



Sienna Cancer Diagnostics Limited
ABN 74 099 803 460

1 Dalmore Drive
Scoresby VIC 3179

Tel: +61 3 8288 2141
Fax: +61 3 8288 2059

SIENNA CANCER DIAGNOSTICS LIMITED

ACN 099 803 460

(ASX code: SDX)

NOTICE OF 2018 ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Thursday 15 November 2018

10.00 a.m. (Melbourne time)

Offices of K & L Gates,

Level 25, 525 Collins Street,

Melbourne, Victoria.

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety.
If you are in doubt as to how to vote on any of the resolutions, you should seek advice from your
accountant, solicitor or other professional adviser without delay.

SIENNA CANCER DIAGNOSTICS LIMITED

ACN 099 803 460

Notice of Annual General Meeting

The Annual General Meeting (AGM) of Shareholders of Sienna Cancer Diagnostics Limited (the Company or Sienna) will be held at 10.00am (Melbourne time) on Thursday 15 November 2018 at the offices of K & L Gates, Level 25, 525 Collins Street, Melbourne, Victoria.

Agenda

Financial statements and reports

To table and consider the 2018 Annual Report including the Financial Report and the reports of the Directors and of the Auditors for the year ended 30 June 2018. The 2018 Annual Report is available for download on Sienna's website:

<http://www.siennadiagnostics.com.au/investor>.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding ordinary resolution**:

"That the Company's Remuneration Report for the year ended 30 June 2018 as set out in the Company's Annual Report for the year ended 30 June 2018 be adopted."

*Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company

Resolution 2: Election of Ms Helen Fisher

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

"That pursuant to section 13.1(d) of the Company's Constitution and for all other purposes, Ms Helen Fisher having been duly appointed to the Board on 28 March 2018, retires as an Independent Non-executive Director of the Company being eligible and having submitted herself for election, be appointed as an Independent Non-executive Director of the Company."

Resolution 3: Ratification of prior issue – Placement

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 27,039,349 fully paid ordinary shares pursuant to a placement as set out in the ASX Announcement lodged with ASX on 20 July 2018 and on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 4: Approval of issue of 600,000 options to Non-executive Chairman – Dr Geoffrey Cumming

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

"That for the purposes of Section 200B of the Corporations Act 2001 (Cth), ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 600,000 options to Non-executive Chairman – Dr Geoffrey Cumming, pursuant to the Company's Employee Share Option Plan, on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 5: Approval of issue of 400,000 options to Non-executive Director – Mr Carl Stubbings

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

"That for the purposes of Section 200B of the Corporations Act 2001 (Cth), ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 400,000 options pursuant to the Company's Employee Share Option Plan to Non-executive Director – Mr Carl Stubbings, on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 6: Approval of issue of 400,000 options to Non-executive Director – Dr David J. Earp

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

"That for the purposes of Section 200B of the Corporations Act 2001 (Cth), ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 400,000 options pursuant to the Company's Employee Share Option Plan to Non-executive Director – Dr David J. Earp, on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 7: Approval of issue of 400,000 options to Non-executive Director – Ms Helen Fisher

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

"That for the purposes of Section 200B of the Corporations Act 2001 (Cth), ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 400,000 options pursuant to the Company's Employee Share Option Plan to Non-executive Director – Ms Helen Fisher, on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 8: Approval of increased placement capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve an increase in the capacity of the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions stated in the Explanatory Memorandum which accompanies this Notice of Meeting."

By order of the Board

Tony Di Pietro
Company Secretary
12 October 2018

VOTING ENTITLEMENT NOTICE

For the purposes of the Meeting, the Company has determined that in accordance with regulation 7.11.37 of the Corporations Regulations, shares will be taken to be held by the persons registered as holders at 7.00 pm on Tuesday 13 November 2018. Accordingly, transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

PROXIES

All Shareholders are invited and encouraged to attend the AGM. If Shareholders are unable to attend in person they may appoint a representative (proxy) to vote in their place. The proxy may be an individual or a body corporate. A proxy need not be a Shareholder. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy form may specify the proportion or number of votes which the proxy may exercise. If it does not specify the proportion or number of votes the proxy may exercise, each proxy may exercise half of the votes. If there is more than one proxy appointed, on a show of hands only one of the proxies may vote, but on a poll, each proxy may exercise votes in respect of those shares the proxy represents.

Appointment of Proxies

A Proxy Form is attached to this Notice. To appoint a proxy you should complete Step 1 on the attached Proxy Form. If you wish to appoint a person other than the Chairman, you should complete the second panel in Step 1, and not “tick” the first panel. Proxy Forms must be lodged in accordance with the directions set out on the Proxy Form not later than 48 hours prior to the Meeting.

The Chairman intends to vote all undirected proxies in favour of the Resolutions put in the Notice of Meeting except on Resolution 4, where the Chairman intends to abstain from voting. As such, if the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 1,2,3,5,6,7 and 8, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intention, namely in favour of Resolutions 1,2,3,5,6,7 and 8 as set out in the Notice of Meeting.

If a member has not directed their proxy how to vote, the proxy may vote as the proxy determines. If a member (who is not an Excluded Voter) has appointed as their proxy an Excluded Voter, the member may only vote with respect to Resolutions that do not involve them or a related party. An “Excluded Voter” for these purposes means collectively one of the Key Management Personnel (KMP) (as set out on page 13 of the Company’s 2018 Annual Report and is defined in the Corporations Act to include the Chairman) or one of the KMP’s closely related parties (which includes a spouse, dependent and certain other close family members and companies controlled by the KMP).

Proxy Forms must be received by the Company’s share registrar, Link Market Services Ltd, by no later than 10.00 am Melbourne time on Tuesday, 13 November 2018. Proxy Forms may be lodged online at www.linkmarketservices.com.au (see the reverse side of the Proxy Form for further information), or by mail to Sienna Cancer Diagnostics Limited, C/- Link Market Services, Locked Bag A14, Sydney South, NSW 1235, or by fax, on +61 2 9287 0309.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company’s Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

SIENNA CANCER DIAGNOSTICS LIMITED

ACN 099 803 460

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of the Company's Shareholders in connection with the business to be conducted at the AGM of Shareholders to be held at 10.00 am on Thursday, 15 November 2018 (**Meeting**).

The Meeting will first deal with the usual regulatory requirements for an annual general meeting, namely the laying of the financial reports before the Meeting, the adoption of the Remuneration Report, and the election of directors (Resolution 1 and Resolution 2). Listing Rule 14.5 requires that a listed entity hold an election of directors at each AGM (e.g. via a re-election or election of directors). Ms Helen Fisher will be standing for election as a Director to ratify her appointment to the Board in March 2018 pursuant to Resolution 2, therefore no other Director is required to stand for re-election at this AGM.

Resolution 3 seeks Shareholder ratification in respect of an institutional placement undertaken since the Company's last AGM (subject to ASX Listing Rule 7.1).

Resolutions 4 to 7 are seeking Shareholder approval to allow the Company to issue options to directors under the Company's Employee Share Option Plan (**ESOP**).

Resolution 8 seeks Shareholder approval in order to give the Company some flexibility over the next 12 months to enable the issue of Shares (subject to the ASX Listing Rules) up to a further 10% of its total share capital under ASX Listing Rule 7.1A without seeking prior shareholder approval. This will enable the Company to more quickly seize upon any opportunities, or meet needs, should they arise.

1. Accounts and Reports

The Corporations Act requires the Company to provide before the AGM, the Financial Report, Directors' report (including the Remuneration Report) and the Auditor's Report for the financial year ended 30 June 2018.

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the meeting. The Company's auditor will be attending the AGM via teleconference to take questions from Shareholders. Copies of these reports can be found on the Company's website www.siennadiagnostics.com.au.

There is no requirement for Shareholders to approve the Financial Report, Directors' Report and Auditor's Report. Shareholders will be offered the following opportunities to:

- (a) discuss the Annual Report for the financial year ended 30 June 2018;
- (b) ask questions or make comments on the management of the Company; and
- (c) ask the auditor questions regarding the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the AGM, written questions to the Chairman regarding the management of the Company, or to the Company's auditor regarding:

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

may be submitted no later than 5 business days before the AGM to the Company Secretary at the Company's registered office.

2. Resolution 1: Adoption of Remuneration Report

2.1 Corporations Act

Under the Corporations Act, listed entities are required to put to a vote a resolution that the Remuneration Report section of the Directors' Report be adopted. This Remuneration Report can be found in the Company's 2018 Annual Report. It sets out a range of matters relating to the remuneration of Directors and KMP of the Company.

A vote on this resolution is advisory only and does not bind the Directors or the Company. The Corporations Act provides that:

- (a) directors and members of the KMP whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report, and
- (b) if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike".

The Company's current "strike" count is zero. If a "first strike" was to occur at the 2018 Annual General Meeting:

- (c) the Company's subsequent Remuneration Report (in other words, the Company's Remuneration Report to be included in the 2019 Annual Report) must include an explanation of the Board's proposed action in response to the "no vote" or an explanation of why no action has been taken; and
- (d) if the Company's subsequent Remuneration Report also receives a "no vote" of at least 25% of the votes cast at the 2019 AGM, then Shareholders will be asked (at that 2019 AGM) to vote on whether or not the Company is to hold another general Shareholder's meeting (within the following 90 days) to vote on a "spill resolution" under section 250V of the Corporations Act.

2.2 Board Recommendation

As set out in the Notice of Meeting, any Director or member of the KMP whose remuneration details are included in the Remuneration Report, together with any closely related party of those members, are excluded from casting a vote on Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

2.3 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast on this resolution:

- (a) *by or on behalf of a Director or member of the Company's KMP whose remuneration is disclosed in the Remuneration Report, and*
- (b) *by or on behalf of a closely related party of a Director or member of KMP.*

However, the Company will not disregard a vote if it is cast by the Director or member of the KMP, not cast on behalf of any Director or member of the KMP, and either:

- (c) *the proxy appointing the Director or member of the KMP specifies the way the proxy is to vote on the resolution; or*
- (d) *the Chairman is appointed proxy, the appointment does not specify the way the proxy is to vote on the resolution and the appointment expressly authorises the*

Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a director or member of KMP.

3. Resolution 2: Election of Ms Helen Fisher

3.1 Background

Clause 13.1(d) of the Company's Constitution provides that a Director appointed to the Board under clause 13.1(c) may only hold office until the next annual general meeting and, if eligible, may offer themselves for election at that meeting.

Helen is a passionate leader with a rare combination of financial expertise and deep knowledge and global networks in the Life Sciences industry. Helen is CEO and Managing Director of Bio Capital Impact Fund and a director of NovellusDx, a personalised cancer diagnostics company. Prior to establishing the Fund, Helen was a partner of Deloitte and led Deloitte's Life Sciences industry practice in Australia for 5 years, having had many years' experience in the Life Sciences and Health Care industry. She also specialised in the Financial Services Industry, servicing some of the largest banks and funds in the Funds Management industry and has been involved in setting up a number of large international funds, as well as advised on a number of significant M&A deals.

Helen provided strategic tax advice to publicly listed and large multinational companies and has extensive experience with capital raisings, licensing deals, demergers, implementing offshore structures, IP management and location, and supply chain management. Helen has Bachelor degrees in Law (with Honours) and Science from the University of Melbourne, a Masters degree in Laws (specialising in International Taxation) from the University of Melbourne and a Masters degree in Commerce from the University of NSW. Helen is a Chartered Tax Adviser and an affiliate member of Chartered Accountants Australia and New Zealand. Helen is the Chair of the Victorian branch of AusBiotech.

Ms Fisher was appointed an independent Non-executive Director of the Company on 28 March 2018. Ms Fisher, being eligible, offers herself for election.

3.2 Board Recommendation

The Directors (other than Ms Fisher) recommend that Shareholders vote in favour of this Resolution 2.

4. Resolution 3: Ratification of prior issue – Placement

On 27 July 2018 the Company announced that it had undertaken a placement of 27,039,349 fully paid ordinary shares to sophisticated and institutional investors at \$0.06 per share which raised approximately \$1.6 million before expenses (**Placement**).

4.1 Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue further equity in the future up to a maximum number equating to 15% of the issued capital at the time of the capital raise (the 15% annual placement capacity restriction set out in ASX Listing Rule 7.1), without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification:

- (a) **The number of securities issued:**
27,039,349 shares were issued under the Placement.
- (b) **The price at which the securities were issued:**
Placement shares were issued for cash consideration of \$0.06 per share, as announced on 20 July 2018.
- (c) **The terms of the securities:**
The Placement shares were fully paid ordinary shares having the same terms, and ranking equally with, all the Company's existing listed ordinary shares.
- (d) **The names of the persons to whom the securities were issued:**
The Placement shares were issued to professional and sophisticated investors introduced to the Company by Merchant Corporate Advisory Pty Ltd, none of whom are related parties.
- (e) **The use (or intended use) of funds:**
The funds were raised to accelerate the Company's portfolio expansion strategy via acquisition of complementary technologies to expand the Company's commercialisation pipeline and to provide additional working capital.

4.3 Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

4.4 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of persons who participated in the Placement or an associate of those persons.

However, the Company need not disregard a vote on Resolution 3 if:

- (a) *it is cast by a person, or associate of a person, who participated in the Placement who is nominated as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

5. Resolutions 4, 5, 6 and 7: Approval of the issue of options to Dr. Geoffrey Cumming, Mr Carl Stubbings, Dr David J. Earp and Ms Helen Fisher

5.1 Background

Resolutions 4, 5, 6 and 7 seek approval to enable the Company to issue options under the Company's ESOP to Dr Geoffrey Cumming, Mr Carl Stubbings, Dr David J. Earp and Ms Helen Fisher, being Directors of the Company.

The Company established an ESOP to foster an ownership culture within the Company and to motivate Directors and staff to achieve strategic objectives.

The options proposed to be issued to Dr Geoffrey Cumming, Mr Carl Stubbings and Dr David J. Earp under the ESOP will replace options that recently expired.

The options are to be issued as part of the remuneration package of Directors. If these options are approved by Shareholders, they will be issued on the date of the AGM. The exercise price of the options will be calculated at a 25% premium to the 30 day Volume Weighted Average Price (**VWAP**) of Sienna's share price at the date of the AGM. The options will vest 12 months from the issue date and expire 5 years from the issue date. There are no other vesting conditions. The options will immediately vest in the event of a Change of Control.

Shares allotted and issued on exercise of options granted under the ESOP will rank equally in all respects with other Shares from the date of allotment and issue, subject to satisfaction of any applicable disposal restrictions.

The issue of the options will be subject to the ASX Listing Rules.

For the purposes of ASX Listing Rule 10.14, the Company seeks Shareholder approval for the proposed issue of the following options under the Company's ESOP:

Name of Director	Number of related party options to be issued under the ESOP	Total holdings (after issue of related party options)
Dr Geoffrey Cumming	600,000	600,000
Mr Carl Stubbings	400,000	400,000
Dr David J. Earp	400,000	400,000
Ms Helen Fisher	400,000	400,000

The Board has considered the provisions of Chapter 2E of the Corporations Act with respect to the proposed issue of options to Directors and is of the view that the options are to be issued on 'arms length commercial terms' (or less favourable than 'arms length commercial terms') as the options strike price is being calculated at 25% premium to the 30 day VWAP of the Company's share price at the date of the AGM and do not vest immediately. Additionally, the Board is of the view that the Shares would meet the "reasonable remuneration" criteria of Section 211 of the Corporations Act. Upon both these bases the Board would therefore be exempt from the need to seek Shareholder approval pursuant to Chapter 2E.

5.2 Section 200B of the Corporations Act

Section 200B of the Corporations Act requires Shareholder approval by ordinary resolution, and in accordance with the special provisions of section 200E of the Corporations Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

The ESOP and option terms provide the Board with a broad discretion to vary the terms of the options to the extent that it is not prohibited by the ASX Listing Rules. This could include affording persons ceasing employment with the Company certain benefits under the ESOP and the Board exercising its discretion to bring forward the option exercise period and permit an early exercise of the Director's options granted under the ESOP (**Accelerated Exercise Period**).

For a section 200B benefit to be allowed, section 200E requires that this Notice of Meeting provide Shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value.

The Board has not determined that it will exercise discretion to grant any Accelerated Exercise Periods. In the circumstances of a possible Accelerated Exercise Period, the value of the termination benefits that the Board may give under the ESOP cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Accelerated Exercise Period will depend on a number of factors, including the Company's share price at the time of vesting of the options and the number of options that the Board decides to allow vest early (if any). Shareholders should note the benefit is restricted to an acceleration of the vesting of an option, it does not change the exercise price or the number of shares which are subject to the options.

5.3 Application of ASX Listing Rules

ASX Listing Rule 10.14 effectively provides that an entity must not permit a director of the entity (or their associate) to acquire securities under an employee incentive scheme (such as the ESOP) without the prior approval of holders of ordinary securities.

In the event that Shareholder approval to Resolutions 4 to 7 is obtained under ASX Listing Rule 10.14, further Shareholder approval to Resolution 4 to 7 is not required under ASX Listing Rule 7.1 (see Listing Rule 7.2, Exception 14).

5.4 ASX Listing Rule 10.15 Requirements

ASX Listing Rule 10.15 requires a notice of meeting seeking approval under Listing Rule 10.14 to disclose the following information:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required:

As per the table in paragraph 5.1 of this Explanatory Memorandum, the maximum number of options to be issued to the relevant Directors is 1,800,000 options, which may, on vesting be exercised for up to 1,800,000 Shares.

(b) The price at which the options are to be issued:

The options will be granted at no cost to the Directors (i.e. no cash is provided by the Director).

If and as the vesting conditions (noted above) are met, the options will be exercisable at a 25% premium to the 30 day VWAP of SDX's share price at the date of the AGM.

No value will be received by the Directors if the options lapse prior to exercise.

(c) The names of all persons referred to in Listing Rule 10.14 (being a Director or an associate of a Director) who received securities under the ESOP since the last approval, the number of the securities received and acquisition price for each security:

Since the Company's listing on the ASX in August 2017, no securities have been issued pursuant to Listing Rule 10.14.

As noted in the Company's initial public offering prospectus dated 25 May 2017, the following persons had been issued options since the ESOP was approved (but before ASX listing) and these options expired 27 September 2018:

Name of Director	Number of related party options issued under the ESOP since it was last approved	Issue Price
Dr Geoffrey Cumming	600,000	\$0.00
Mr Carl Stubbings	400,000	\$0.00
Dr David J. Earp	400,000	\$0.00

(d) The names of all Directors entitled to participate in the ESOP for which approval of Shareholders is sought under Listing Rule 10.14:

The only Directors entitled to participate in the company's ESOP for which Shareholder approval is sought for the issue of options under Listing Rule 10.14 are Dr Geoffrey Cumming, Mr Carl Stubbings, Dr David J. Earp, and Ms Helen Fisher.

(e) The terms of any loan in relation to the acquisition:

There is no intention for the Company to provide any loan to the Directors in relation to the issue or exercise of the options.

(f) The date of issue:

The Company proposes to issue the options pursuant to Resolutions 4 to 7 as soon as reasonably practicable after Resolutions 4 to 7 are approved by Shareholders, but in any case by no later than 12 months after the date of this Meeting.

5.5 Board recommendation

The Board abstains from making a recommendation in relation to Resolutions 4, 5, 6 and 7.

The Chairman intends to exercise all undirected proxies in favour of Resolutions 5, 6 and 7. However, the Chairman will not exercise all undirected proxies in favour of Resolution 4 as the Chairman has an interest in the outcome of Resolution 4.

5.6 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast in favour of Resolutions 4, 5, 6 and 7 by or on behalf of:

- (a) a Director entitled to participate in the ESOP in respect of which the approval is sought; or*
- (b) any associate of that Director.*

However, the Company need not disregard a vote on Resolutions 4, 5, 6 and 7 if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

6. Resolution 8: Approval of increased placement capacity

6.1 Placement capacity

ASX Listing Rule 7.1A enables eligible entities, after obtaining shareholder approval at an annual general meeting, to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. This Resolution seeks approval to allow the Board the flexibility to issue additional Shares if it so decides. The Board may decide not to issue any Shares pursuant to this Resolution.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

6.2 Description of Listing Rule 7.1A

Any equity securities issued under the 10% Placement Facility (**Placement Securities**) must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has on issue one class of equity securities, being ordinary shares (**Shares**).

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Placement Securities calculated in accordance with the following formula:

$$\text{Additional Capacity} = (A \times D) - E$$

where:

A is the number of shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;
- (iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

The issue price of Placement Securities issued under Listing Rule 7.1A (as outlined in Listing Rule 7.1A.3) must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (ii) if the Placement Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Placement Securities are issued.

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX

(being the "**10% Placement Period**").

The effect of Resolution 8 will be to allow the Directors to issue the Placement Securities under Listing Rule 7.1A during the 10% Placement Period without using any of the Company's 15% placement capacity under Listing Rule 7.1.

6.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) Minimum issue price

If any Placement Securities are issued, the minimum price the Placement Securities will be issued at is the price determined in accordance with the ASX Listing Rule 7.1A.3 (as described above) which must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (ii) if the Placement Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Placement Securities are issued.

The actual number of Placement Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (described above).

(b) Effect on existing (non-participating) Shareholders

If Resolution 8 is approved by Shareholders and the Company issues Placement Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the Placement Securities than on the date of the AGM; and
- (ii) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date, or the Placement Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Placement Securities.

The table below is included for illustrative purposes and shows the potential dilution of existing Shareholders on the basis of the current market price of the Shares as at 18 September 2018 and the current number of Shares for variable "A" (above) calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue as at the date of this Notice of Meeting. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- (ii) Two examples where the issue price of the Shares has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Placement Securities available under the 10% Placement Facility.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (iv) The table shows only the effect of issues of Placement Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issue of Placement Securities under the 10% Placement Facility consists only of Shares

The issue price is \$0.084, being the closing price of the Shares on ASX on 18 September 2018.

Variable 'A' in Listing Rule 7.1A.2		\$0.042 50% decrease in Issue Price	\$0.084 Issue Price	\$0.126 50% increase in Issue Price
Current Variable A 267,389,407 Shares	10% Voting Dilution	26,738,941 Shares	26,738,941 Shares	26,738,941 Shares
	Funds raised	\$1,123,035	\$2,246,071	\$3,369,106
50% increase in current Variable A 401,084,110 Shares	10% Voting Dilution	40,108,411 Shares	40,108,411 Shares	40,108,411 Shares
	Funds raised	\$1,684,553	\$3,369,106	\$5,053,659
100% increase in current Variable A 534,778,814 Shares	10% Voting Dilution	53,477,881 Shares	53,477,881 Shares	53,477,881 Shares
	Funds raised	\$2,246,071	\$4,492,142	\$6,738,213

(c) Date by which Placement Securities may be issued

The Company will only issue and allot the Placement Securities during the 10% Placement Period, that is, at any time up to 15 November 2019. An approval given under Resolution 8 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) Purposes for which Placement Securities may be issued

The Company may seek to issue the Placement Securities as non-cash consideration or cash consideration for the acquisition of new assets and or other investments, or as cash for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rule 7.1A (4) and 3.10.5A upon issue of any Placement Securities.

(e) Company's Share allocation policy

The Company's Share allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, issues in which existing security holders can participate;
- (ii) the effect of the issue of the Placement Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders

and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) Issues during the previous 12 months

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A, and therefore is not required to disclose any details under Listing Rule 7.3A.6.

6.4 Recommendation

The Directors of the Company believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 8.

6.5 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of any person (or their associates) who is expected to participate, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of the Company's ordinary securities).

However, the Company need not disregard a vote on Resolution 8 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

At the date of this Notice of Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of securities pursuant to Listing Rule 7.1A and it is not known to the Company who will participate in any issue under Listing Rule 7.1A. Accordingly as at the date of this Notice of Meeting the Company does not have an intention to exclude any existing Shareholder's votes under the voting exclusion with respect to Resolution 8.

7. Further information

The Directors are not aware of any other information which is relevant to the consideration by Shareholders of the resolutions set out in this Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the resolutions before making any decision in relation to the resolutions.

Annexure A – Glossary

Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

Annual General Meeting / AGM means the annual general meeting of the Company to be held at 10.00 am on 15 November 2018 pursuant to the Notice of Meeting.

Annual Report means the Directors' Report (including Remuneration Report), the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2018.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by the ASX.

ASX Listing Rules or Listing Rules means the Listing Rules of the ASX as amended from time to time.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Change of Control means, in relation to a body corporate, the occurrence of an event or circumstance where a person who is not presently able to do any of the following things becomes able to do one of the following things (whether alone or together with any associates and whether directly or indirectly or through one or more intervening persons, companies or trusts):

- (a) control the composition of more than one half of the Company's board of directors;
- (b) be in a position to cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the Shareholders of the Company (or its ultimate holding company, as applicable); or
- (c) hold or have a beneficial interest in more than one half of the issued share capital of the Company (or its ultimate holding company, as applicable).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act or Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual Directors' Report prepared under chapter 2M of the Corporations Act for the Company and its controlled entity.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entity.

Key Management Personnel or KMP means the key personnel as disclosed in the Remuneration Report, being Sienna's CEO, Mr Matthew Hoskin.

Meeting means the annual general meeting subject to this Notice.

Notice of Meeting or Notice means this notice of Annual General Meeting.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2018 as set out in the Company's Annual Report for the year ended 30 June 2018.

Resolution means the resolutions referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.


Sienna or the Company means **Sienna Cancer Diagnostics Limited** ACN 099 803 460.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Sienna Cancer Diagnostics Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a shareholder(s) of Sienna Cancer Diagnostics Limited (the Company) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Melbourne time) on Thursday, 15 November 2018 at K&L Gates offices Level 25, 525 Collins Street, Melbourne, Victoria (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**), which includes directors.


The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Ms Helen Fisher as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of 600,000 options to Non-executive Chairman – Dr Geoffrey Cumming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of issue of 400,000 options to Non-executive Director – Mr Carl Stubbings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of 400,000 options to Non-executive Director – Dr David J. Earp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of issue of 400,000 options to Non-executive Director – Ms Helen Fisher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of increased placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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 – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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 telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) 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, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney 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.

CORPORATE REPRESENTATIVES

If a representative of a corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Melbourne time) on Tuesday, 13 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Sienna Cancer Diagnostics Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**