

ParagonCare

PARAGON CARE LIMITED

ABN 76 064 551 426

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MATERIAL

Date: Wednesday, 30 November 2011

Time: 11:00 a.m.

Place: Chartered Secretaries Australia,
Level 7, 500 Collins Street,
Melbourne, Victoria, 3000

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ParagonCare

2 November 2011

Dear Shareholder,

Annual General Meeting 2011

Paragon Care Limited ("Company") is pleased to invite you to this year's Annual General Meeting. Enclosed is a copy of the Notice of Annual General Meeting ("Notice of Meeting"), which will be held in the meeting room of the Chartered Secretaries Australia, Level 7, 500 Collins Street, Melbourne Victoria 3000, at 11:00 a.m. on Wednesday 30 November 2011.

In order for the proposed acquisition to proceed to completion, the Company needs to obtain shareholder approval for items 4 and 5 outlined below.

The formal business will ask members to:

1. Receive and consider the Financial Report, Directors' Report, Notes to the Financial Statements and Auditor's Report for the year ended 30 June 2011;
2. Adopt the Remuneration Report for the year ended 30 June 2011;
3. Re-elect Messrs Tanner and Blanche as Directors;

I look forward to seeing you at the meeting.

Yours sincerely

Shane Tanner

Chairman

Paragon Care Limited

Paragon Care Limited

ABN 76 064 551 426

Unit 1, 56 Norcal Road, Nunawading VIC 3131.

Telephone: 61 3 8833 7800 Facsimile: 61 3 8833 7890

PARAGON CARE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the Annual General Meeting of the shareholders of Paragon Care Limited ACN 064 551 426 ("Company") will be held at 11:00 a.m. on Wednesday, 30 November 2011 in the meeting room of the Chartered Secretaries Australia, Level 7, 500 Collins Street, Melbourne Victoria 3000.

The accompanying Explanatory Notes form part of this Notice of Meeting.

Items of Business

1 Presentation

To receive a presentation on the Company for the year ended 30 June 2011 and an update on recent activities.

2 Financial Statements and Reports

To receive and consider the Company's financial statements and reports of the Directors and Auditor for the year ended 30 June 2011.

3 Re-election of Directors

To consider, and if thought fit, pass the following resolutions as separate ordinary resolutions:

- a) *'That Mr Shane Tanner, being eligible, be re-elected as a Director'; and*
- b) *'That Mr Timothy Blanche, being eligible, be re-elected as a Director'.*

4 Remuneration Report

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

'That the remuneration report for the year ended 30 June 2011 be adopted'

(Note: the vote on this item is advisory only)

A proxy form accompanies this Notice of Annual General Meeting.

Shareholders who do not plan to attend the meeting are encouraged to complete and return a proxy form.

Please note, the Chairman of the meeting intends to vote undirected proxies in favour of each item of business.

BY ORDER OF THE BOARD

Darryl Levin

Company Secretary
Paragon Care Limited
Melbourne, Victoria
2 November 2011

INFORMATION FOR SHAREHOLDERS

PROXIES

In accordance with section 249L of the Corporations Act 2001, shareholders are advised that:

- each shareholder has the right to appoint a proxy;
- the proxy need not be a shareholder of the Company;
- a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise half of votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purpose of recipients of proxy appointments:

Registered Office: Unit 1, 56 Norcal Road
Nunawading VIC 3131.

Facsimile Number: (61 3) 8833 8790

Postal Address: Unit 1, 56 Norcal Road
Nunawading VIC 3131

Shareholders are urged to complete any one of the “for”, “against” or “abstain” boxes on the proxy form thereby giving a directed proxy which then can be voted in accordance with your wishes.

The Company will accept all validly completed proxies lodged at its Registered Office (see above) or received by facsimile (03) 8833 7890 up to 10:00 a.m. on 28 November 2011.

VOTING ENTITLEMENTS

In accordance with section 1074E(2)(g) and Regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 8:00 p.m. 28 November 2011 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who hold them at that time.

On a show of hands, every person present and qualified to vote shall have one vote. If shareholders appoint one proxy then that proxy may vote on a show of hands. However, if shareholders appoint two proxies, neither may vote on a show of hands.

If shareholders appoint a proxy who is also a shareholder or also a proxy for another shareholder, your directions may not be effective on a show of hands. However, upon a poll and upon your proxy voting on the poll then your voting direction will be fully counted. Should a poll be taken then the Company's external Auditor, RSM Bird Cameron, will act as scrutineer.

BOARD RECOMMENDATIONS

In approving the Notice of Meeting all resolutions as set out as the business of the meeting have the support and recommendation of all Directors except in the case of the election of Directors where the relevant Director seeking election or where a Director stands to obtain a benefit, in which case the relevant Director has abstained.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the *Corporations Act 2001*, a reasonable opportunity will be given to shareholders – as a whole – to ask questions about or make comments on the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to shareholders – as a whole – to ask the Company's external Auditor, RSM Bird Cameron, questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditors' Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to RSM Bird Cameron via the Company, no later than 5 business days before the Annual General Meeting. The question must be relevant to the content of RSM Bird Cameron's Audit Report or the conduct of its audit of the Company's annual financial report for the year ended 30 June 2010.

Relevant written questions for RSM Bird Cameron must be received no later than 5.00 p.m. (Melbourne time) 22 November 2011. A list of those relevant written questions will be made available to shareholders attending the AGM. RSM Bird Cameron will either answer the questions at the AGM or table written answers to them at the AGM. If written answers are tabled at the AGM, they will be made available to shareholders as soon as practicable after the AGM.

Please send any written questions for RSM Bird Cameron to the Company at the address on the proxy form or by facsimile (03) 8833 7890 or to Paragon Care Limited Unit 1, 56 Norcal Road, Nunawading VIC 3131 by no later than 5.00 p.m. (Melbourne time) on 22 November 2010.

EXPLANATORY NOTES

The following information provides a detailed explanation on each resolution set out in the Notice of Annual General Meeting.

Item 2 - Financial Statements and Reports

The Corporations Act 2001 and the Company's Constitution require the annual financial report, directors' report and the auditor's report to be received and considered at the Annual General Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on these reports. However shareholders will have an opportunity to ask questions and make comments on these reports and the Company's business and operations at the meeting.

Item 3 – Re-election of Director

Both Directors standing for re-election will retire in accordance with the provisions of the Company Constitution and, being eligible offer themselves for re-election.

Mr Shane Tanner FCPA, ACIS

Age 58

Mr Tanner has been a member of the Board since 2005. He is an independent, non-executive Director, Chairman of the Board and Chairman of the Remuneration Committee.

Mr Tanner is an experienced and accomplished professional within the Australian Healthcare sector. He has been responsible for and orchestrated a number of acquisitions as well as helped establish a number of significant businesses where he has been deeply involved in both the growth and management of these businesses. Mr Tanner has considerable public company experience at senior executive and board level.

Mr Tanner is Chairman of Vision Group Holdings Limited and Chairman of Funtastic Limited

Mr Timothy Blanche B. App Sci., Grad Dip Management

Age 46

Mr Blanche has been a member of the Board since 2009. He is Chief Operating Officer of Paragon Care

Mr Blanche has over 25 years in the healthcare sector in the public, private, and not for profit arenas. He has experience in consulting to pathology & radiology practices, medical centres, and hospitals.

To be successfully elected as a Director, a candidate must receive more votes cast "for" than "against."

Board recommendation; The Board (other than the relevant Director in relation to his own re-election) recommends that shareholders vote in favour of this resolution to re-elect Mr Tanner and Mr Blanche..

Item 4 – Remuneration Report

The Corporations Act requires a non-binding resolution be put to shareholders for the adoption of the Remuneration Report. The Remuneration Report is set out on pages 7 to 11 of the Director's Report. During this item there will be an opportunity for shareholders at the meeting to comment on or ask questions about the Remuneration Report.

The shareholder vote on this resolution is advisory only and will not bind the Directors or the Company. However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken. In the following year, if at least 25% of the votes cast on the resolution that the remuneration Report be adopted are against adoption, shareholders will then vote to determine whether the Directors, excluding the CEO, will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

Board recommendation: The Board recommends that shareholders vote in favour of this resolution.

PARAGON CARE LIMITED

ABN 76 064 551 426

VOTING FORM

ANNUAL GENERAL MEETING 2011

PARAGON CARE LIMITED

ABN 76 064 551 426
Unit 1, 56 Norcal Road
Nunawading, VIC 3131
Australia

Tel: 1300 369 559

61 3 8833 7800

Fax: 61 3 8833 7890

www.paragoncare.com.au

PGC - xxxxxxxxxxxx

VOTE DIRECTLY

Elect to lodge my/our
votes(s) directly (mark box)

In relation to the Annual General Meeting of the Company to be held at 11:00am on Wednesday 30 November 2011, and at any adjournment or postponement of the meeting.

You should mark either "for: or "against" for each item

APPOINT A PROXY

Appoint the
Chairman of
the Meeting
(mark box)

OR If you are not appointing the Chair of the Meeting as your proxy please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to vote for me/us on my/our behalf or if no directions have been given, as the proxy sees fit at the Annual General Meeting of the Company to be held in the meeting room of Chartered Secretaries Australia, Level 7, 500 Collins Street, Melbourne Victoria 3000 at 11:00 am, Wednesday 30 November 2011 and at any adjournment of that meeting.

IMPORTANT NOTE – ITEM 4; By marking this box you are directing the Chair of the Meeting to vote in accordance with the voting intention below, unless you have provided a contrary voting direction by marking the relevant box below. If you do not mark this box, and you have not directed your proxy how to vote on Item 4, the Chair of the Meeting will not cast your vote on that item and your vote will not be counted in calculating the required majority if a poll is called. Please turn over for more important information on Item 4.

Voting Intention: The Chair of the Meeting intends to vote all available proxies in favour of Item 4.

VOTING DIRECTIONS – please mark to indicate your directions

	For	Against	Abstain*
Item 2 – Re-election of Director, Mr Shane Tanner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 – Re-election of Director, Mr Timothy Blanche	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 – Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

SIGNATURE OF SHAREHOLDERS

Shareholder 1 (individual)

Sole Director & Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (delete one)

Joint Shareholder 3 (Individual)

Director

How to complete the Voting Form

You are encouraged to complete and lodge this form if you are unable to attend the meeting.

To complete this form you should;

- Choose how to vote by completing EITHER the Vote Directly or Appoint a Proxy section
- Complete your voting directions for each item listed
- Sign the form to authorise your vote

Appointment of a Proxy

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chair of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three 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 a given item, 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 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 contacting the Company or you may copy this form.

To appoint a second proxy you must:

- 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.
- 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, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document 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.

If a representative of a corporate Securityholder or proxy 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 company's share registry.

VOTING INTENTION

Item 4: You acknowledge that, where the Chair of the Meeting is appointed as your proxy, he will exercise your proxy even though: Item 4 is connected directly or indirectly with the remuneration of a member of the key management personnel; the Chair of the Meeting is a member of the key management personnel, detail of whose remuneration is included in the remuneration report, and you direct the chair of the meeting to vote your proxies in accordance with his stated voting intention (except where you have indicated a different voting intention overleaf)

The Chair of the Meeting intends to vote undirected proxies in favour of Item 2, Item 3, Item 5, and Item 6 and intends to vote all available proxies in favour of Item 4.

Lodgement of Votes

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the Registered Office of Paragon Care Limited shown below no later than 10:00 a.m. on 28 November 2011.

Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON: Registered Office - Unit 1, 56 Norcal Road, Nunawading VIC 3131
BY MAIL: Registered Office - Unit 1, 56 Norcal Road, Nunawading VIC 3131
BY FAX: (61 3) 8833 7890