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**ONCOSIL MEDICAL LIMITED**

**ACN 113 824 141**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 2:00 pm (AEDT)

**DATE:** 24 March 2016

**PLACE:** PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales

**THIS NOTICE OF EXTRAORDINARY GENERAL MEETING SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR PROFESSIONAL ADVISERS.**

**SHOULD YOU WISH TO DISCUSS THE MATTERS IN THIS NOTICE OF EXTRAORDINARY GENERAL MEETING PLEASE DO NOT HESITATE TO CONTACT THE COMPANY SECRETARY ON (02) 9223 3344.**

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Extraordinary General Meeting of the shareholders of OncoSil Medical Limited ACN 113 824 141 (**Company**) to which this Notice of Extraordinary General Meeting relates will be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney at 2:00pm (AEDT) on 24 March 2016 (**Extraordinary General Meeting** or **EGM**).

**YOUR VOTE IS IMPORTANT**

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The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001; or
- (b) facsimile to Boardroom Pty Limited on facsimile number + 61 2 9290 9655, or
- (c) in person to Boardroom Pty Limited at Level 12, 225 George Street, Sydney, NSW

so that it is received not later than 2.00 pm (AEDT) on 22 March 2016.

**Proxy forms received later than this time will be invalid.**

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Dear Shareholder

I am pleased to invite you to the Extraordinary General Meeting of the Company which will be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales on 24 March 2016, commencing at 2:00pm (AEDT).

I have enclosed with this Notice of Extraordinary General Meeting your personalised proxy form.

The following pages contain details of the items of business that you have the opportunity to vote on at the Extraordinary General Meeting.

The resolutions contained in this Notice deal with election of Dr Chris Roberts, the approval of loan shares to Dr Roberts, an approval of additional loan shares for the Managing Director and an extension of the vesting date for the loan plan shares previously issued to Dr Roger Aston and Mr Martin Rogers.

OncoSil Medical continues to progress towards its goals for the OncoSil™ radiation treatment of pancreatic cancer.

I look forward to seeing you at the Extraordinary General Meeting. If you are unable to attend, please ensure that you fill out and return your personalised proxy form which is enclosed with this Notice of Extraordinary General Meeting.

Thank you for your ongoing support.

Yours sincerely,

**Dr. Roger Aston**  
**Chairman**  
**19 February 2016**

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is given that the Extraordinary General Meeting of shareholders of the Company will be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales at 2:00pm (AEDT) on 24 March, 2016.

The Explanatory Memorandum to this Notice of Extraordinary General Meeting provides information on matters to be considered at the Extraordinary General Meeting. The Explanatory Memorandum and the proxy form are part of this Notice of Extraordinary General Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered shareholders of the Company at 7.00 pm (AEDT) on 22 March 2016.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

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### RESOLUTION 1 – APPOINTMENT OF DR CHRIS ROBERTS AS A DIRECTOR

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

*"That pursuant to clause 13.4 of the Company's Constitution, the members of the Company approve the appointment of Dr Chris Roberts as a director of the Company."*

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### RESOLUTION 2 – APPROVAL OF ISSUE OF LOAN SHARES TO DR CHRIS ROBERTS

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

*"Subject to the approval of Resolution 1, that for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 10,000,000 Loan Shares to Dr Chris Roberts pursuant to the Employee Share Plan subject to the vesting conditions and otherwise on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."*

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### RESOLUTION 3 – APPROVAL OF ISSUE OF LOAN SHARES TO DANIEL KENNY

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

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 14,000,000 Loan Shares to Daniel Kenny pursuant to the Employee Share Plan subject to the vesting conditions and otherwise on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."*

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### RESOLUTION 4 – APPROVAL OF CHANGE TO LOAN PLAN SHARES VESTING DATE – ROGER ASTON

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

*"That Shareholders approve the extension of the vesting period for one tranche (being 500,000 shares) of the loan plan shares originally issued to Roger Aston on*

*28 November 2014, and the corresponding period for repayment by Roger Aston of the loan from the Company in respect of those loan shares, the details of which are set out in the Explanatory Memorandum which accompanies this Notice of Meeting."*

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## **RESOLUTION 5 – APPROVAL OF CHANGE TO LOAN PLAN SHARES VESTING DATE – MARTIN ROGERS**

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

*"That Shareholders approve the extension of the vesting period of the loan plan shares originally issued to Martin Rogers on 30 October 2013 (being 5,000,000 shares), and the corresponding period for repayment by Martin Rogers of the loan from the Company in respect of those loan shares, the details of which are set out in the Explanatory Memorandum which accompanies this Notice of Meeting."*

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## **VOTING EXCLUSION STATEMENTS**

As required by the ASX Listing Rules:

**RESOLUTION 1** - The Company will disregard any votes cast in respect of Resolution 1 by Dr Chris Roberts and his respective associates. However, the Company will not disregard a vote 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.

**RESOLUTIONS 2 and 3** - The Company will disregard any votes cast on the proposed Resolutions 2 and 3 by all the Directors of the Company who are eligible to participate in the employee incentive scheme in respect of which this approval is sought or by any associate of such directors. However, the Company need not disregard a vote on Resolutions 2 and 3 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.

As required by the Corporations Act 2001 (Cth), no member of the Company's key management personnel or a Closely Related Party of any such member may vote as proxy on Resolutions 2, 3, 4 or 5 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on the respective Resolutions 2, 3, 4 or 5 and the vote is not cast on behalf of any member of the Company's key management personnel or a Closely Related Party of such member; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to vote on the respective Resolutions 2, 3, 4 or 5 even though that resolution is connected with the remuneration of a member of the Company's key management personnel.

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Dated 19 February 2016

BY ORDER OF THE BOARD

Tom Milicevic  
Company Secretary

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## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales on 24 March 2016 at 2:00pm (AEDT).

The purpose of this Explanatory Memorandum is to provide information that the directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Extraordinary General Meeting.

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### RESOLUTION 1 – APPOINTMENT OF DR CHRIS ROBERTS AS A DIRECTOR

Clause 13.4 of the Constitution of the Company provides that the Board may at any time appoint an additional Director, such additional Director to hold office until the next following general meeting of the Company and is then eligible for election.

Dr Roberts was appointed by the Board as a Director on 21 January 2016 and therefore must stand for election at this Extraordinary General Meeting. Being eligible, Dr Roberts seeks shareholder approval to the appointment of him as a Director, effective immediately upon the passing of this Resolution.

Dr Roberts is a highly experienced director and senior executive with 40 years' experience in the medical innovation space. During this time he has served on the boards of a number of ASX listed companies as well as research institutions and government entities.

Dr Roberts has forged a long and successful career in the medical device sector. He was Chief Executive Officer/President of Cochlear Limited (ASX: COH) from February 2004 to August 2015. Cochlear is the global market leader in implantable devices, such as cochlear implants, for the hearing impaired. Dr Roberts was also previously Chairman of Sirtex Medical Ltd (ASX: SRX), from March 2000 to December 2002, and was Executive Vice-President of global sleep disorder treatment company ResMed Inc (NYSE: RMD, ASX: RMD) from 1992 to 2004. He is currently a Non-executive Director of ResMed Inc.

Dr Roberts also sits on the boards of a number of other entities and groups including; Jobs NSW, NSW Innovation and Productivity Council, University of Technology Sydney Vice-Chancellor's Industry Advisory Board, the University of New South Wales Faculty of Medicine Advisory Council and the Health Innovation Advisory Committee, which is a principal committee of the National Health and Medical Research Council. He is a member of the Board of Governors of the Centenary Institute of Cancer Medicine and Cell Biology, and is an Honorary Fellow of the Australian Institute of Business and Economics at the University of Queensland.

Since his appointment as a director of the Company Dr Roberts has also been appointed as a PLuS Alliance Professor in the Graduate School of Biomedical Engineering at UNSW, being a research and teaching alliance across 3 universities: UNSW, King's College London and Arizona State University.

Dr Roberts holds a BE (Honours) in Chemical Engineering (UNSW), an MBA (Macq) and a PhD (UNSW) and was awarded Honorary Doctor of Science degrees from Macquarie University and the University of NSW. He is a Fellow of the Academy of Technological Sciences and Engineering (FTSE), Fellow of the Australian Institute of Company Directors (FAICD) and Honorary Fellow of The Institution of Engineers Australia (FIEAust).



## Recommendation

The Directors (absent Dr Roberts) recommend that shareholders vote in favour of the election of Dr Roberts as a Director. Due to the interest he has in the outcome of Resolution 1 Dr Roberts makes no recommendation to Shareholders in relation to Resolution 1.

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## RESOLUTION 2 – APPROVAL OF ISSUE OF LOAN SHARES TO DR CHRIS ROBERTS

For the purposes of ASX Listing Rule 10.14 the Company seeks shareholder approval for the proposed issue of 10,000,000 Loan Shares to Dr Chris Roberts (**CR Loan Shares**) pursuant to the terms of the Employee Share Plan, resulting in Dr Roberts having a relevant interest in the capital of the Company of 2.37% as at the date of issue of those Shares, being the 10,000,000 ordinary shares.

The CR Loan Shares will be issued on the terms of the Loan Terms (described in Schedule 1) and subject to the condition that the respective Loan Shares shall not vest unless and until the vesting conditions described below are met.

The CR Loan Shares shall also be subject to escrow contained in a voluntary restriction agreement to be entered with the Company by Dr Roberts prior to the Company issuing any Loan Shares, where the escrow period is equivalent to the period between the date the respective Loan Shares are issued and ending on the date the respective CR Loan Shares vest. The Company has taken security over the CR Loan Shares (and will impose a holding lock) pending repayment of the Loan.

Dr Roberts has also given a Power of Attorney in favour of the Company for limited circumstances where the Company may need to act as attorney for Dr Roberts, as described in the Loan Plan documents.

The CR Loan Shares are structured to vest in 4 equal number tranches, each tranche vesting upon the achievement of both (i) its respective vesting condition as described in Part 1 of Schedule 2 (**Milestone Vesting Conditions**), with the relevant time periods commencing on the date the CR Loan Shares are allotted (**Issue Date**), and (ii) Dr Roberts agreeing to commence the role as Chairman of the Company within 12 months from the date of his appointment.

The Application Form for the CR Loan Shares forming part of the Loan Plan documents also contains vesting conditions that prevail over all other vesting conditions (**Liquidity Event Vesting Condition**), as described in Part 2 of Schedule 2.

### Application of ASX Listing Rules and Corporations Act

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

In the event that shareholder approval to this Resolution 2 is obtained under ASX Listing Rule 10.14, further shareholder approval to Resolution 2 is not required under ASX Listing Rule 7.1 (see Listing Rule 7.2, Exception 14).

### 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 to be issued to Dr Roberts pursuant to Resolution 2 is 10,000,000 Loan Shares, which Loan Shares only vest upon the vesting conditions as described in Schedule 2;
- (b) the CR Loan Shares will be issued at the an issue price equivalent to the market price for the Company's Shares on the day the Loan Shares are issued;
- (c) the names of all persons referred to in ASX Listing Rule 10.14 who have received securities under the same Employee Share Plan since the last approval of the scheme, together with details of those issues is as follows:

Director	Existing Number of securities	Issue Price
Roger Aston	2,000,000	\$0.13
Martin Rogers	5,000,000	\$0.10
Daniel Kenny	12,000,000	\$0.13

- (d) the names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the employee incentive scheme are:
- Roger Aston
  - Chris Roberts
  - Daniel Kenny
  - Martin Rogers
- (e) the key terms of the Loan Shares are as set out in Schedules 1 and 2.
- (f) the Company proposes to issue the Loan Shares pursuant to Resolution 2 as soon as reasonably practicable after Resolution 2 is approved by shareholders, but in any case by no later than 1 month after the date of passage of Resolution 2;
- (g) a voting exclusion statement is included in the Notice of Extraordinary General Meeting;
- (h) no funds will be received by the Company upon the issue of the CR Loan Shares as Dr Roberts will receive a Loan from the Company for the amount of the issue price of the Loan Shares. Such Loan will be repayable in accordance with the Loan Agreement.

## Recommendation

The Directors (other than Dr Roberts) recommend that Shareholders vote in favour of Resolution 2. Due to the interest he has in the outcome of Resolution 2 Dr Roberts makes no recommendation to Shareholders in relation to Resolution 2.

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## RESOLUTION 3 – APPROVAL OF ISSUE OF LOAN SHARES TO DANIEL KENNY

For the purposes of ASX Listing Rule 10.14 the Company seeks shareholder approval for the proposed issue of 14,000,000 Loan Shares to Daniel Kenny (**DK Loan Shares**) pursuant to the terms of the Employee Share Plan, resulting in Daniel Kenny having a relevant interest in the capital of the Company of a total of 6.16% as at the date of issue of those Shares, being 26,000,000 ordinary shares.

The DK Loan Shares will be issued on the terms of the Loan Terms (described in Schedule 1) and subject to the condition that the respective Loan Shares shall not vest unless and until the vesting conditions described below are met.

The DK Loan Shares shall also be subject to escrow contained in a voluntary restriction agreement to be entered with the Company by Mr Kenny prior to the Company issuing any Loan Shares, where the escrow period is equivalent to the period between the date the respective Loan Shares are issued and ending on the date the respective Loan Shares vest. The Company has taken security over the DK Loan Shares (and will impose a holding lock) pending repayment of the Loan.

Mr Kenny has also given a Power of Attorney in favour of the Company for limited circumstances where the Company may need to act as attorney for Mr Kenny, as described in the Loan Plan documents.

The DK Loan Shares are structured to vest in 4 equal number tranches, each tranche vesting upon the achievement of its respective vesting condition as described in Part 1 of Schedule 2 (**Milestone Vesting Conditions**), with the relevant time periods commencing on the date the DK Loan Shares are allotted (**Issue Date**).

The Application Form for the DK Loan Shares forming part of the Loan Plan documents also contains vesting conditions that prevail over all other vesting conditions (**Liquidity Event Vesting Condition**), as described in Part 2 of Schedule 2.

**Application of ASX Listing Rules**

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

In the event that shareholder approval to this Resolution 3 is obtained under ASX Listing Rule 10.14, further shareholder approval to Resolution 3 is not required under ASX Listing Rule 7.1 (see Listing Rule 7.2, Exception 14).

**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 to be issued to Mr Kenny pursuant to Resolution 3 is 14,000,000 Loan Shares, but only vest upon the vesting conditions as described in Schedule 2;
- (b) the DK Loan Shares will be issued at an issue price equivalent to the market price for the Company's Shares on the day the Loan Shares are issued;
- (c) the names of all persons referred to in ASX Listing Rule 10.14 who have received securities under the same Employee Share Plan since the last approval of the scheme, together with details of those issues is as follows:

Director	Existing Number of securities	Issue Price
Roger Aston	2,000,000	\$0.13
Martin Rogers	5,000,000	\$0.10
Daniel Kenny	12,000,000	\$0.13

- (d) the names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the employee incentive scheme are:
  - Roger Aston

- Chris Roberts
- Daniel Kenny
- Martin Rogers

- (e) the key terms of the Loan Shares are as set out in Schedule 1.
- (f) the Company proposes to issue the Loan Shares pursuant to Resolution 3 as soon as reasonably practicable after Resolution 3 is approved by shareholders, but in any case by no later than 1 month after the date of passage of Resolution 3;
- (g) a voting exclusion statement is included in the Notice of Extraordinary General Meeting;
- (h) no funds will be received by the Company upon the issue of the DK Loan Shares as Mr Kenny will receive a Loan from the Company for the amount of the issue price of the Loan Shares. Such Loan will be repayable in accordance with the Loan Agreement.

### Recommendation

The Directors (other than Mr Kenny) recommend that Shareholders vote in favour of Resolution 3. Due to the interest he has in the outcome of Resolution 3 Mr Kenny makes no recommendation to Shareholders in relation to Resolution 3.

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### RESOLUTION 4 - APPROVAL OF CHANGE TO LOAN PLAN SHARES VESTING DATE – ROGER ASTON

On 28 November 2014 the Company issued Dr Roger Aston a total of 2,000,000 loan plan shares (**RA Shares**) in 4 tranches pursuant to the shareholder approval obtained at the 2014 Annual General Meeting of the Company.

Tranche 3 of the RA Shares being 500,000 shares (**Tranche 3**) had the following vesting date and condition

*"Tranche 3 shares will vest automatically where during the 3 year period (from the date of issue) the Company receives US Food and Drug administration (FDA) approval of a product (using the Company's technology) for the sale of a pharmaceutical product in the United States."*

The Board now wishes to extend the expiry date of the vesting period of Tranche 3, and the corresponding period for repayment by Dr Aston of the loan from the Company, by approximately 2 years, resulting in an expiry date of the vesting period of 31 December 2019 (**New Vesting Date**) for Tranche 3, instead of the current expiry date of 28 November 2017 (**Original Vesting Date**).

The Board believes that the Original Vesting Date was incorrect when first set, it being the Board's current view that the Original Vesting Date was highly unlikely to have ever been achievable. Furthermore the revised clinical and regulatory programme currently under review by FDA differs significantly from the programme as originally designed when the original vesting date was determined.

Accordingly, the Board wishes to correct the Original Vesting Date by substituting the New Vesting Date in its place, consistent the Tranche 3 RA Shares being issued pursuant to the Company's employee incentive scheme and as a consideration for the change in role within the Company undertaken by Dr Aston after the September 2014 change in

management structure (as described in the Company's Notice of Annual General Meeting dated 28 October 2014).

The Board has determined that the extension of the vesting period and the period for repayment of the loan advanced by the Company for the purchase of the RA Shares, as contemplated by this resolution 4, to be both on arm's length commercial terms and reasonable remuneration for Dr Aston in the circumstances.

#### **Effect of passing of resolution 4**

Resolution 4, if passed, the Company will **not** be issuing any new shares, but rather extending by a period of approximately 2 years the date within which the vesting condition applicable to the Tranche 3 shares previously issued to Dr Aston will need to be satisfied, failing which the Tranche 3 RA Shares may be transferred, cancelled or bought back by the Company.

#### **Recommendation**

The Directors (other than Dr Aston) recommend that Shareholders vote in favour of Resolution 4. Due to the personal interest he has in the outcome of Resolution 4, Dr Aston makes no recommendation to Shareholders in relation to Resolution 4.

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#### **RESOLUTION 5 - APPROVAL OF CHANGE TO LOAN PLAN SHARES VESTING DATE – MARTIN ROGERS.**

On 30 October 2013 the Company issued Mr Martin Rogers a total of 5,000,000 loan plan shares (**MR Shares**) in accordance with shareholder approval.

MR Shares had the following vesting date and condition

*"The shares will vest automatically where during the 4 year vesting period (from the date of issue) the Company receives FDA approval of a product (using the Company's technology) for the sale of a pharmaceutical product in the United States."*

The Board now wishes to extend the expiry date of the vesting period, and the corresponding period for repayment by Mr Rogers of the loan from the Company, by approximately 2 years, resulting in an expiry date of the vesting period of 31 December 2019 (**New Vesting Date**), instead of the current expiry date of 30 October 2017 (**Original Vesting Date**).

The Board believes that the Original Vesting Date was incorrect when first set, it being the Board's current view that the Original Vesting Date was highly unlikely to have ever been achievable. Furthermore the revised clinical and regulatory programme currently under review by FDA differs significantly from the programme as originally designed when the original vesting date was determined.

Accordingly, the Board wishes to correct the Original Vesting Date by substituting the New Vesting Date in its place, consistent MR Shares being issued pursuant to the Company's employee incentive scheme and as a consideration for the role within the Company undertaken by Mr Rogers.

The Board has determined that the extension of the vesting period and the period for repayment of the loan advanced by the Company for the purchase of the MR Shares, as contemplated by this resolution 5, to be both on arm's length commercial terms and reasonable remuneration for Mr Rogers in the circumstances.

## **Effect of passing of resolution 5**

Resolution 5, if passed, the Company will **not** be issuing any new shares, but rather extending by a period of approximately 2 years the date within which the vesting condition applicable to the MR Shares previously issued to Mr Rogers will need to be satisfied, failing which the MR Shares may be transferred, cancelled or bought back by the Company.

## **Recommendation**

The Directors (other than Martin Rogers) recommend that Shareholders vote in favour of Resolution 5. Due to the personal interest he has in the outcome of Resolution 5, Mr Rogers makes no recommendation to Shareholders in relation to Resolution 5.

## **OTHER INFORMATION**

Daniel Kenny was issued 12,000,000 loan plan shares (**Original Plan Shares**) when he was appointed CEO on 24 November 2014. The Original Plan Shares were issued before Mr Kenny was appointed to the Board, and so were not subject to prior shareholder approval.

As announced to the market on 24 November 2014, the Original Plan Shares were issued in 4 tranches, each subject to a separate vesting condition. The vesting condition for Tranche 3 of the Original Plan Shares (3,000,000 shares) concerned US FDA approval for the Oncosil device prior to 24 November 2017.

For the same reasons as applicable to extending the vesting period for Resolutions 4 and 5 above, the Board will be extending the vesting condition period for the Original Plan Shares Tranche 3 so that it will also expire on 31 December 2019.

## GLOSSARY

**AEDT** means Australian Eastern Daylight Saving Time, as observed in Sydney, New South Wales.

**ASX** means ASX Limited.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the Board of Directors.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** or **OncoSil Medical** means OncoSil Medical Ltd (ABN 89 113 824 141).

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Employee Share Plan** has the meaning as provided in Schedule 1 to this Explanatory Memorandum.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Extraordinary General Meeting** or **Meeting** means the meeting convened by the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Loan** has the meaning as provided in Schedule 1 to this Explanatory Memorandum.

**Loan Shares** means the Loan Shares as defined in Schedule 1 to this Explanatory Memorandum..

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Restriction Agreement** has the meaning as provided in Schedule 1 to this Explanatory Memorandum.

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

**Shareholder** means a holder of a Share.



## Schedule 1- Employee Share Plan Terms

At a general meeting of the Company held on 24 September 2013 shareholders approved the Company's employee share plan (**Employee Share Plan**) for the purposes of Section 259B(2) of the *Corporations Act 2001(Cth)*. The Employee Share Plan empowers the Board to exercise its discretion to issue fully paid ordinary shares in the Company (**Loan Shares**) to employees who qualify to participate in the Employee Share Plan, upon the basis that the Company advances (**Loan**) the Participant the funds to purchase the Loan Shares pursuant to the terms of a secured limited recourse loan agreement between the Participant and the Company (**Loan Agreement**) and that the Participant enters a Restriction Agreement with the Company.

The key terms and conditions of the Employee Share Plan are set out below (**Loan Terms**):

- (i) the Loan may only be applied towards the subscription price for the Loan Shares;
- (ii) the Loan will be interest free, provided that if the Loan is not repaid by the repayment date set by the Board, the Loan will incur interest at 9% per annum after that date (which will accrue on a daily basis and compound annually on the then outstanding Loan balance);
- (iii) by signing and returning a limited recourse Loan application, the participant of the Employee Share Plan (each a **Participant**) acknowledges and agrees that the Loan Shares will not be transferred, encumbered, otherwise disposed of, or have a security interest granted over it, by or on behalf of the Participant until the Loan is repaid in full to the Company;
- (iv) the Company has security over the Loan Shares as security for repayment of the Loan;
- (v) the Participant is required to enter a restriction agreement with the Company (**Restriction Agreement**) in accordance with the terms of the Employee Share Plan;
- (vi) the Loan becomes repayable on the earliest of:
  - (a) 5 years from the date on which the Loan is advanced to the Participant;
  - (b) one month after the date of the Participant's resignation or cessation of office/engagement/employment (as the case may be) other than if the Participant is removed from office, if the Company does not renew the Participant's employment agreement or engagement terms, or where the Company dismisses the Participant other than for cause; and
  - (c) (by the legal personal representative of the Participant) six months after the Participant ceases to be an employee of the Company due to their death;

the earliest date being the **Repayment Date**.

- (vii) notwithstanding paragraph (vi) above, the Participant may repay all or part of the Loan at any time before the Repayment Date; and

(viii) the Loan will be limited recourse such that on the Repayment Date the repayment obligation under the Loan will be limited to the lesser of

- (a) the outstanding balance of the Loan, and
- (b) the market value of the Loan Shares on that date.

In addition, where the Participant has elected for the Loan Shares to be provided to the Company in full satisfaction of the Loan, the Company must accept the Loan Shares as full settlement of the repayment obligation under the Loan.

### **Rights attaching to the Loan Shares**

The Loan Shares will rank equally with all other fully paid ordinary shares on issue in the capital of the Company. Holders of Loan Shares will be entitled to exercise all voting rights attaching to those Shares in accordance with the Company's constitution. In addition, holders of Loan Shares will be entitled to participate in dividends declared and paid by the Company in accordance with the Company's constitution.

### **Sale of the Loan Shares**

The Loan Shares may only be sold by a Participant (who has been granted a limited recourse loan) where the Loan Shares have vested and the Loan has been repaid in full (otherwise any dealing by the Participant in the Loan Shares is prohibited without the prior written consent of the Company).

If the Loan becomes due and payable under the Loan Agreement and the Participant has not repaid the amount of the Loan in full within 21 days of the due date, then the Participant will forfeit their interest in the Loan Shares as full consideration for the repayment of the outstanding Loan balance, and the Company may either (at its election) take such action in the Participant's name or direct that the Participant take such action in relation to the Loan Shares as the Company considers appropriate, which may include but is not limited to the Company undertaking a buy-back of the Loan Shares or selling the Loan Shares.

Copies of the Employee Share Plan are available for inspection at the Company's registered office and will be provided without charge to shareholders on request.

**Schedule 2 – Vesting Conditions**

**Part 1**

**Milestone Vesting Conditions**

Tranche	Percentage of Loan Shares issued	Vesting Conditions
1	25% of Loan Shares	Tranche 1 shares will vest automatically upon OncoSil total revenue reaching a cumulative total of at least \$10m
2	25% of Loan Shares	Tranche 2 shares will vest automatically upon OncoSil total revenue reaching a cumulative total of at least \$15m
3	25% of Loan Shares	Tranche 3 shares will vest automatically upon OncoSil total revenue reaching a cumulative total of at least \$30m
4	25% of Loan Shares	Tranche 4 shares will vest automatically upon OncoSil total revenue reaching a cumulative total of at least \$50m

If a particular Vesting Condition as detailed above is not satisfied during the 5 year period after their issue date, the particular Loan Shares represented by the corresponding tranche shall not vest and the recipient shall hold those Loan Shares (the subject of that particular tranche) on behalf of the Company, and perform whatever is reasonably necessary to assist the Company (in its discretion) in transferring those Loan Shares to a nominee of the Company or the Company buying back or cancelling those Loan Shares.

**Part 2**

**Liquidity Event Vesting Conditions** all Loan Shares vest immediately upon the happening of a Liquidity Event. A "Liquidity Event" is defined as:

- (a) where a bidder under a takeover offer (as defined in the Corporations Act) has acceptances for more than 50% of the ordinary shares in the Company and there are no unsatisfied conditions (or conditions that not been waived) under the bid;
- (b) on shareholder approval being obtained for a scheme of arrangement (as defined in the Corporations Act) with respect to the assets or securities of the Company; or
- (c) completion under a contract of sale with a third party purchaser of all, or substantially all, of the assets and undertaking of the Company.



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#### All Correspondence to:

- By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm AEDT on Tuesday 22 March 2016.**

### TO VOTE ONLINE

- STEP 1:** VISIT [www.votingonline.com.au/oslgm2016](http://www.votingonline.com.au/oslgm2016)
- STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3:** Enter your Voting Access Code (VAC):

### BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm AEDT on Tuesday 22 March 2016**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- Online** [www.votingonline.com.au/oslgm2016](http://www.votingonline.com.au/oslgm2016)
- By Fax** + 61 2 9290 9655
- By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- In Person** Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **OncoSil Medical Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at **PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales on Thursday 24 March 2016 at 2:00pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2, 3, 4 and 5, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 2, 3, 4 and 5 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2, 3, 4 and 5). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Appointment of Dr Chris Roberts as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of loan shares to Dr Chris Roberts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of loan shares to Daniel Kenny	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of change to loan plan shares vesting date - Roger Aston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of change to loan plan shares vesting date – Martin Rogers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2016