited'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 issuer's agent (7RA 36) by 12 noon on 19 September 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 Issuer'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.

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 12 noon on 19 September 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 pm on 24 August 2017, the Company's issued ordinary share capital comprised of 25,513,859 ordinary shares of 10 p each. Consequently the total number of voting rights in the Company as at 21 September 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 annual 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.

PROXY FORM

for the Annual General Meeting to be held on 21 September 2017

PLEASE PRINT IN BLOCK CAPITALS

I/We, the undersigned

of

being a member of the company hereby appoint the Chairman of the Meeting, or (note 3)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 12 noon on 21 September 2017 at 1-3 Pemberton Row, London E4A 3BG

ORDINARY RESOLUTIONS	For	Against	Vote withheld	Discretionary
1. To receive the Report of the Directors and Financial Statements for the period ended 31 March 2017				
3. To re-appoint Messrs Grant Thornton as auditors of the Company				

Signature

(Notes 6 and 7)

Date

Please mark this box if you are appointing more than one proxy (Note 4)

NOTES

- As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- 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.
- A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish you proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. 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 you either select the "Discretionary" option or 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.
- To appoint a proxy using this form, the form must be:
 - completed and signed;
 - 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 12 noon on 19 September 2017.
- In the case of a member which is a company, this proxy form 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 this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 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.
- For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.

