

Biotech Capital.

BIOTECH CAPITAL LIMITED

ABN 45 091 979 172

Notice of Annual General Meeting and Explanatory Statement

Time: 2:00pm

Date: Tuesday, 29 November 2016

Place: The offices of Deloitte, Level 10, 550 Bourke Street, Melbourne.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

Notice of Annual General Meeting and Explanatory Statement

The sixteenth Annual General Meeting of Biotech Capital Limited (**Company**) will be held at the offices of Deloitte, Level 10, 550 Bourke Street, Melbourne, at 2:00 pm on Tuesday, 29 November 2016.

Auditor

Mr. Chris Biermann of Deloitte Touché Tohmatsu (DTT) will be in attendance.

Agenda

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual Financial Statements of the Company for the year ended 30 June 2016 including the related Directors' Report and Independent Auditor's report.

ORDINARY RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To receive and consider the remuneration report of the Company, and if thought fit, pass the following resolution as a non-binding resolution:

“To adopt the Remuneration Report contained in the Director’s Report for the Company for the year ended 30 June 2016.”

ORDINARY RESOLUTION 2: ELECTION OF MRS. JENNIFER HERZ AS A DIRECTOR

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

“That Mrs. Jennifer Herz be elected as a director of the Company.”

ORDINARY RESOLUTION 3: RE-ELECTION OF DR. RICHARD TREAGUS AS A DIRECTOR

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

“That Dr. Richard Treagus be re-elected as a director of the Company.”

ORDINARY RESOLUTION 4: RE-ELECTION OF MR. PETER JONES AS A DIRECTOR

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

“That Mr. Peter Jones be re-elected as a director of the Company.”

ORDINARY RESOLUTION 5: APPROVAL OF PRIOR ISSUE OF SECURITIES TO THE HERZ FAMILY TRUST UNDER THE COMPANY'S 15% PLACEMENT CAPACITY

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

“That approval be given for the purposes of ASX Listing Rule 7.4 and all other purposes to the prior issue of 10 million ordinary shares on 4 April 2016.”

ORDINARY RESOLUTION 6: APPROVAL OF PRIOR ISSUE OF SECURITIES TO JENNIFER HERZ UNDER THE COMPANY'S 15% PLACEMENT CAPACITY

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

“That approval be given for the purposes of ASX Listing Rule 7.4 and all other purposes to the prior issue of options to acquire 1 million ordinary shares to Mrs. Jennifer Herz on 4 April 2016.”

ORDINARY RESOLUTION 7: APPROVAL OF PRIOR ISSUE OF SECURITIES TO KARL HERZ UNDER THE COMPANY'S 15% PLACEMENT CAPACITY

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

“That approval be given for the purposes of ASX Listing Rule 7.4 and all other purposes to the prior issue of options to acquire 1 million ordinary shares to Mr. Karl Herz on 4 April 2016”

ORDINARY RESOLUTION 8: APPROVAL OF BIOTECH CAPITAL LIMITED EMPLOYEE SHARE OPTION PLAN.

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

“That, for the purpose of ASX Listing Rule 7.2, Exception 9, the issue of options to acquire ordinary shares, pursuant to the Biotech Capital Limited Employee Share Option Plan, as described in the Explanatory Statement, be approved”

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who will attend as your proxy, please complete the enclosed form of proxy.

To be valid, the proxy form and the power of attorney (if any) under which it is signed (or a certified copy of it) must be received **not less than 48 hours** before the time for holding the meeting at the Company's share registry by:

- (i) facsimile on 08 9262 3723;
- (ii) email admin@advancedshare.com.au; or
- (iii) delivery at 110 Stirling Highway, Nedlands WA 6009.

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the member's voting rights. A proxy need not be a member of the company.

The Board has determined that for the purposes of the meeting, shares will be taken to be held by the persons who are registered holders at 7:00pm (AEDT) on 27 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

By Order of the Board



Stuart Jones
Company Secretary

26 October 2016

EXPLANATORY STATEMENT

ITEM 1: FINANCIAL STATEMENTS AND REPORTS

The Corporations Act 2001 requires the Financial Report, the Directors' Report and the Auditor's Report to be received and considered by members of the Company at the Annual General Meeting. Each of the Reports is contained in the Company's 2016 Annual Report.

Neither the Corporations Act 2001 nor the Company's constitution requires members to vote on these Reports. However, during this item of business, the members will be given a reasonable opportunity to ask questions about, or make comments on, those Reports and the business and management of the Company.

Members will also be given a reasonable opportunity to ask a representative of the Company's auditor, Deloitte Touché Tohmatsu (DTT), questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of financial statements or the independence of the auditor in relation to the conduct of the audit.

Members may also submit a written question to DTT if the question is relevant to the content of the Auditor's Report for the financial year ended 30 June 2016 or the conduct of the audit of the Financial Report for that year. Relevant questions may be submitted to Stuart Jones by emailing sjones@biotechcapital.com.au. These questions must be received by the Company no later than **25 November 2016**. At the meeting, DTT's representative will be given the opportunity to answer, or table written answers to, relevant questions.

ORDINARY RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the financial year ended 30 June 2016 is set out on pages 4 to 8 of the Company's 2016 Annual Report, and forms part of the Directors' Report for that year.

The vote on this resolution will be advisory only and will not bind the Directors or the Company.

If 25 percent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, at the second Annual General Meeting the Company will be required to put to members a resolution (**Spill Resolution**) proposing an extraordinary general meeting to consider the appointment of the directors of the Company (**Spill Meeting**). If more than 50 percent of the members vote in favour of the Spill Resolution, the Company must hold the Spill Meeting within 90 days of the second Annual General Meeting at which all of the Company's directors (other than the managing director at that time (if any)) will cease to hold office and may stand for re-election.

The Company will disregard any votes cast on this resolution by key management personnel or a closely related person of key management personnel, unless the vote being cast is a proxy from a shareholder eligible to vote.

ORDINARY RESOLUTION 2: ELECTION OF MRS. JENNIFER HERZ AS A DIRECTOR

Jennifer Herz was appointed to the Board on 4 April 2016 in the position of non-executive Director. The Board is seeking ratification of her appointment at this Annual General Meeting.

Mrs. Herz has over 20 years commercial and scientific affairs experience in the biopharmaceutical industry. Jennifer served as founding Managing Director of Sanofi Pasteur Australia as well as on the Board of Medicines Australia and has also served on Boards in the not-for profit sector.

ORDINARY RESOLUTION 3: RE-ELECTION OF DR. RICHARD TREAGUS AS A DIRECTOR

Richard Treagus has been a director of the Company since 4 August 2014

Dr. Treagus retires as a director of the Company in accordance with Article 17.1 and 17.2 of the Constitution and being eligible, offers himself for re-election.

ORDINARY RESOLUTION 4: RE-ELECTION OF MR. PETER JONES AS A DIRECTOR

Peter Jones has been a director of the Company since 4 August 2014

Mr. Jones retires as a director of the Company in accordance with Article 17.1 and 17.2 of the Constitution and being eligible, offers himself for re-election.

ORDINARY RESOLUTIONS 5, 6 AND 7: APPROVAL OF PRIOR ISSUE OF SECURITIES UNDER THE COMPANY'S 15% PLACEMENT CAPACITY

On 4 April 2016, the Company issued securities within its 15% placement capacity, being 10 million ordinary shares at 13 cents per share and unlisted options to acquire 2 million ordinary shares at 15.9 cents per share.

The 10 million ordinary shares were issued as consideration for the 100% acquisition of Biointelect Pty Ltd to the Herz Family Trust, which is an associated party to Jennifer Herz and Karl Herz. The shares have the same rights as existing ordinary shares.

The options were issued as long term incentives in accordance with employment contracts between Biointelect Pty Ltd and each of Jennifer Herz and Karl Herz. The unlisted options do not have any voting or dividend entitlements until they are exercised. The options will vest in three tranches, as shown in the following table:

Grantee	Options Granted	Exercise Price \$	Vesting Date	Expiry Date
Jennifer Herz	330,000	0.159	4 April 2018	4 April 2020
Jennifer Herz	330,000	0.159	4 April 2019	4 April 2021
Jennifer Herz	340,000	0.159	4 April 2012	4 April 2022
Karl Herz	330,000	0.159	4 April 2018	4 April 2020
Karl Herz	330,000	0.159	4 April 2019	4 April 2021
Karl Herz	340,000	0.159	4 April 2012	4 April 2022

Biotech Capital.

The shares and options were issued prior to the appointment of Jennifer Herz as a director of Biotech Capital.

The Company is seeking approval of the above mentioned issues of shares and options, so that the Board may issue additional securities up to 15% of issued share capital, being the allowable placement capacity at any time in the next twelve months. The Board believes this will reinforce the current strategy and strengthen the ability to move quickly should the Board feel it appropriate to take advantage of investment opportunities.

The Company will disregard any votes cast on resolutions 5, 6 and 7 by the Herz Family Trust, Jennifer Herz, Karl Herz, or their closely related parties.

ORDINARY RESOLUTION 8: APPROVAL OF AN EMPLOYEE SHARE OPTION PLAN.

The underlying purpose of the Option Plan is to align executives and employees interests with the Company's interests by providing them with long term incentives in the form of share options. It is expected that this will assist the Company to attract and retain highly skilled executives and employees.

The procurement and retention of highly skilled executives and employees capable of managing the Company's operations and achieving the Company's strategic objectives is always a difficult task for a relatively small Company with a limited earnings history, such as Biotech Capital. In order to compete with well-established companies, the Board considers that the Company has one of two choices: either offer higher cash remuneration or issue equity incentives under a plan such as the Option Plan. There have been no securities issued under the plan to date.

A copy of the Employee Share Option Plan can be found as an Appendix to this notice.

The Company will disregard any votes cast on this resolution by key management personnel or a closely related person of key management personnel, unless the vote being cast is a proxy from a shareholder eligible to vote.

Voting Exclusion Statements

For the purposes of the voting exclusion statements:

"key management personnel" (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

"closely related person" means: (a) a spouse or child of the KMP; (b) a child of the KMP's spouse; (c) a dependent of the KMP or the KMP spouse; (d) anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealing with the Company; (e) a company the KMP controls; or (f) a person otherwise prescribed by the regulations.

Where the Chair is appointed as a proxy, the Chair will vote all undirected proxies in favour of all Resolutions. If you appoint the Chair as your proxy, and you check the box consenting to the Chair voting undirected proxies, then unless you include an express voting direction on your proxy form, you will be directing, and expressly consenting to the Chair to vote in favour of all Resolutions.

Employee Share Option Plan

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1. Defined meanings

Words used in this document and the rules of interpretation that apply are set out and explained in the definitions and interpretation Rule at the back of this document.

2. Purpose

- (a) The Plan is a key part of the longer term retention and incentive strategy of the Company.
- (b) The Plan is designed to provide incentives to the directors and employees of the Group to remain with the Group and to improve longer-term performance of the Group, and to recognise their contribution to the Group's success.

3. Rules

This document sets out the rules of the Plan.

4. Commencement of the Plan

The Plan commences on the day that approval for introduction of the Plan is first given by the Board, such date being 25 October 2016.

5. The Plan

5.1 Options

- (a) Subject to the Listing Rules, the Company may issue such number of Options as the Board determines until such time as the Plan is terminated.
- (b) The Options lapse on their Expiry Date.
- (c) The Options Expiry date is not to exceed 60 months from the date of issuance of the Options.
- (d) Without the prior written approval of the Board, an Option may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered.
- (e) The Options will not be listed or quoted on any stock exchange.
- (f) Option Holders have no rights or entitlements to participate in dividends declared by the Company or rights to vote at meetings of the Company in respect of an Option that they hold until that Option is exercised.

5.2 Exercise Price

- (a) The Board will specify the Exercise Price of each Option at the time of making an Offer to an Eligible Employee.
- (b) Without limiting the ways in which the Exercise Price may be determined by the Board, the Exercise Price may be set as a percentage above the Market Price of a Share on the date an Option is granted.

5.3 Vesting

- (a) The issue of an Option does not confer any right or interest, whether legal or equitable, in any Shares until the Vesting Conditions in respect of such Option (if any) have been satisfied or waived by the Board at its discretion, or the Options have otherwise become exercisable in accordance with this Plan.
- (b) Notwithstanding that an Option has become Vested, if the Option has lapsed then the Option does not confer any further right or interest, whether legal or equitable, in any Shares.

5.4 Exercise of Options

Subject to an Option becoming Vested and not having lapsed, an Option Holder may exercise all or any of the Options that he or she holds on any Business Day during the period that the Options are exercisable, by lodging with the Company:

- (a) a written notice of exercise of Options specifying the number of Shares in respect of which Options are being exercised;
- (b) a payment for the Exercise Price multiplied by the number of Shares in respect of which Options are being exercised; and

5.5 Issue of Shares on exercise of Options

- (a) Following exercise of an Option, the Company must, within such time as the Board determines, issue to the Option Holder the number of Shares in respect of which the Option has been exercised.
- (b) Unless the Option terms provide otherwise, Shares issued on the exercise of Options will rank equally in all respects with all existing Shares at the date of allotment, including in relation to:
 - (i) voting rights;
 - (ii) entitlements to participate in:
 - (A) distributions and dividends;
 - (B) future rights issues,

where the record date for determining entitlements falls on or after the date of issue of the Shares.

- (c) The Company must apply for quotation on the official list of ASX of Shares issued on the exercise of Options as soon as practicable after the issue of those Shares, so long as Shares are quoted on ASX at that time.

5.6 Eligibility

- (a) The Company may only make an Offer to an Eligible Employee.

- (b) Eligibility to participate in the Plan under Rule 5.6(a) does not confer a right to participate in the Plan.
- (c) The Board's determination as to whether a person is or is not an Eligible Employee shall be final and binding.

5.7 Determination of Offers

The Board may in its absolute discretion make Offers of Options to those Eligible Employees who the Board, in its absolute discretion, determines Offers should be made at any time or times. In determining which Eligible Employees will receive Offers, and which Eligible Employees will not, the Board may have regard to any matters which it considers relevant, including:

- (a) the Eligible Employee's length of service with the Group;
- (b) the contribution to the Group which has been made by the Eligible Employee;
- (c) the potential contribution of the Eligible Employee to the Group;
- (d) any misconduct or willful default by an Eligible Employee;
- (e) whether the Eligible Employee will continue to be an employee of, or a Contractor to, the Group at or soon after the time of issue of the Options;
- (f) taxation implications for the Group, the Eligible Employee and/or other Eligible Employees participating in the Plan; and
- (g) any applicable securities and/or employment laws.

5.8 Deemed Eligible Employees

Subject to obtaining any regulatory relief, if required, the Board may, in its absolute discretion, authorise a Contractor of the Group to participate in the Plan and such person is deemed to be an Eligible Employee for the purposes of the Plan.

5.9 Liability of Eligible Employee

- (a) An Eligible Employee is not liable to make any payment to the Company as consideration for the issue of Options to the Eligible Employee under the Plan.
- (b) No brokerage, commission, stamp duty or other transaction costs will be payable by the Eligible Employee in respect of any allotment or, if permitted, any transfer of Options under the Plan.

5.10 Terms of issue

Options must be issued on the terms of these Rules, the Corporations Act and the Listing Rules, and any additional terms as the Board considers appropriate (not being inconsistent with these Rules).

6. Offer and Acceptance

6.1 Offers

- (a) The Board may from time to time make Offers in writing to Eligible Employees inviting them to take up Options under the Plan.
- (b) The number of Options Offered to an Eligible Employee is the number determined from time to time by the Board in its absolute discretion.
- (c) Each Offer made by the Board shall:
 - (i) specify the number of Options for which the Eligible Employee may apply;
 - (ii) specify the terms and conditions of the issue of the Options the subject of the Offer, including:
 - (A) the Exercise Price of the Options or the method of determining the Exercise Price;
 - (B) the Expiry Date of the Options;
 - (C) any applicable Vesting Conditions;
 - (D) the Acceptance Period; and
 - (E) any other terms and conditions relating to the Offer or the Options which are not inconsistent with these Rules; and
 - (iii) be accompanied by:
 - (A) any other information or documents that the Corporations Act, the Listing Rules or any other applicable law require the Company to give to the Eligible Employee; and
 - (B) such other information as the Board in its discretion determines; and
 - (iv) have attached an Acceptance Form and a copy of these Rules.

6.2 Acceptance

- (a) To accept an Offer made by the Board under the Plan the Eligible Employee must send a completed Acceptance Form to the Company.
- (b) The Acceptance Form must be received by the Company within the Acceptance Period.

6.3 Effect of Acceptance

By completing and returning the Application Form within the Acceptance Period, an Eligible Employee will be taken to have agreed to be bound by:

- (a) the terms of the Application Form;

- (b) these Rules; and
- (c) the terms of issue as specified in the Offer.

6.4 Issue of Options

Subject to the satisfaction of any terms and conditions set out in the Acceptance Form, following receipt of a completed and signed Acceptance Form and the acceptance by the Board of the Acceptance Form, the Company will, as soon as practicable after the end of the Acceptance Period:

- (a) issue to the Eligible Employee the number of Options applied for by the Eligible Employee on the terms of issue specified in the Offer for those Options; and
- (b) update the Register in accordance with these Rules.

7. Lapse of Options

7.1 Lapse of Options

Any Options issued pursuant to the Plan will be allotted on the condition that notwithstanding that an Option may have become Vested, the whole of the Options issued to an Eligible Employee automatically lapse and are forfeited:

- (a) immediately after that Eligible Employee voluntarily resigns from employment with the Group other than to take up employment with another member of the Group or, in the case of a Contractor, if the Contractor or the Contractor's employer voluntarily terminates their contract for services with the Group;
- (b) subject to clause 7.1(d), immediately, if that Eligible Employee is dismissed from employment with the Group for any one or more of the following reasons:
 - (i) willful misconduct bringing disrepute on the Group;
 - (ii) repeated disobedience, after prior written warning;
 - (iii) incompetence in the performance of any duties for which the Eligible Employee was employed, after prior written warning;
 - (iv) fraud or any other dishonesty in respect of the property or affairs of the Group;
or
 - (v) any other reason, based on which the Board believes it is fair and reasonable to warrant that the Options lapse and are forfeited.
- (c) subject to clause 7.1(d), immediately, if that Eligible Employee is a Contractor and his or her contract for services or the contract for services of his or her employer with the Group is terminated for any one or more of the following reasons:
 - (i) breach of contract;

- (ii) incompetence in the performance of any services for which the Contractor was engaged, after prior written warning;
 - (iii) fraud or any other dishonesty in respect of the property or affairs of the Group; or
 - (iv) any other reason, based on which the Board believes it is fair and reasonable to warrant that the Options lapse and are forfeited.
- (d) if the dismissal or termination is determined to be improper by agreement between the Group and the Eligible Employee or by an order by a court or tribunal of competent jurisdiction, the Board may negotiate a commercial settlement in respect of the Options.

7.2 Exceptions

- (a) Options issued to an Eligible Employee that have vested will not lapse and be forfeited where an Eligible Employee ceases employment with, or ceases to perform work or render services to, the Group in the following circumstances:
- (i) death or total permanent disability;
 - (ii) retirement or, in the case of a Contractor, termination of the relevant contract for services as a result solely of the passage of time or the completion of the contracted services;
 - (iii) redundancy; or
 - (iv) any other circumstances on the basis of which the Board believes it is fair and reasonable that the Eligible Employee retains his or her right to exercise the Options.
- (b) Should an Eligible Employee, in the opinion of the Board, satisfy the requirements of Rule 7.2(a) the Eligible Employee or his or her legal representative will have a period of up to 6 months to exercise the Option from the date of the specified event.

8. Taxation

Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Employees.

9. Listing Rules

- (a) The terms and conditions of the Plan must at all times comply with the Listing Rules.
- (b) If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules, then the Listing Rules will prevail.

10. Reconstructions and New Issues

10.1 Participation in future issues

An Option Holder cannot participate in new issues of Shares or other securities to holders of Shares unless the Shares in respect of the Options held by the Option Holder have been issued to and registered in the name of the Option Holder before the record date for determining entitlements to the new issue.

10.2 Rights Issues

If the Company makes a pro-rata issue of securities to the holders of Shares:

- (a) if no amount is payable on the exercise of Options, the number of Options (or other terms and conditions, if any, applicable to the Options held by an Option Holder) may be adjusted in such manner as the Board in its discretion determines. Such adjustment, if any, will be subject to the Listing Rules, the Corporations Act and any other applicable law; and
- (b) if an amount is payable on the exercise of Options, the Exercise Price will be changed in accordance with the Listing Rules.

10.3 Reconstruction subject to the Listing Rules

In the event of any reconstruction (including consolidation, sub-division, reduction, capital return, buy back or cancellation) of the share capital of the Company, the number of Options to which each Option Holder is entitled and/or the Exercise Price of those Options must be reconstructed in accordance with the Listing Rules. Options must be reconstructed in a manner which will not result in any additional benefits being conferred on Option Holders which are not conferred on other security holders of the Company.

11. Change of Control

If the Company becomes, or in the opinion of the Board is likely to become, subject to a Change in Control the Board may at its absolute discretion make a determination that some or all of a Participant's unvested Options have vested and are exercisable prior to completion of the Change of Control.

12. Administration of the Plan

12.1 Administration

The Plan will be administered by the Board in accordance with these Rules. The Board may make regulations for the operation of the Plan which are consistent with these Rules.

12.2 Powers of the Board

- (a) Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising that power or discretion, under any fiduciary or other obligation to any other person.
- (b) Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board for such period and on such conditions as the Board may determine to a committee or any one or more persons, who need not be or include Directors.

- (c) Every exercise of discretion by the Board (or its delegate) and every decision of the Board as to the interpretation, effect or application of these Rules is final, conclusive and binding.

13. Rights of Participants

Nothing in these Rules:

- (a) confers on any employee or Contractor the right to receive any Options;
- (b) confers on any employee the right to continue as an employee of the Group or on any Contractor, or the employer of any Contractor, the right to continue to provide services to the Group;
- (c) affects any rights which the Group may have to terminate the employment of any employee or terminate the contract for services of any Contractor or the employer of any Contractor; or

- (d) may be used to increase damages in any action brought against the Group in respect of the termination of the employment of any employee of the Group or the termination of the contract for services of any Contractor, or the employer of any Contractor.

14. Amendment of these Rules

14.1 Amendment

Subject to Rules 14.2 and 14.3, the Company may at any time, by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this Rule 14).

14.2 Restrictions on amendment

No amendment of the provisions of these Rules is to reduce the rights of any Option Holder in respect of Options issued to the Option Holder prior to the date of the amendment, other than an amendment introduced primarily:

- (a) for the purposes of complying with or conforming to present or future laws governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable contributions or other amounts paid by the Group in respect of the Plan to qualify as tax deductions for that entity;
- (d) to enable the Option Holder or their employer to reduce the amount of tax or impost that may otherwise be payable by the Option Holder or their employer in relation to the Plan;
- (e) for the purpose of enabling Eligible Employees generally (but not necessarily each Eligible Employee) to receive a more favourable taxation treatment in respect of their participation in the Plan;
- (f) to enable the Group to comply with the Listing Rules or the Corporations Act or any other applicable legislation or regulation whether in Australia or outside Australia; or
- (g) make regulations for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Employees and Option Holders who are residents outside of Australia.

14.3 Listing Rules

Any amendment of these Rules must be made in accordance with, and in the manner stipulated (if any), by the Listing Rules.

14.4 Retrospective effect of amendment

Subject to the provisions of this Rule 14, any amendment made under Rule 14.1 may be given retrospective effect, as specified in the written instrument or resolution by which the amendment is made.

15. Termination and suspension of Plan

- (a) The Plan may be terminated or suspended at any time by resolution of the Board and notification thereof to the ASX.
- (b) Termination or suspension of the Plan does not affect the rights of the holders of unexpired Options previously granted under the Plan.

16. Register of Option Holders

16.1 The Company shall maintain a Register of Option Holders that records the Options issued by the Company.

16.2 The Register must state, with respect to each of the Options:

- (a) The names, alphabetically arranged, and the latest known address of each person who is, or has within the last 10 years been, an Option Holder;
- (b) The number of Options held by each Option Holder within the last 10 years and a brief summary of the terms of those Options sufficient to identify them including:
 - (i) The date on which the Options will become Vested; and
 - (ii) The Expiry Date of the Options;
- (c) The date of any;
 - (i) Issue of Options to; or
 - (ii) Vesting of Options in; or
 - (iii) Expiry of Options issued to; or
 - (iv) Exercise of Options by; or
 - (v) Transfer of Options by or to,

each Option Holder within the last 10 years, and in relation to any transfer, the name of the person to or from whom the Options were transferred.

16.3 The entry of the name of a person in the Register as the holder of an Option is prima facie evidence that legal title to the Option vests in that person.

16.4 The Company may treat the registered holder of an Option as the only person entitled to:

- (a) Exercise the Option; and
- (b) Exercise any other rights and powers attaching to the Option.

17. Notices

Any notice regarding Options issued under the Plan will be sent to the address of the Option Holder as recorded in the Register maintained by the Company or the share registry of the Company.

18. Governing Law

The Plan is governed by, and is to be construed and take effect in accordance with, the laws of Australia.

19. Definitions and interpretation

19.1 In these Rules, the following words and expressions have the meanings indicated unless a contrary intention appears:

Acceptance Form means a form to accept Options Offered under the Plan substantially in the form annexed to these Rules as Annexure A with any amendment or modification determined from time to time by the Board;

Acceptance Period means the time within which the Offer may be accepted by the Eligible Employee;

ASX means the ASX Limited (ACN 008 624 691);

Board means all or some of the Directors acting as a board of the Company;

Business Day means any day other than a Saturday, Sunday or public holiday in Australia;

Change in Control means when a person and their associates becomes the holder or controller of more than 50% of the ordinary shares of the Company, or any similar event as determined by the Board in its discretion;

Company means Biotech Capital Limited, a company incorporated in Australia A.C.N. 091 979 172;

Contractor means a person who:

- (a) contracts with the Group, or a person employed by another person who contracts with the Group, to perform work or render services, or to procure such work or services to be rendered, for the Group; and
- (b) has done so for the Group for more than 1 year; and
- (c) has worked a pro-rata equivalent of 40% or more of a comparable full time position;

Corporations Act means the Corporations Act 2001;

Director means a director of the Company or its subsidiaries;

Eligible Employee means a person who is at the time of the Offer, a full or part-time employee or a Director of the Group or a Contractor who is deemed to be an Eligible Employee in accordance with these Rules;

Exercise Price means the price determined by or the mechanism by which the price will be determined by the Board under Rule 5.2;

Expiry Date means the expiry date of Options, being the latest date at which the Options can be exercised, as set out in an Offer to an Eligible Employee and subject to the Rules;

Group means the Company and its Subsidiaries from time to time and any reference to “the Group” shall, where the context so admits, be deemed to be a reference to each member of the Group from time to time;

Listing Rules means the official listing rules of the ASX;

Market Price means, in relation to a particular date, the weighted average market price per Share (weighted by reference to volume) during five consecutive trading days on the ASX ending on the day before the particular date;

Offer means an offer in writing made by the Board to an Eligible Employee to take up Options under the Plan made in accordance with Rule 6;

Offer Period shall have the same meaning as in the Takeovers Code;

Option means, subject to adjustment in accordance with Rule 10, an option to subscribe for one Share in accordance with the Rules;

Option Holder means the holder of an Option issued under the Plan;

Plan means the Biotech Capital Limited Employee Share Option Plan established in accordance with the Rules;

Register means the register referred to in Rule 16;

Rules means the Rules of the Biotech Capital Limited Employee Share Option Plan; and

Share means a fully paid ordinary share in the Company;

Subsidiary has the same meaning as in division 6 of the Corporations Act; and

Vesting Conditions means one or more conditions (if any) as determined by the Board to apply to an Option as set out under the Offer which are conditions of the Option becoming Vested and **Vested** means that all such conditions have been satisfied.

19.2 In these Rules, unless the context otherwise requires:

(a) Rule and sub-Rule headings are for reference purposes only;

- (b) the singular includes the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) reference to a person includes any other entity recognised by law and vice versa;
- (e) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- (f) any reference to a party to this document includes its successors and permitted assigns;
- (g) any reference to any agreement or document includes that agreement or document as amended at any time;
- (h) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
- (i) the expression **at any time** includes reference too past, present and future time and the performance of any action from time to time;
- (j) an agreement, representation or warranty on the part of two or more persons binds them jointly and severally;
- (k) an agreement, representation or warranty on the part of two or more persons is for the benefit of them jointly and severally;
- (l) reference to an exhibit, annexure, attachment or schedule is a reference to the corresponding exhibit, annexure, attachment or schedule in this document;
- (m) reference to a provision described, prefaced or qualified by the name, heading or caption of a Rule, subRule, paragraph, schedule, item, annexure, exhibit or attachment in this document means a cross reference to that Rule, subRule, paragraph, schedule, item, annexure, exhibit or attachment;
- (n) when a thing is required to be done or money required to be paid under this document on a day which is not a Business Day, the thing must be done and the money paid on the immediately preceding Business Day;
- (o) reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated;
- (p) a reference to a Listing Rule includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of that Listing Rule; and
- (q) a reference to a person includes a reference to the person's executors, administrators and successors, a legal personal representative, a firm or a body corporate.

Annexure A – Acceptance Form

Biotech Capital Limited

(“the Company”)

Employee Share Option Plan

Agreement to accept Options

I _____ of _____

hereby accept the issue of _____ Options with an issue price of \$nil to subscribe for an equal number of Shares in the capital of the Company at an Exercise Price of \$ _____ per Share (subject to adjustment in accordance with the Rules of the Plan).

I agree that upon issue of those Options I shall hold those Options and deal with them only in accordance with the Offer made by the Board of Directors of the Company to me (a copy of which is attached), the Rules of the Employee Share Option Plan of the Company (a copy of which is attached) and the Listing Rules of ASX Limited.

Dated this _____ day of _____ 20

Signed: _____

Name: _____

Biotech Capital.

Lodge your vote:



By Mail:

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Alternatively you can fax your form to
Facsimile: +61 (0) 8 9262 3723

For all enquiries call:

Telephone: +61 (0) 8 9389 8033
Email: admin@advancedshare.com.au

Proxy Form

Instructions

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. To be effective, proxies must be delivered by shareholders as follows: Shareholders must deliver their proxies prior to 2.00pm (AEDT) on 27 November 2016 by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at +61 (0) 8 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009.
7. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 7.00pm (AEDT) on 27 November 2016 will be entitled to attend and vote at the Meeting.
8. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting for all undirected proxies.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
11. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

Turn over to complete the form →



CHECK OUT OUR WEBSITE at
www.advancedshare.com.au

- Check all holdings by using HIN/SRN
- Update your holding details
- Reprint various documents online

Biotech Capital.

Form of Proxy

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

PLEASE NOTE: This proxy is solicited on behalf of the management of Biotech Capital Limited (the "Company") for use at the meeting of the shareholders of the Company to be held at The offices of Deloitte, Level 10, 550 Bourke Street, Melbourne at 2:00pm (AEDT) on Tuesday, 29 November 2016 or any adjournment thereof (the "Meeting").

I/We being a member/s of Biotech Capital Limited hereby appoint

	the Chairman of the meeting	OR		PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.
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or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting and at any adjournment of that meeting.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following:

Proxy 1 is appointed to represent _____% of my voting right and Proxy 2 is appointed to represent _____% of my total votes.

My total voting right is _____ shares.

PLEASE NOTE: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

STEP 2 Items of Business

PLEASE NOTE: If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on that item.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

	FOR	AGAINST	ABSTAIN
Resolution 1 - Adopt the Remuneration Report for the year ended 30 June 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Election of Mrs. Jennifer Herz as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Dr. Richard Treagus as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-election of Mr. Peter Jones as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of prior issue of securities to the Herz Family Trust under the company's 15% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 - Approval of prior issue of securities to Jennifer Herz under the company's 15% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 - Approval of prior issue of securities to Karl Herz under the company's 15% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval of Biotech Capital Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no choice is specified, the shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. However, the Chairman intends to vote FOR each of the resolutions.

SIGN Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Member 1 <div style="border: 1px solid black; height: 20px; width: 100%; margin: 5px 0;"></div> Sole Director and Sole Secretary	Member 2 (if joint holding) <div style="border: 1px solid black; height: 20px; width: 100%; margin: 5px 0;"></div> Director/Company Secretary	Member 3 (if joint holding) <div style="border: 1px solid black; height: 20px; width: 100%; margin: 5px 0;"></div> Director	_____ / _____ / _____ Date
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