

Viralytics Limited Notice of Annual General Meeting 2015



Commencing 11.00am on
Wednesday, 18 November 2015
at the offices of McCullough Robertson
Level 32, MLC Centre, 19-29 Martin Place
Sydney, New South Wales

Notice is given that the Annual General Meeting (*AGM*) of shareholders of Viralytics Limited ABN 12 010 657 351 (the *Company*) will be held at the Offices of McCullough Robertson, Level 32, MLC Centre, 19-29 Martin Place, Sydney, New South Wales on Wednesday, 18 November 2015 commencing at 11.00am.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2015.

Unless the Company's Share Registry has been notified otherwise, shareholders will not be sent a hard copy of the Annual Report. All shareholders can view the Annual Report, which contains the Financial Report for the year ended 30 June 2015 on the website of the Company (www.viralytics.com), under "Investor Centre / Financial Reports".

B. QUESTIONS AND COMMENTS

Following consideration of the reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Company's Auditor, Grant Thornton, questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the 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.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

C. ITEMS FOR APPROVAL

1. Re-election of Dr Leonard Post

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

"That Leonard Post, having retired in accordance with clause 19.3(b) of the Company's Constitution, and having offered himself for re-election and being eligible, is hereby elected as a Director of the Company."

2. Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory resolution of the Company:

"That, the Company's Remuneration Report for the financial year ended 30 June 2015 (set out in the Directors' Report) be adopted."

3. Approval for the issue of Options to Dr Malcolm McColl

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

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the issue of 5,000,000 Options in the capital of the Company to Dr Malcolm McColl (or his nominee), the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

4. Approval for the issue of Options to Mr Paul Hopper

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

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the issue of 300,000 Options in the capital of the Company to Mr Paul Hopper (or his nominee), the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

5. Approval for the issue of Options to Dr Leonard Post

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

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the issue of 200,000 Options in the capital of the Company to Dr Leonard Post (or his nominee), the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

6. Approval for the issue of Options to Mr Peter Turvey

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

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the issue of 200,000 Options in the capital of the Company to Mr Peter Turvey (or his nominee), the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

7. Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of 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 ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

8. Proportional Takeover Approval Provisions

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

"That, the proportional takeover approval provisions contained in clause 15 of the Constitution of the Company at the date of this Notice of Meeting be included as clause 15 in the Constitution of the Company for a further period of three years from the date of the Meeting convened by this Notice of Meeting."

VOTING RESTRICTIONS AND EXCLUSION STATEMENTS

Resolution 2

A vote on Resolution 2 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a member of the key management personnel (**KMP**) whose remuneration details are included in the 2015 Remuneration Report; or
- a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

- the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or

- the vote is cast by the chair of the meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the *Corporations Act 2001*.

Resolutions 3, 4, 5 and 6

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 3, 4, 5 and 6 by any director of the Company who is eligible to participate in the Viralytics Equity Incentive Plan, their nominees (if applicable) and their associates.

In accordance with the section 250BD of the *Corporations Act 2001*, the Company will disregard any votes cast on Resolution 3, 4, 5 and 6 by a member of the KMP or a closely related party of a member of the KMP as a proxy for a person who is entitled to vote.

However, a person described above may cast a vote on Resolutions 3, 4, 5 and 6 as a proxy if the vote is not cast on behalf of a person described above and either:

- the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- the vote is cast by the chair of the meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 7

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. At this point in time, there are no potential allottees to whom shares may be issued under this resolution.

However, the Company need not 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 person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Proxy Voting by Chairman

The Chairman of the Meeting will vote undirected proxies in favour of all items. The voting exclusions on KMP in Resolutions 2, 3, 4, 5, and 6 do not apply to the Chairman of the Meeting acting as proxy, if their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a KMP of Viralytics Limited.

By order of the Board



Sarah Prince
Company Secretary
 19 October 2015

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on 16 November 2015 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting By Proxy

If you are a shareholder entitled to attend and vote at the AGM, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001* (***the Act***) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company. A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the share registry of the Company no later than 11.00am (Sydney time) on 16 November 2015. Proxies must be received before that time by one of the following methods:

Online:	www.investorcentre.linkmarketservices.com.au Login to the Link website using the details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online voting facility, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).
By post:	Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
By facsimile:	In Australia (02) 9287 0309 From outside Australia +61 2 9287 0309
By delivery:	Link Market Services Limited Level 12, 680 George Street Sydney South NSW 2000

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11.00am (Sydney time) on 16 November 2015 being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist Viralytics shareholders (*Shareholders*) to understand the business to be put to Shareholders at the Company's 2015 Annual General Meeting.

Resolutions 1, 3, 4, 5 and 6 are ordinary resolutions, which require a simple majority of votes cast by shareholders present and entitled to vote on the resolution. Resolution 2 relating to the Remuneration Report is advisory and does not bind the Directors or the Company. Resolutions 7 and 8 are special resolutions, which require that at least 75% of the votes cast by shareholders present and entitled to vote be cast in favour of the resolution.

RESOLUTION 1: RE-ELECTION OF DR LEONARD POST

Dr Leonard Post was appointed as a Director of the Company on 21 November 2011 and was most recently re-elected at the 2012 Annual General Meeting of the Company. In accordance with clause 19.3 of the Company's Constitution, Dr Post retires and, being eligible, offers himself for re-election as a Director. Dr Post is a non-executive Director and member of both the Audit & Risk Committee and Remuneration & Nomination Committee.

Dr Post has extensive experience in oncolytic viruses and virotherapy having been a past director of and consultant to Biovex Ltd, acquired by Amgen Inc. in 2011. He was also Senior Vice President of R&D at Onyx Pharmaceuticals which was one of the first companies involved in the development of targeted oncolytic viruses.

Dr Post has a strong commercial background. In 2007 he founded US-based LEAD Therapeutics Inc. It was subsequently acquired by BioMarin Pharmaceuticals Inc. in 2010. He is currently Chief Scientific Officer of BioMarin Pharmaceuticals and a director of three North American biotechnology companies. He has also been a member of a number of Scientific Advisory Boards.

Dr Post is also advisor to a leading Australian based venture capital firm.

Directors' Recommendation

The Directors, with Dr Post abstaining, recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2: REMUNERATION REPORT

Section 250R(2) of the Act requires the Shareholders to vote on an advisory resolution that the Remuneration Report (*the Report*) be adopted.

If there is a vote of 25% or more against the Remuneration Report at the 2015 AGM, and another vote of 25% or more at the 2016 AGM, then a resolution will be put at the 2016 AGM to put the Board (other than the Managing Director) up for re-election (*Spill Resolution*). If the Spill Resolution passes, then the Company must hold a Spill Meeting within 90 days at which all Directors (other than the Managing Director) who were Directors at the time the Remuneration Report that received the second strike will retire and may resubmit themselves for re-election.

The Report details the remuneration policy for the Company and reports the remuneration arrangements for Key Management Personnel (identified for the purposes of the Accounting Standards) and other Viralytics employees. The Report is available from page 21 in the Company's Annual Report which can be viewed in the "Investor Centre / Financial Reports" section of the Company's website (www.viralytics.com).

The Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the Report.

Directors' Recommendation

As a matter of governance, the Directors have elected not to make a recommendation in relation to Resolution 2.

RESOLUTIONS 3, 4, 5 & 6: ISSUE OF OPTIONS TO DIRECTORS

Background

Resolutions 3, 4, 5 and 6 seek Shareholder approval for the issue of options to the Company's Directors (or their nominees) on the terms set out under the individual resolutions (*Options*). The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 5,700,000 Options to Dr Malcolm McColl, Mr Paul Hopper, Dr Leonard Post and Mr Peter Turvey. Dr McColl, Mr Hopper, Dr Post and Mr Turvey are Directors of the Company and therefore related parties under the Act.

The ASX Listing Rules (*Listing Rules*) and the Act set out a number of regulatory requirements which must be satisfied. These are summarised below:

ASX Listing Rule 10.14

Listing Rule 10.14 requires the approval of ordinary Shareholders to issue securities under an employee incentive scheme to a director of the Company. Accordingly, approval for the issue of the Options to each of the Directors is required.

Pursuant to Listing Rule 7.2, exception 9, approval under Listing Rule 7.1 is not required for an issue under an employee incentive scheme as the Viralytics Equity Incentive Plan (*Plan*) was approved by Shareholders at the 2013 AGM.

If approval is given for the issue of securities under Listing Rule 10.14, approval is not required under Listing Rule 7.1 and the issue of securities to each of the Directors will not be included in the 15% calculation for the purposes of Listing Rule 7.1. The issue of shares on the exercise of the Options will similarly be excluded from Listing Rule 7.1 if the approval sought under Resolutions 3, 4, 5 and 6 is obtained.

Section 208 of the Act

Section 208(1) of the Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a related party unless an exception to the prohibition as set out in sections 210 to 216 of the Act applies to that issue. As Directors of the Company, Dr McColl, Mr Hopper, Dr Post and Mr Turvey are related parties of the Company for the purposes of section 228(2) of the Act. The issue of the Options will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Act.

The Board, with the relevant Director abstaining, has resolved that the grant of the Options to each Director constitutes reasonable remuneration within the meaning of section 211(1) of the Act as:

- the Company wishes to maximise the use of its cash resources towards the Company's development and equity based incentives, such as options, are used to supplement cash based remuneration; and
- the granting of the Options package proposed is commensurate with market practice.

Further, in relation to Dr McColl, the non-executive Directors resolved that the issue of the Options is designed to reward Dr McColl for performance beyond the requirements of his ordinary role and in the interests of retaining him as suitably qualified and experienced Managing Director.

Accordingly, Shareholder approval is not required under section 208(1) of the Act, however approval is still required for the purposes of Listing Rule 10.14.

Considerations in determining the number of proposed Options

The Directors (with the relevant Director abstaining due to a material personal interest) considered each Director's experience, the current market price of the Shares and current market practice when determining the number and exercise price of the Options to be issued to each Director.

The Board considers that options are a very important tool in rewarding, retaining and incentivising employees of the Company and increasing goal alignment between shareholders, directors and executives.

Those Directors, who do not have an interest in the outcome of the relevant resolution, recommend that Shareholders vote in favour of each resolution regarding the Options for the reasons set out below.

1. The Directors consider that it is important for the Company to be able to attract and retain experienced directors and that the proposed grant of Options to each Director is appropriate taking into account the relevant Director's level of experience and contribution to the Company.
2. The Company has previously issued options to its Managing Director and non-executive Directors and Resolutions 3, 4, 5 and 6 ensures consistency of treatment.
3. The Directors consider that the proposed number of Options to be granted to each Director is appropriate to:
 - motivate the relevant Directors to pursue long term growth and success of the Company (within an appropriate control framework);
 - align the interests of key leadership with the long-term interests of the Company's Shareholders; and
 - ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy.
4. Of the non-executive Directors' fee pool of \$500,000, \$252,941 (inclusive of superannuation) was used in the financial year ending 30 June 2015. If the Company is unable to issue Options then it may need to consider whether, in order to attract and retain appropriate directors, it needs to increase the level of cash fees payable. By issuing Options the Company will be able to spend a greater portion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors.
5. The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd ed.) (*Principles*) note that it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other security holders. Likewise the Principles note that equity-based remuneration can be an effective form of remuneration for executives.

Performance Hurdles for Dr Malcolm McColl

As announced to the ASX on 15 September 2015 it is proposed to offer Dr McColl two equal tranches of 2,500,000 options. Dr McColl's options will only vest on achievement of specific performance hurdles set for each tranche of options. The performance hurdles, as set and recommended by the Remuneration and Nomination Committee of the Board, are designed to enhance share value creation.

Vesting for Tranche 1 and Tranche 2 is subject to the achievement of one of the performance hurdles outlined below for each tranche. For both Tranche 1 and 2, all options in the relevant Tranche will vest if one of the performance hurdles for that Tranche is met within the defined vesting period. Options will vest and be exercisable on the date that the hurdle is achieved. If a hurdle is not met within the specified vesting period all of the Options in that Tranche lapse.

Tranche 1 performance hurdles

Tranche 1 will vest on the achievement of any one of three performance hurdles on or before 30 November 2016. Each hurdle has been designed by the Remuneration & Nomination Committee of the Board to enhance share value creation. The performance hurdles relate to:

- an agreed share price hurdle;
- corporate development of the Company; and
- clinical development targets.

Tranche 2 performance hurdles

Tranche 2 will vest on the achievement of any one of three performance hurdles on or before 30 November 2017. Each hurdle has been designed by the Remuneration & Nomination Committee of the Board to enhance share value creation. The performance hurdles relate to:

- an agreed share price hurdle;
- corporate development of the Company; and
- clinical development targets.

Director Interests

As at the date of this Notice, the Director's interests in the securities of the Company are as set out below:

Related Party	Shares	Unlisted Options
Dr Malcolm McColl	Nil	<p>1,200,000 unlisted options expiring 21 January 2018 with an exercise price of \$0.326:</p> <ul style="list-style-type: none"> • 800,000 options have vested; and • 400,000 options scheduled to vest on 21 January 2016. <p>400,000 unlisted options expiring on 28 November 2019 with an exercise price of \$0.332:</p> <ul style="list-style-type: none"> • 133,333 options have vested; and • 133,333 options scheduled to vest on 8 September 2016; and • 133,334 options scheduled to vest on 8 September 2017.
Mr Paul Hopper	<ul style="list-style-type: none"> • 28,106 shares – held by Kilinwata Investments Pty Ltd A.C.N. 009 641 212 (Paul Hopper is a shareholder of Kilinwata Investments Pty Ltd) • 36,000 shares - held by Ms Deborah Coleman (Mr Hopper's spouse). 	<p>600,000 unlisted options with an exercise price of \$0.70 held by Kilinwata Investments Pty Ltd A.C.N. 009 641 212 (Paul Hopper is a shareholder of Kilinwata Investments Pty Ltd). All options have vested and expire 12 August 2016.</p> <p>200,000 unlisted options expiring on 28 November 2019 with an exercise price of \$0.332:</p> <ul style="list-style-type: none"> • 66,667 options have vested; and • 66,667 options scheduled to vest on 8 September 2016; and • 66,666 options scheduled to vest on 8 September 2017.
Dr Leonard Post	Nil	<p>200,000 unlisted options expiring 23 November 2017 with an exercise price of \$0.352:</p> <ul style="list-style-type: none"> • 133,333 options have vested; and • 66,667 options scheduled to vest on 23 November 2014. <p>200,000 unlisted options expiring on 28 November 2019 with an exercise price of \$0.332:</p> <ul style="list-style-type: none"> • 66,667 options have vested; and • 66,667 options scheduled to vest on 8 September 2016; and • 66,666 options scheduled to vest on 8 September 2017.

Related Party	Shares	Unlisted Options
Mr Peter Turvey	77,247 shares held by Peter and Pascale Turvey ATF Katto Superannuation Fund (of which Mr Turvey is a beneficiary)	400,000 unlisted options expiring on 28 November 2019 with an exercise price of \$0.332: <ul style="list-style-type: none"> 133,333 options have vested; and 133,333 options scheduled to vest on 8 September 2016; and 133,334 options scheduled to vest on 8 September 2017.

Valuation of the Options

A summary of the potential value of the non-executive Directors' Options is tabled below:

<i>Option Holder</i>		<i>Tranche 1 – vesting on 1st anniversary of issue</i>	<i>Tranche 2 – vesting on 2nd anniversary of issue</i>	<i>Tranche 3 – vesting on 3rd anniversary of issue</i>	<i>Total</i>
Mr Paul Hopper	Number	100,000	100,000	100,000	300,000
	Value	\$27,872	\$27,872	\$27,872	\$83,615
Dr Leonard Post	Number	66,667	66,667	66,666	200,000
	Value	\$18,581	\$18,581	\$18,581	\$55,743
Mr Peter Turvey	Number	66,667	66,667	66,666	200,000
	Value	\$18,581	\$18,581	\$18,581	\$55,743
Total	Number	233,334	233,334	233,332	5,700,000
	Value	\$65,034	\$65,034	\$65,034	\$195,102

A summary of the potential value of the Dr McColl's Options is tabled below:

<i>Option Holder</i>		<i>Tranche 1 – vesting on or before 30 November 2016 if performance hurdle met</i>	<i>Tranche 2 – vesting on or before 30 November 2017 if performance hurdle met</i>		<i>Total</i>
Dr Malcolm McColl	Number	2,500,000	2,500,000	-	5,000,000
	Value	\$696,790	\$696,790	-	\$1,393,580
		Tranche 1	Tranche	Tranche 3	
Total (including non-executive Directors)	Number	2,733,334	2,733,334	233,332	700,000
	Value	\$761,824	\$761,824	\$65,034	\$1,588.681

It is important to note that the valuation of the proposed options set out does not include any discount to factor in the risk that the Managing Director's Options will not vest in the event none of the hurdles is met during the relevant period.

Typically a discount would be determined based on the likelihood of the performance hurdles being met (and the options vesting). No discount was used in this instance due to the complexity of the inter-relationship of probabilities of market based and non-market based performance hurdles, and significant reliance on Board estimates of likelihood of non-market based hurdles being achieved.

For these reasons the Board believes the valuation as stated is significantly higher than the commercial value of the options being proposed for Dr McColl.

As set out above, the total value of Options proposed to be issued to Dr McColl is \$1,393,580, to Mr Hopper is \$83,615, to Dr Post is \$55,743 and to Mr Turvey is \$55,743. These are theoretical valuations derived using the Black-Scholes Model and have been valued by external consultants (who, it is considered, have sufficient qualifications, expertise and experience to conduct such a valuation). A valuation of the Options and the pricing methodology for that valuation is set out in Schedule 1. The value of these Options will be expensed in the Company's financial statements over the relevant vesting periods.

Director Remuneration

The remuneration and emoluments paid by the Company to the Directors for the previous financial year (ended 30 June 2015) and the proposed remuneration and emoluments for the current financial year (including the value of Options proposed to be granted) are as follows:

Director	Current Financial Year			Previous Financial Year		
	<i>Short term payments, travel allowance and post-employment benefits</i>	<i>Share based payments (Options)</i>	<i>Total</i>	<i>Short term payments, travel allowance and post-employment benefits</i>	<i>Share based payments (Options)</i>	<i>Total</i>
Dr McColl¹	\$390,000	\$661,250	\$1,051,250	\$505,747	\$70,997	\$576,744
Mr Hopper	\$82,125	\$40,085	\$122,210	\$92,125	\$11,212	\$103,337
Dr Post	\$60,225	\$29,603	\$89,828	\$59,950	\$11,983	\$71,933
Mr Turvey²	\$65,700	\$38,242	\$103,942	\$53,472	\$19,357	\$72,829

If the Options are exercised, a total of 5,700,000 Shares would be allotted and issued. The Company presently has on issue 184,473,081 Shares, 10,245,000 options exercisable into Shares over various exercise periods and at various exercise prices and 110,000 performance rights with a vesting date of 15 September 2016. The dilution effect of exercise of the 5,700,000 Options as proposed above is 3.09% of Shares on issue (assuming no other options are issued) and 2.93% on a fully diluted basis (that is, assuming that all other options on issue are exercised and all performance rights are converted).

The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time, any of the Options are exercised and the Company's Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company. The trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.93	Various dates, most recently 10 June 2015
Lowest	\$0.275	Various dates, most recently 22 October 2014
Last	\$0.605	2 October 2015

¹ Dr McColl was appointed as Chief Executive Officer on 21 January 2013 and Managing Director on 8 September 2014. Dr McColl's remuneration did not change when appointed as Managing Director. For information purposes his full year remuneration is shown for both years, including the period before his appointment as Director. His 2014/15 remuneration includes a bonus of \$99,000. Remuneration for 2015/16 as shown does not reflect any bonus or increase in salary.

² Mr Turvey was appointed as a director of the Company on 8 September 2014. His 2014/15 remuneration is from that date until 30 June 2015.

Information provided for the purpose of the ASX Listing Rules 10.14 and 10.15

The following information is provided to Shareholders in relation to Resolutions 3, 4, 5 and 6:

- 5,000,000 Options are to be issued to Dr Malcolm McColl (or his nominee), 300,000 Options are to be issued to Mr Paul Hopper (or his nominee), 200,000 Options are to be issued to Dr Leonard Post (or his nominee) and 200,000 Options are to be issued to Mr Peter Turvey (or his nominee). Each Option may be converted on a one-for-one basis to a Share in the Company.
- Dr McColl is the Managing Director and Chief Executive Officer of the Company. Mr Hopper is the Chairman of the Board. Dr Post and Mr Turvey are non-executive Directors of the Company.
- All Directors are entitled to participate in the Plan. At the date of the Notice, the Directors of the Company are Dr McColl, Mr Hopper, Dr Post and Mr Turvey.
- The Options will be issued by the Company no later than one (1) month after the date of this AGM.
- No amount will be payable on the grant of an Option.
- The Exercise Price of Dr McColl's options is \$0.5885 which is the 5 day volume weighted average market price calculated to the date immediately preceding announcement of the proposed issue (15 September 2015). The Exercise Price for Mr Hopper, Dr Post and Mr Turvey's options will be the 5 day volume weighted average market price calculated to the date immediately preceding the AGM.
- Since the last approval of the Plan by Shareholders at the 2013 AGM, the Directors have received the following grant of options under the Plan which were approved by shareholders at the 2014 AGM Dr McColl – 400,000 options, Mr Hopper – 200,000 options, Dr Post – 200,000 options and Mr Turvey – 400,000 options.
- All funds raised on payment of the exercise price of the Options will be used as working capital.
- There is no loan attaching to the offers of Options.
- A voting exclusion statement is set out under each resolution.
- If approval is given for the issue of securities under Listing Rule 10.14, approval is not required under Listing Rule 7.1

Additional terms of the Options

- If exercised, each Option will entitle the relevant Director (or his nominees) to each acquire 1 ordinary share in the capital of the Company.
- No amount will be payable on the grant of an Option.
- The Options will be exercisable in multiples of 10,000.
- All Options not exercised by 5.00pm on the 5 year anniversary of the issue date (**Expiry Date**) will lapse.
- The vesting date of the Non-Executive Director's Options (when the Options will be exercisable) will be as follows:
 - one-third of the Options will vest on the first anniversary of issue;
 - one-third of the Options will vest on the second anniversary of issue; and
 - the remaining third of the Options will vest on the third anniversary of issue.
- The vesting date of the Managing Director's Options is as follows:
 - Tranche 1 will vest on satisfaction of one of the specified performance hurdles for Tranche 1 if satisfied on or before 30 November 2016; and
 - Tranche 2 will vest on satisfaction of one of the specified performance hurdles for Tranche 2 if satisfied on or before 30 November 2017.
- Notwithstanding the above, the Options will immediately vest and become exercisable in the event of a takeover of the Company.
- All funds raised by the Company from the exercise of the Options will be used for general working capital purposes.
- The Options do not confer the right to participate in any new issue of Shares without first exercising the Options then available to be exercised, and then only to the extent of ordinary Shares then held by him.
- If there is any re-organisation (including consolidation, subdivision, reduction or return of issued capital of the Company), the number of Options and/or the exercise price will be adjusted by the Company in accordance with the Listing Rules or (if no such rules exist) in a manner which will not advantage or disadvantage either director as compared to ordinary shareholders.

- In relation to the non-executive Directors (Resolutions 4, 5 and 6), unvested Options shall lapse upon the relevant director ceasing to be a Director of the Company.
- In relation to the Managing Director's Options (Resolution 3), any and all unexercised Options expire on the earlier of:
 - a) if Dr McColl ceases his employment prior to the expiry date as a Good Leaver (as defined by his employment contract) – 365 days after the date his employment ceases.
 - b) If Dr McColl ceases his employment prior to the Expiry Date as a Bad Leaver (as defined by his employment contract) – 90 days after the date his employment ceases; and
 - c) the Expiry Date.
- The Options are not transferable.
- All Shares issued pursuant to the exercise of Options will, subject to the Constitution of the Company, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) *pari passu* with the existing Shares at the date of issue and allotment.
- The Options will not be quoted on the ASX. The Company intends to apply to the ASX for quotation of any Shares acquired on exercise of the Options.

Directors' Recommendations

The Directors (with Dr McColl abstaining) recommend that Shareholders vote in favour of Resolution 3.

The Directors (with Mr Hopper abstaining) recommend that Shareholders vote in favour of Resolution 4.

The Directors (with Dr Post abstaining) recommend that Shareholders vote in favour of Resolution 5.

The Directors (with Mr Turvey abstaining) recommend that Shareholders vote in favour of Resolution 6.

RESOLUTION 7: ASX LISTING RULE 7.1A - APPROVAL FOR PLACEMENT OF ORDINARY SHARES

Listing Rule 7.1A enables mid to small cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- (a) have a market capitalisation of \$300 million or less; and
- (b) not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM.

Accordingly, Resolution 7 is seeking approval of ordinary shareholders by special resolution for the issue of such number of equity securities as calculated under the formula in Listing Rule 7.1A.2, at an issue price as permitted by Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Statement.

At the date of this Notice, the Company has on issue 184,473,081 Shares and a capacity to issue:

- (i) 27,670,962 equity securities under Listing Rule 7.1; and
- (ii) 18,447,308 equity securities under Listing Rule 7.1A (under the approval granted on 27 November 2014, expiring 27 November 2015). Subject to Shareholder approval being sought under Resolution 7, the Company will have 18,447,308 equity securities available for issue under Listing Rule 7.1A.

The effect of Resolution 7 will be to allow the Directors to issue the equity securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Information required by ASX Listing Rule 7.3A

The following information is provided for the purposes of Listing Rule 7.3A:

- The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average market price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
 - (a) the date on which the price at which the shares are to be issued is agreed; or
 - (b) if the shares are not issued within 5 trading days of the date in paragraph (a), the date on which the shares are issued.

If Resolution 7 is approved by Shareholders and the Company issues securities under the 10% Placement Facility, the existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such shares are issued; including:

- (a) the market price of ordinary shares may be significantly lower on the issue date than on the date on which this approval is being sought; and
- (b) the shares may be issued at a price that is at a discount to the market price for those shares on the issue date or the shares may be issued as part consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the shares.

- The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable “A”, calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the 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 ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities 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 of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

No. of Shares on Issue ³	Dilution			
	Issue price (per Share)	\$0.30 50% decrease in Issue Price	\$0.60 Issue Price	\$1.20 100% increase in Issue Price
184,473,081 (Current)	Shares issued	18,447,308	18,447,308	18,447,308
	Funds raised	\$5,534,192	\$11,068,384	\$22,136,769
276,709,621 (50% increase)	Shares issued	27,670,962	27,670,962	27,670,962
	Funds raised	\$8,301,288	\$16,602,577	\$33,205,154
368,946,162 (100% increase)	Shares issued	36,894,616	36,894,616	36,894,616
	Funds raised	\$11,068,384	\$22,136,769	\$44,273,539

³ Variable “A” in Listing Rule 7.1A.2

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of equity securities available under the 10% Placement Facility.
 - (ii) No unlisted Options (including any options issued under the 10% Placement Facility) are exercised into ordinary shares before the date of the issue of the equity securities under Listing Rule 7.1A.
 - (iii) 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%.
 - (iv) 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 Meeting.
 - (v) The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of equity securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.60, being the closing price of the Shares on ASX on 4 September 2015.
- If any of the shares being approved by this resolution are issued, they will be issued during the Placement Period, that is, within 12 months of the date the AGM (i.e. before 18 November 2016) and the approval being sought by this resolution will cease to be valid if ordinary shareholders approve a transaction under Listing Rules 11.1.2 or 11.2 prior to 18 November 2016.
 - The shares will be issued for the purpose of raising working capital for the Company. A proportion of the shares may be issued for non-cash consideration and in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.
- The Company's 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 allottees of equity securities will be determined on a case by case basis having regard to factors including, but not limited to, the following:
 - the methods of raising funds available to the Company;
 - the effect of the issue of Shares on the control of the Company. Allocation will be subject to takeover thresholds;
 - the financial situation and solvency of the Company; and
 - advice from corporate, financial and broking advisors (if applicable).
 - The Company previously obtained approval under Listing Rule 7.1A at its Annual General Meeting held on 27 November 2014.
 - The total number of equity securities issued in the 12 months prior to 18 November 2015 is 6,620,000, being 3.60% of the total number of equity securities on issue at the commencement of the 12 month period.
 - A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting. At the date of this Notice, 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 the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
 - Details of all issues of equity securities during the 12 months prior to 18 November 2015 are as follows:

	Issue 1 28/11/2014	Issue 2 29/06/2015	Issue 3 08/09/2015	Issue 4 28/09/2015
Number of equity securities issued:	1. 1,245,000 2. 320,000	125,000	320,000	1. 500,000 2. 4,000,000 3. 110,000
Class:	1. Unlisted Options 2. Performance Rights	Ordinary shares	Ordinary shares	1. Unlisted Options 2. Unlisted Options 3. Performance Rights
Summary of Terms	1. Options issued to eligible persons including directors under the Viralytics Equity Incentive Plan as approved by shareholders at the 2013 AGM. Options issued to directors were approved by shareholders on 27 November 2014 at the Company's AGM. The options have an exercise price of \$0.332 and expire on 29 November 2019. One third of options vest on 8 September 2015, one third vest on 8 September 2016 and one third vest on 8 September 2017 subject to the satisfaction of continued employment. 2. Performance rights issued to eligible persons under the Viralytics Equity Incentive Plan as approved by shareholders at the 2013 AGM. Performance rights vest on 8 September 2015, subject to the continued employment, converting on a one-for-one basis into fully paid ordinary shares.	Fully paid ordinary shares	Fully paid ordinary shares	1. Options issued to eligible persons under the Viralytics Equity Incentive Plan as approved by shareholders at the 2013 AGM. The options have an exercise price of \$0.5885 and expire on 28 September 2020. One third of options vest on 15 September 2016, one third vest on 15 September 2017 and one third vest on 15 September 2018 subject to the satisfaction of continued employment. 2. Options issued to Dr Darren Shafren under the Viralytics Equity Incentive Plan as approved by shareholders at the 2013 AGM. The options have an exercise price of \$0.5885 and expire on 28 September 2020. 2,000,000 of the options vest on achievement of a performance hurdle on or before 30 November 2016 and 2,000,000 of the options vest on achievement of a performance hurdle on or before 30 November 2017. 3. Performance rights issued to eligible persons under the Viralytics Equity Incentive Plan as approved by shareholders at the 2013 AGM. Performance rights vest on 15 September 2016, subject to the continued employment, converting on a one-for-one basis into fully paid ordinary shares.
Persons to whom securities were issued and basis for issue:	1. Senior Management including Directors 2. Employees	Employees (on exercise of options)	Employees (on vesting of Performance Rights)	1. Senior Management 2. Dr Darren Shafren 3. Employees
Price at issue: Discount to market price:	Nil n/a	\$0.319 n/a	Nil n/a	Nil n/a

Total cash consideration:	Nil	\$39,875	Nil	Nil
Amount of cash spent:		Merged with existing funds - cash at bank a/a 30 June \$21.6M		
Spent on:		Working capital		
Intended use for remaining cash:		Working capital		
Non-cash consideration:	Granted as a short-term incentive requiring continued employment	Nil	Granted on vesting of performance rights	Granted as a short-term incentive requiring continued employment
Current value of non-cash consideration:	One-off – no current value		One-off – no current value	One-off – no current value

Resolution 7 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders present and entitled to vote on Resolution 7 must be in favour of the resolution.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

RESOLUTION 8: PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

This item of business involves the re-insertion in the Constitution of the provisions currently contained in clause 15 of the Company's Constitution relating to proportional takeovers.

Under the Act, such provisions must be renewed every three years. The provisions were last approved at the 2011 Extraordinary General Meeting. However, the three year period from the date of the 2011 Extraordinary General Meeting has elapsed, and the provisions currently contained in clause 15 have expired. It is for this reason that the resolution seeks shareholder approval for the re-insertion of those provisions into the Constitution (rather than their renewal).

The Act requires that the following information be provided with a notice proposing the adoption or renewal of the proportional takeover provisions:

Effect

The effect of the proportional takeover approval provisions is to require the Directors to convene a meeting of shareholders in the event that a proportional takeover bid is made for the Company.

A proportional takeover bid is a takeover offer made to all shareholders, but only in respect of a specified portion of each shareholder's shares. The purpose of the meeting of shareholders is to vote on a resolution to approve the takeover bid. If the resolution is rejected by shareholders, then the bid will be deemed to be withdrawn and registration of any transfer of shares resulting from the bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is approved, transfers of shares to the bidder will be registered provided they comply with other provisions of the Company's Constitution. If the resolution is not voted on at least 14 days before the closure of the bid, then the resolution will be deemed to have been approved. The bidder and associates will be precluded from voting on the resolution. Provided the proportional takeover approval provisions are adopted at the AGM, they will expire after three years, unless renewed by shareholders by special resolution.

Reasons for Inclusion

The reason clause 15 was included in the Constitution previously, and is proposed to be re-inserted, is that a proportional takeover bid may result in effective control of the Company changing hands without shareholders having the opportunity to dispose of all their shares.

Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their shares, while leaving themselves as part of minority interests in the Company.

The provisions give shareholders the opportunity to decide whether a proportional takeover bid is acceptable and should be allowed to proceed.

Present Acquisition Proposals

As at the date of this statement, no Director of the Company is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential Advantages and Disadvantages

The proposed provisions will enable the Directors to ascertain the views of shareholders on a proportional takeover bid. Apart from this, there is no specific advantage or disadvantage for the Directors of inserting the proportional takeover approval provisions.

The provisions ensure that shareholders will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed. As a consequence, the terms of any future proportional bids are likely to be structured to be attractive to a majority of non-associated shareholders.

As to the possible disadvantages of the provisions for shareholders, it could be argued that they make a proportional takeover more difficult to achieve and therefore proportional bids will be discouraged. This in turn may reduce opportunities which shareholders may have to sell some of their shares at an attractive price to persons seeking control of the Company and may reduce any element of takeover speculation in the Company's share price. It may also be argued that the provisions constitute an additional restriction on the ability of shareholders to deal freely with their shares.

While the Company's Constitution has included proportional takeover approval provisions for many years, the provisions have not been used. Accordingly, the experience to date has no bearing or impact on the advantages or disadvantages discussed in these explanatory notes.

The resolution to adopt the proportional takeover approval provisions is a special resolution and, to be passed, requires a 75% majority of the votes cast by shareholders entitled to vote on the resolution.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

SCHEDULE 1

The Options to be issued to the related parties pursuant to Resolutions 3, 4, 5 and 6 have been valued by external consultants. The consultants are considered to have sufficient qualifications, expertise and experience to conduct such a valuation. The valuation was prepared using the Black-Scholes Option Pricing Model, which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the Black-Scholes Model is a function of a number of variables and is rounded to the nearest one hundredth of a cent.

The valuation is not a representative valuation of the Options *as at* the proposed date of issue. In order for this valuation to be provided, a new valuation model would need to be run at the time of issue (i.e. immediately following the AGM).

The assessment of the estimated value of the Options has been prepared applying the following assumptions:

<i>Option Holder</i>		<i>Tranche 1</i>	<i>Tranche 2</i>	<i>Tranche 3</i>	<i>Total</i>
Dr Malcolm McColl	Number	2,500,000	2,500,000	-	5,000,000
	Value	\$696,790	\$696,790		\$1,393,580
Mr Paul Hopper	Number	100,000	100,000	100,000	300,000
	Value	\$27,872	\$27,872	\$27,871	\$83,615
Dr Len Post	Number	66,667	66,667	66,666	200,000
	Value	\$18,581	\$18,581	\$18,581	\$55,743
Mr Peter Turvey	Number	66,667	66,667	66,666	200,000
	Value	\$18,581	\$18,581	\$18,581	\$55,743
Total	Number	2,733,334	2,733,334	233,332	5,700,000
	Value	\$761,824	\$761,824	\$65,033	\$1,588,681

The total value of Options to be issued is set out below:

- Dr McColl – \$1,393,580
- Mr Hopper - \$83,615
- Dr Post - \$55,743
- Mr Turvey - \$55,743

The valuation relies upon the following assumptions:

- there are no transaction costs, options and shares are infinitely divisible, and information is available to all without cost;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying shares do not pay a dividend; and
- share prices behave in a manner consistent with a random walk in continuous time.

The valuation of the proposed options set out *does not* include any discount to factor in the risk that the Managing Director's Options will not vest in the event none of the hurdles is met during the relevant period. Typically a discount would be determined based on the likelihood of the performance hurdles being met (and the options vesting). No discount was used in this instance due to the complexity of the inter-relationship of probabilities of market based and non-market based performance hurdles, and significant reliance on Board estimates of likelihood of non-market based hurdles being achieved.

Any change in the variables applied in the Black-Scholes Model between the date of the valuation and the date the Options are granted would have an impact on their value.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Viralytics 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
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Viralytics Limited 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

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 **11:00am on Wednesday, 18 November 2015 at the Offices of McCullough Robertson, Level 32, MLC Centre, 19-29 Martin Place, Sydney, New South Wales (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 3, 4, 5 and 6: 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 Resolutions 2, 3, 4, 5 and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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 ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Re-election of Dr Leonard Post	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval for the issue of Options to Dr Leonard Post	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval for the issue of Options to Mr Peter Turvey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for the issue of Options to Dr Malcolm McColl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Additional Share Issue Capacity under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the issue of Options to Mr Paul Hopper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Proportional Takeover Approval Provisions	<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)

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).



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 Resolutions are 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 persons as 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:

- 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
- 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 the 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 **11:00am on Monday, 16 November 2015**, 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 MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Viralytics 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*
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.**



All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303
ASX Code: VLA
Registrars@linkmarketservices.com.au
Site: www.linkmarketservices.com.au

Everyone benefits from electronic securityholder communications. As an investor you will benefit from secure, convenient and prompt delivery of information by electing to receive your communications electronically which helps reduce the impact on the environment and costs associated with printing and sending materials by mail.

To receive your securityholder communications electronically via your nominated email address you can log on to the website: **www.linkmarketservices.com.au** and follow the instructions provided. Alternatively please tick the option below, insert your email address in the space provided and return the form.

ONLINE

www.linkmarketservices.com.au

OPTION



All communications electronically, including notification of the annual report and payment statements (if applicable).
I have provided my email address below.

My email address is:

Personal Information Collection Notification Statement: Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

VLA CPE195

