

NOTICE IS GIVEN that the Annual General Meeting of CogState Limited (ABN 80 090 075 723) ("the Company") will be held on Thursday 21st October 2010 at the offices of CogState Limited at Level 2, 255 Bourke Street, Melbourne, at 1:00pm.

ORDINARY BUSINESS

1. Financial Statement and Reports

To receive and consider the Financial Statements and the Reports of the Directors and of the Auditor for the year ended 30 June 2010.

2. Election of Directors

a. Election of Director – Mr Richard van den Broek

To consider and, if thought fit, pass the following resolution as an ordinary resolution:
That Mr Richard van den Broek, who was appointed as a director on 30 August 2010, and being eligible, and having nominated in accordance with the Company's Constitution, offers himself for election, be elected as a director of the Company.

b. Re-Election of Director - Mr Martyn Myer

To consider and, if thought fit, pass the following resolution as an ordinary resolution:
That Mr Martyn Myer, a director of the Company who retires by rotation at this Annual General Meeting in accordance with rule 48.1 of the Company's Constitution and, being eligible, offers himself for re-election, be elected as a director of the Company.

c. Re-Election of Director - Mr David Simpson

To consider and, if thought fit, pass the following resolution as an ordinary resolution:
That Mr David Simpson, a director of the Company who retires by rotation at this Annual General Meeting in accordance with rule 48.1 of the Company's Constitution and, being eligible, offers himself for re-election, be elected as a director of the Company.

3. Issue of Options to Directors

a. Issue of options to Mr Martyn Myer

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That for the purpose of ASX Listing Rule 10.14, the proposed issue to Mr Martyn Myer of 100,000 options in the Company pursuant to the CogState Non-Executive Director Option Plan, as described in the Explanatory Notes to the Notice of Meeting, be approved.

b. Issue of options to Mr Richard Morgan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That for the purpose of ASX Listing Rule 10.14, the proposed issue to Mr Richard Morgan of 50,000 options in the Company pursuant to the CogState Non-Executive Director Option Plan, as described in the Explanatory Notes to the Notice of Meeting, be approved.

c. Issue of options to Mr David Simpson

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That for the purpose of ASX Listing Rule 10.14, the proposed issue to Mr David Simpson of 50,000 options in the Company pursuant to the CogState Non-Executive Director Option Plan, as described in the Explanatory Notes to the Notice of Meeting, be approved.



d. Issue of options to Dr Michael Wooldridge

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That for the purpose of ASX Listing Rule 10.14, the proposed issue to Dr Michael Wooldridge of 50,000 options in the Company pursuant to the CogState Non-Executive Director Option Plan, as described in the Explanatory Notes to the Notice of Meeting, be approved.

e. Issue of options to Mr Richard van den Broek

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That for the purpose of ASX Listing Rule 10.14, the proposed issue to Mr Richard van den Broek of 100,000 options in the Company pursuant to the CogState Non-Executive Director Option Plan, as described in the Explanatory Notes to the Notice of Meeting, be approved.

f. Issue of options to Mr Bradley O'Connor

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That for the purpose of ASX Listing Rule 10.14, the proposed issue to Brad O'Connor of 150,000 options in the Company pursuant to the CogState Employee Option Plan, as described in the Explanatory Notes to the Notice of Meeting, be approved.

The voting exclusion statement for Resolutions 3 (a) to (f) is set out in the Explanatory Notes to the Notice of Meeting.

4. Approval of issues of securities under Employee Option Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That the Company approve the grant of options under the CogState Employee Option Plan as described in the Explanatory Notes to the Notice of Meeting, for the purposes of exception 9 of ASX Listing Rule 7.2.

The voting exclusion statement for Resolution 4 is set out in the Explanatory Notes to the Notice of Meeting.

5. Approval of issues of securities under Non-Executive Director Option Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That the Company approve the grant of options under the CogState Non-Executive Director Option Plan as described in the Explanatory Notes to the Notice of Meeting, for the purposes of exception 9 of ASX Listing Rule 7.2.

The voting exclusion statement for Resolution 5 is set out in the Explanatory Notes to the Notice of Meeting.

6. Remuneration Report (non-binding vote)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
That the Remuneration Report as disclosed in the Annual Directors report for the year ended 30 June 2010 be adopted.

PROXIES

A proxy form is enclosed. A shareholder entitled to attend and vote at the meeting has a right to appoint a proxy and that person need not be a shareholder of CogState Limited. A proxy can be an individual or a body corporate. A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and the proportion or the number of the shareholders' votes each proxy may exercise is not specified, each proxy may exercise half the votes. If more than one proxy for a member is present at the meeting, only the first named proxy may vote on a show of hands.

If an attorney is to attend the meeting, or if a proxy form is executed by an attorney, the relevant certified power of attorney is to be submitted to the CogState's Share Registry for noting and return, at least 48 hours before the commencement of the meeting or any adjournment of the meeting.

A shareholder which is a body corporate and which is entitled to attend and vote at the meeting, or a proxy which is a body corporate and which is appointed by a member of the Company entitled to attend and vote at the meeting, may appoint a person to act as its representative at the meeting by providing that person with an appropriately executed Letter of Representation (obtainable from the CogState's Share Registry). A copy of the signed Letter of Representation, or other evidence satisfactory to the Chairman of the meeting, must be produced prior to admission to the meeting.

Following recent legislative changes, hard copies of the Annual Report have only been sent to those shareholders who have elected to receive one. The Annual Report can be viewed or downloaded online on Cogstate's website at www.cogstate.com.

To be valid, proxies must be received by one of the following methods not less than 48 hours before the commencement of the meeting or any adjournment of the meeting:

By delivery to the Company's Share Registry

Hand delivery:	Link Market Services Limited Level 12, 680 George Street Sydney, NSW, 2000
Postal Address:	Locked Bag A14 Sydney South, NSW, 1235
Facsimile:	(02) 9287 0309

VOTING ENTITLEMENT

The directors have determined in accordance with the Corporations Regulations that, for the purposes of determining voting entitlements at the Annual General Meeting, shares will be taken to be held by the registered holders at 7.00 pm Melbourne time on Tuesday 19th October 2010.

BY ORDER OF THE BOARD

Claire Newstead-Sinclair
Company Secretary

17 September 2010



Explanatory Notes

Resolution 1 – Receive and consider the financial and other reports (Ordinary Resolution)

The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report to be laid before the meeting. There is no requirement in the Corporations Act or the Company's Constitution for shareholders to vote on, approve or adopt these reports.

Shareholders will have a reasonable opportunity to ask questions and make comments on these reports and on the management of the company.

Resolution 2 – Election of Directors (Ordinary Resolution)

The following information has been provided by the candidates in support of their election as director.

Mr Richard van den Broek Graduate of Harvard University, CFA (Non-Executive Director)

Mr van den Broek is founder and managing partner of HSMR Advisors LLC, a U.S. based fund manager with an investment emphasis on small and mid-cap biotech public companies. From 2000 through 2003 he was a Partner at Cooper Hill Partners, LLC, an investment fund focused on the healthcare sector. Prior to that Mr. van den Broek had a ten year career as a biotech analyst, starting at Oppenheimer & Co., then Merrill Lynch, and finally at Hambrecht & Quist.

The directors (other than Mr van den Broek) unanimously recommend that shareholders vote for the election of Mr van den Broek.

Mr Martyn Myer AO, BE, MESC, MSM (Non Executive Chairman)

Mr Myer is Chairman of CogState Limited. Mr Myer also chairs the Remuneration and Nomination Committee and the Audit and Compliance Committee. Until 30 June 2007 he was President of the Howard Florey Institute of Experimental Physiology and Medicine and was a director of the Florey Neuroscience Institutes until May 2009. At the Howard Florey Institute he participated in the transition of the Institute's research focus towards diagnostic and therapeutic neuroscience, including a focus on degenerative brain diseases. Mr Myer was appointed to the Council of the University of Melbourne in February 2009. Mr Myer obtained his Master of Science in Management at MIT in Boston, and his Master of Engineering Science at Monash University, Melbourne. During the last three years, Mr Myer has also served as a director of the following listed companies:

- Diversified United Investment Ltd - Appointed: 23 September 1991
- SP Australia Networks (Transmission) Ltd- Appointed: 26 October 2005 Retired 13 July 2010
- SP Australia Networks (Distribution) Ltd- Appointed: 9 September 2005 Retired 13 July 2010

The directors (other than Mr Myer) unanimously recommend that shareholders vote for the re-election of Mr Myer.

Mr David Simpson BA (Honours) FAICD (Non-Executive Director)

Mr Simpson is an independent non-executive Director. He sits on the Audit and Compliance Committee as well as the Remuneration and Nomination Committee. Most recently he was the CEO of the Bluearth Institute, a Melbourne based not-for-profit enterprise established to develop programs that promote health and fitness through increased physical activity. Previously he was Senior Partner at Doremus Communications, the largest US business to business agency. From 1985 to 2001 he held a series of



senior management positions in Asia, South Africa and North America as well as Australia for the multinational advertising agency, J.Walter Thompson.

The directors (other than Mr Simpson) unanimously recommend that shareholders vote for the re-election of Mr Simpson.

The Chairman of the meeting intends to vote undirected proxies in favour of each of Items 2 (1), (b) and (c).

Resolutions 3 (a), (b), (c), (d), (e) and (f) – Issues of Options to Directors

These resolutions seek shareholder approval for proposed issues of options to each director of the Company.

ASX Listing Rule 10.14 requires a listed entity to obtain prior shareholder approval for the issue of securities to the directors of the Company under an employee or a non-executive director equity incentive scheme.

The Board has introduced a new Non-Executive Director Option Plan and a new Employee Option Plan (together, the **New Plans**) to replace its previous Employee and Staff Option Plan (**Old Plan**).

The Old Plan was introduced prior to the Company's IPO in 2004 and is outdated and unnecessarily restrictive in its terms. The New Plans provide the Board with greater flexibility to design option terms which align the interests of directors and employees with the interests of shareholders, and which also take account of the new rules for the taxing of employee equity incentives. Further details of the New Plans are set out in the explanatory notes to Resolutions 4 and 5.

The Company is proposing to issue options to non-executive directors under the Non-Executive Director Option Plan. The Company is proposing to issue options to Bradley O'Connor (Chief Executive and Executive Director) under the Employee Option Plan.

The following information is provided in relation to the terms of the options and for the purposes of ASX Listing Rule 10.15:

- a. The options will be issued to each director of the company as follows:

Non-executive Director name	Number of securities
Martyn Myer	100,000 options
Richard Morgan	50,000 options
David Simpson	50,000 options
Michael Wooldridge	50,000 options
Richard van den Broek	100,000 options

- b. The Executive Director and Chief Executive Officer of the Company, Mr Brad O'Connor, will be issued with 150,000 options;
- c. The options will be issued for no consideration (but with an exercise price as described below);
- d. Each option entitles the holder to subscribe for a fully paid ordinary share in the Company at a price of \$0.25 per share at any time during the option exercise period. The strike price reflects the prevailing market price for the Company's shares at the time of this notice.
- e. The options will be subject to the following vesting schedule over 3 years;
- One third of the options will vest on the 2nd anniversary of the date of issue; and
 - The remaining two thirds of the options will vest on the 3rd anniversary of the date of issue.
- f. The options will expire five years from the date of issue;



- g. Details in relation to Directors who have received securities under the Old Plan since the last Listing Rule 10.14 approval, given at the Company's Annual General Meeting held on 21 October 2009, are:

Director name	Number of securities received	Acquisition price for each security
Martyn Myer	100,000 options	Nil
Richard Morgan	100,000 options	Nil
David Simpson	100,000 options	Nil
Michael Wooldridge	100,000 options	Nil
Brad O'Connor	300,000 options	Nil

- h. There is no loan in relation to the acquisition by the directors.
- i. The options are expected to be issued by 31 October 2010, but in any event will be issued no later than 12 months after the meeting.

Voting exclusion statement - In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on these resolutions by a director of the Company or any of their associates. However, the Company is not required to 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 Chairman of 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.

The Chairman of the meeting intends to vote undirected proxies in favour of these resolutions where permitted to do so by the relevant proxy form.

Given their interest in the subject matter of these resolutions, the directors make no recommendation to shareholders on Items 3 (a), (b), (c), (d), (e) or (f).

Resolution 4 – Approval of future issues under the CogState Employee Option Plan

Asset out in the explanatory notes to Resolution 3, the Board has introduced a new Employee Option Plan to replace its previous Employee and Staff Option Plan.

The objective of the CogState Employee Option Plan is to reward executives and employees in a manner which aligns their long term incentives with the creation of shareholder wealth.

Approval is sought for the Employee Option Plan pursuant to exception 9 of ASX Listing Rule 7.2. ASX Listing Rule 7.1 requires shareholder approval for an issue of equity securities (which includes shares, options and performance rights) if, over a 12 month period, the number of equity securities issued is more than 15% of the number of ordinary shares on issue at the start of that 12 month period. Exception 9 of ASX Listing Rule 7.2 provides that an issue under an employee or a non-executive director equity incentive scheme, such as the Employee Option Plan, does not detract from the available 15% limit under ASX Listing Rule 7.1 if shareholder approval is obtained for the scheme in accordance with that exception no more than 3 years before the date of issue.

Accordingly, approval is sought under exception 9 of ASX Listing Rule 7.2 for the Employee Options Plan so that grants of options under the Employee Option Plan within 3 years from the date of the Annual General Meeting do not detract from the 15% limit.

It should be noted that, notwithstanding the approval sought under exception 9 of ASX Listing Rule 7.2, any proposed grants of options under the Employee Option Plan to executive directors will require separate shareholder approval.



In accordance with exception 9 of ASX Listing Rule 7.2, set out below is a summary of the key terms of the Employee Option Plan.

- Under the Plan, the Board may offer options to employees (including executive directors) of the Company and its related bodies corporate, or such other persons as the Board determines.
- On exercise of an option, the Company will deliver a fully paid ordinary share to the Plan participant. Shares can be delivered by either new issue or on-market purchase.
- The Board will have the discretion to determine the terms and conditions of a grant of options, including:
 - the exercise price (if any);
 - vesting conditions which must be met before the options can be exercised;
 - restrictions on the disposal of or dealing in a share delivered upon the exercise of an option; and
 - whether the shares to be delivered upon the exercise of an option are to be held by a trustee for the benefit of the participant.
- The Plan imposes a 5% cap on the number of shares which can be subject to options granted under the Plan, calculated by reference to the Company's total issued share capital and in accordance with the Plan.
- The maximum term of options granted under the Plan will be 7 years, or another period specified by the Board at the time of grant.
- When options are granted, the Board will determine the circumstance in which they will expire, including in relation to the cessation of employment.
- Unless the options granted under the Plan have been exercised and the shares delivered before the relevant record date, a Plan participant cannot participate in new issues of securities to holders of ordinary shares, in relation to those options.
- If the Company makes a pro rata bonus issue of shares or other securities to holders of ordinary shares, and options have not been exercised, then the number of shares subject of the options will be increased by the number of shares that the participant would have received if the options had been exercised before the record date for the bonus issue.
- If the Company makes a pro rata issue of securities (other than a bonus issue) to holders of ordinary shares, the exercise price will be changed in accordance with the ASX Listing Rules.
- In the event of a capital reorganisation, the number of shares subject of each option will be adjusted in accordance with the ASX Listing Rules.
- Options will be forfeited if the applicable vesting conditions are not satisfied, or if the participant commits any act of fraud, defalcation or gross misconduct in relation to the Company or a related body corporate.
- If control of the Company changes, the Board has the discretion to waive any vesting conditions which have not been satisfied.
- The Company may appoint a trustee for the purpose of acquiring and delivering shares to participants and/or holding shares on behalf of participants.
- Participation in the Plan may be extended to participants overseas on essentially the same or a similar basis in Australia, except that the participation may be governed by a different set of rules to accommodate the requirements of local laws and regulatory conditions.
- The Board has certain discretions under the Plan. In particular, the Board may amend the rules of the Plan or waive vesting conditions or disposal restrictions.

As this is a new Plan, the Company has not previously obtained approval for the Option Plan for the purposes of exception 9 of ASX Listing Rule 7.2.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution where permitted to do so by the relevant proxy form.

All directors (other than Bradley O'Connor who is eligible to participate in the Plan with prior shareholder approval) recommend that shareholders vote in favour of this resolution.

Voting Exclusion Statement - In respect of Resolution 4, the Company will disregard any votes cast on the Resolution by a Director of the Company and an associate of such a Director.



However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting as a 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 5 - Approval of future issues under the CogState Non-Executive Director Option Plan

As set out in the explanatory notes to Resolution 3, the Board has introduced a new Non-Executive Director Option Plan.

The objective of the CogState Non-Executive Director Option Plan (the **NED Option Plan**) is to reward non-executive directors in a manner which aligns their long term incentives with the creation of shareholder wealth.

Approval is sought under ASX Listing Rule 7.2 (exception 9) for the NED Option Plan so that grants of options under the NED Option Plan within 3 years from the date of the Annual General Meeting do not detract from the 15% limit under Listing Rule 7.1 ASX Listing Rules 7.1 and 7.2 (exception 9) are explained in the notes for Resolution 4 above.

It should be noted that, notwithstanding the approval sought under exception 9 of ASX Listing Rule 7.2, any proposed grants of options under the NED Option Plan to directors will require separate shareholder approval.

Under the NED Option Plan, the Company may grant options to non-executive directors. The NED Option Plan is on substantially the same terms as the Employee Option Plan. Please refer to the notes for Resolution 4 above for a summary of the Employee Option Plan.

As this is a new Plan, the Company has not previously obtained approval for the NED Option Plan for the purposes of exception 9 of ASX Listing Rule 7.2.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution where permitted to do so by the relevant proxy form. The directors make no recommendation to shareholders on this resolution.

Voting Exclusion Statement - In respect of Resolution 5, the Company will disregard any votes cast on the Resolution by a director of the Company and an associate of such a director.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting as a 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 6 – Remuneration Report (non-binding vote)

Under section 300A of the *Corporations Act 2001*, the Annual Directors Report must include a separate identified remuneration report. Listed companies are further required to put the remuneration report up for adoption at the Company's Annual General Meeting. The vote on the resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

In accordance with the Corporations Act, there will be a reasonable opportunity for members to ask questions about, or make comments on, the remuneration report.

The board unanimously recommends that shareholders vote in favour of this resolution. The Chairman of the meeting intends to vote undirected proxies in favour of the adoption of the remuneration report.



QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to shareholders to ask questions and make comments on the Financial Report, Directors' Report, Auditor's Report and the Remuneration Report and on the management of CogState at the meeting.

The auditor of the company is required to attend the meeting. At the meeting, reasonable opportunity will be given to shareholders to ask the Company's auditor, Ernst & Young, questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by CogState Limited 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 Ernst & Young if the question is relevant to the content of Ernst & Young's audit report or the conduct of the audit of the CogState Limited financial report for the year ended 30 June 2010.

Relevant written questions for Ernst & Young must be received no later than 5:00pm (Melbourne time) on Thursday 14th October 2010. A list of those relevant questions will be made available to shareholders attending the Annual General Meeting. The auditor may omit questions that are the same in substance to other questions and questions that are not received in a timely manner.

At the meeting, the Chairman of the meeting will give Ernst & Young a reasonable opportunity to answer written questions submitted in accordance with the Corporations Act.

If written answers are tabled at the Annual General Meeting, they will be made available to shareholders as soon as practicable after the Annual General Meeting.

Please send any written questions for Ernst & Young:

- to Link Market Services at the address on the enclosed reply paid envelope; or
- by facsimile to +61 3 9664 1301; or
- to the registered office of CogState Limited at level 2, 255 Bourke Street, Melbourne, Vic, 3000,

no later than 5:00pm (Melbourne time) on Thursday 14th October 2010.

