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**ONCOSIL MEDICAL LIMITED**

**ACN 113 824 141**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 10.00am (Sydney time)

**DATE:** 29<sup>th</sup> April 2014

**PLACE:** Level 8, 1 Alfred Street, Sydney

**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 Level 8, 1 Alfred Street, Sydney at 10.00am (Sydney time) on 29<sup>th</sup> April 2014 (**Extraordinary General Meeting**).

### 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 c/ PKF Lawler Partners at GPO Box 5446 Sydney NSW 2001; or
- (b) facsimile to PKF Lawler Partners on facsimile number (02) 8346 6099,

so that it is received not later than 5.00pm (Sydney time) on 27<sup>th</sup> April 2014.

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

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**LETTER FROM THE CHAIRMAN**

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Dear Shareholder

I am pleased to invite you to the Extraordinary General Meeting of the Company which will be held at Level 8, 1 Alfred Street, Sydney, New South Wales on 29<sup>th</sup> April 2014, commencing at 10.00am (Sydney time).

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

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 concern the ratification of the appointment of a new non-executive director, Mr. Lawrence Gozlan, and for the issue of loan funded shares pursuant to his appointment; and the proposed issue of loan funded shares to Mr. Peter Casey, Ms. Natalie Ruffles, Dr. Peter Knox and Dr. Drew Ferguson in accordance with the details contained in the Notice.

It is an exciting time in the evolution of the Company over the last 12 months and we look forward to future developments as we have just commenced our Pivotal Trial for OncoSil™ in pancreatic cancer.

Yours sincerely,



**Martin Rogers**  
Chairman

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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 Level 8, 1 Alfred Street, Sydney, New South Wales at 10.00am (Sydney time) on 29<sup>th</sup> April 2014.

The Explanatory Statement to this Notice of Extraordinary General Meeting provides information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement 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 5:00 pm (Sydney time) on 27<sup>th</sup> April 2014.

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### **AGENDA**

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#### **RESOLUTION 1 – APPOINTMENT OF LAWRENCE GOZLAN AS 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 Mr. Lawrence Gozlan as a director of the Company.”

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#### **RESOLUTION 2 – APPROVAL OF EMPLOYEE SHARE PLAN**

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

“That the shareholders approve the Company's Loan Share Plan for the purposes of ASX Listing Rules 7.1 and 7.2 Exception 9(b) and for all other purposes, as laid before the meeting, a copy of which is available for inspection at the registered office of the Company (during normal business hours).”

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#### **RESOLUTION 3 – APPROVAL OF ISSUE OF LOAN SHARES TO LAWRENCE GOZLAN**

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

“That subject to the approval of Resolutions 1 and 2, for the purposes of ASX Listing Rule 10.14 Shareholders approve the issue of 7,500,000 Loan Shares to Mr. Lawrence Gozlan pursuant to the Loan Share Plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice of Extraordinary General Meeting.”

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#### **RESOLUTION 4 – APPROVAL OF ISSUE OF LOAN SHARES TO PETER CASEY**

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

“That subject to the approval of Resolution 2, for the purposes of ASX Listing Rule 7.1 Shareholders approve the issue of a total of 461,539 Loan Shares on the terms of the Loan Share Plan to Mr. Peter Casey on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice of Extraordinary General Meeting.”

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**RESOLUTION 5 – APPROVAL OF ISSUE OF LOAN SHARES TO NATALIE RUFFLES**

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

“That subject to the approval of Resolution 2, for the purposes of ASX Listing Rule 7.1 Shareholders approve the issue of a total of 769,231 Loan Shares on the terms of the Loan Share Plan to Ms. Natalie Ruffles on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice of Extraordinary General Meeting.”

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**RESOLUTION 6 – APPROVAL OF ISSUE OF LOAN SHARES TO PETER KNOX AND TO DREW FERGUSON**

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

“That subject to the approval of Resolution 2, for the purposes of ASX Listing Rule 7.1 Shareholders approve the issue of a total of up to 2,307,694 Loan Shares on the terms of the Loan Share Plan to Drs. Peter Knox and Drew Ferguson on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice of Extraordinary General 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 Lawrence Gozlan 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 directions 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.

**RESOLUTION 2** - The Company will disregard any votes cast in respect of Resolution 2 by a Director of the Company and their 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 directions 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.

**RESOLUTION 3** - The Company will disregard any votes cast on the proposed Resolution 3 by the Directors of the Company (except a director who is ineligible to participate in any employee incentive scheme of the Company) or by any associate of such directors. However, the Company need not disregard a vote on Resolution 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 Resolution 3 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 3 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 Resolution 3 even though that resolution is connected with the remuneration of a member of the Company's key management personnel.

**RESOLUTION 4** - The Company will disregard any votes cast on the proposed Resolution 4 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote on Resolution 4 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.

**RESOLUTION 5** - The Company will disregard any votes cast on the proposed Resolution 5 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote on Resolution 5 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.

**RESOLUTION 6** - The Company will disregard any votes cast on the proposed Resolution 6 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote on Resolution 6 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.

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## **GENERALLY**

It is the intention of the Chairman to vote eligible undirected proxies in favour of all Resolutions. However, in respect of Resolution 2, unless a shareholder appointing the Chairman (expressly or by default) as proxy, indicates another intention by ticking the 'for', 'against' or 'abstain' box on the proxy form, the shareholder's votes will not be counted unless they also tick the second box under 'Step 1' on the proxy form.

Those shareholders appointing a proxy who do not want the Chairman to vote for them or do not want the Chairman to vote in accordance with the Chairman's intentions on these Resolutions, have the ability to:

- (a) appoint the Chairman as proxy with a direction to cast votes contrary to the

Chairman's stated voting intentions by instructing the Chairman to vote 'against' or to 'abstain' from voting on these Resolutions under 'Step 2' of the proxy form;

- (b) appoint a person other than the Chairman as proxy or attorney with or without a direction to cast votes 'for', 'against' or to 'abstain' from voting on these Resolutions (as the shareholder considers appropriate); or
- (c) for Resolution 2 only, leave the second box under 'Step 1' on the proxy form blank in which case the Chairman will not vote the shares on that Resolution but in that case, if no other proxy is appointed in place of the Chairman, the shareholder's votes on that Resolution will not be counted.

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**DATED: 20<sup>th</sup> March 2014**

**BY ORDER OF THE BOARD**

**Peter Casey**  
**Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement 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 Level 8, 1 Alfred Street, Sydney, New South Wales on Monday 29<sup>th</sup> April 2014 at 10.00am (Sydney time).

The purpose of this Explanatory Statement 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.

### **Background to Resolutions:**

At a general meeting of the Company held on 24 September 2013 shareholders approved the Company's Employee Share Plan (**Loan Share Plan** or **Plan**) for the purposes of Section 259B(2) of the Corporations Act 2001 (Cth). The Plan empowers the Board to issue fully paid ordinary shares in the Company (**Loan Shares**) to employees who qualify to participate in the Plan. The key terms and conditions of the Employee Share Plan are described in section 1.2(b) below (**Loan Terms**).

On 27 February the Company announced that the Board had appointed Mr. Lawrence Gozlan as a director of the Company. The Resolutions proposed in this Notice of Meeting are seeking approval of the appointment of Mr. Lawrence Gozlan as a Director, approval of the Plan for the purposes of ASX Listing Rule 7.2 Exception 9 and for the issue of 7,500,000 Loan Shares to Mr. Lawrence Gozlan, 461,539 Loan Shares to Mr. Peter Casey, 769,231 Loan Shares to Ms. Natalie Ruffles, up to 1,615,386 Loan Plan Shares to Dr. Peter Knox and up to 692,308 Loan Plan Shares to Dr. Drew Ferguson.

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### **Section 1**

#### **1. Resolution 1 – Appointment of Lawrence Gozlan as 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.

Mr. Gozlan was appointed by the Board as a Director on 27 February 2014. Being eligible, Mr. Gozlan seeks shareholder approval to the appointment of him as a Director, effective immediately upon the passing of this Resolution.

Mr. Gozlan is the Chief Investment Officer and Founder of Scientia Capital, a specialised global investment fund focused exclusively in life sciences. The Company was founded to provide high level expertise and to manage investments for high net worth individuals, family offices and institutional investors wanting exposure to the biotechnology industry.

Prior to this, Mr. Gozlan was responsible for the largest biotechnology investment portfolio in Australia as the institutional biotechnology analyst at QIC ("the Queensland Investment Corporation"), an investment fund with over AU\$60 billion under management. He previously worked as the senior biotechnology analyst in the equities team at Foster Stockbroking, and gained senior corporate finance experience advising life science companies at Deloitte.

Mr. Gozlan is a Director of Prana Biotechnology and several private healthcare companies. He holds a Bachelor of Science with Honours in microbiology and immunology from the University of Melbourne.

The Directors (in the absence of Mr. Gozlan) recommend that shareholders vote in favour of the election of Lawrence Gozlan as a Director.



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## Section 2

### 2. Resolution 2 - Approval of Employee Share Plan

The Board remains committed to incentivising and retaining the Company's directors and other personnel in a manner which promotes alignment of their interests with shareholder interests, whilst at the same time offering eligible participants market-competitive remuneration arrangements. At the same time, the Company desires to maintain maximum ability to raise capital in accordance with the ASX Listing Rules without seeking prior shareholder approval. Accordingly, the Board seeks shareholder approval of the existing Plan for the purposes of ASX Listing Rule 7.2 Exception 9.

The Board intends to use the Loan Share Plan, where appropriate, in lieu of options which may otherwise have been granted under the Company's previously approved option plan. A summary of the Loan Share Plan is set out later in these Explanatory Notes.

The Directors abstain from making a recommendation on Resolution 2 as they are eligible to participate in the Loan Share Plan and therefore have a potential personal interest in the matter. The Chairman intends to vote undirected proxies in favour of this resolution.

#### 2.1 ASX Listing Rules

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing Rule 7.2 exception 9 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than three years before the date of issue of the securities. The Loan Share Plan is regarded as an employee incentive scheme for the purposes of Listing Rule 7.2.

The Company intends that the issue of shares under the Loan Share Plan not be included when undertaking the calculation pursuant to Listing Rule 7.1. Accordingly, it is seeking shareholder approval in order for the Company to be able to issue shares pursuant to the Loan Share Plan and have those shares qualify under exception 9 to Listing Rule 7.2.

#### 2.2 Information required for Listing Rule 7.2 Exception 9(b)

Listing Rule 7.2 Exception 9(b) requires the information detailed in sections (a), (b) and (c) below to be provided to members for approval under this resolution:

(a) *Shares already issued*

The Company has issued previously issued 25,000,000 shares pursuant to the Loan Share Plan since its original approval in September 2013.

(b) *Loan Share Plan Summary*

From time to time, and in its absolute discretion, the Board will invite employees and other eligible personnel of the Company (including the directors) to subscribe for Loan Shares under the Plan and, if the Board considers appropriate, to receive a limited recourse loan for all or part of the subscription price for those Loan Shares.

The key terms of each limited recourse loan provided under the Plan (**Loan Terms**) are as follows:

- (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 participants of the 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 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**.

- (vi) notwithstanding paragraph (v) above, the Participant may repay all or part of the loan at any time before the Repayment Date; and
- (vii) the loan will be limited recourse such that on the Repayment Date the repayment obligation under the limited recourse loan will be limited to the lesser of (A) the outstanding balance of the limited recourse 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 limited recourse loan.

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.

The Loan Shares may only be sold by a Participant where the Participant has been granted a limited recourse loan 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 limited recourse 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 Plan Rules are available for inspection at the Company's registered office and will be provided without charge to shareholders on request.

(c) *Application Form Terms*

The Application for the Loan Shares to be executed by a Participant includes the appointment by the Participant of the Company to be its attorney under a power of attorney (**Power of Attorney**) to perform all acts required on the Participant's behalf in order:

- (i) to transfer the shares (not yet vested) which are the subject of the Application to a nominee of the Company at the Issue Price per Share, or
- (ii) for the Company to undertake a buy back (at the Issue Price per Share) or capital reduction of those Shares not yet vested pursuant to the provisions of the Corporations Act 2001,

upon the basis that the Application Form is a irrevocable direction to the Company to apply all proceeds that would have otherwise been provided or due to the Participant on a transfer, buy back or capital reduction solely in satisfaction of the Outstanding Loan Balance (as defined in the Loan Agreement).

The Application Form also contained a vesting condition that prevails over all other vesting conditions (**Liquidity Event Vesting Condition**), namely that all Loan Shares vest immediately upon the happening of a Liquidity Event (as defined). 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, or
- (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.

(d) *Voting Exclusion Statement*

The applicable voting exclusion statement appears in the Notice of Meeting above.

### 2.3 Director Recommendation

As the Directors are excluded from voting upon this resolution pursuant to the ASX Listing Rules, the directors will not make a recommendation to shareholders with respect to vote in relation to this Resolution 2.

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## Section 3

### 3. Resolution 3 - Proposed Loan Shares for Mr. Lawrence Gozlan

#### 3.1 Loan Terms for Mr. Lawrence Gozlan

Approval of the issue of the 7,500,000 Loan Shares (pursuant to the Loan Share Plan) to Mr Lawrence Gozlan (appointed to the Board on 27 February 2014) is being sought under ASX Listing Rule 10.14. Approval under Chapter 2E of the Corporations Act will not be sought, as the issue of the Loan Shares is considered by the non-interested members of the Board to be reasonable remuneration.

The issue of the 7,500,000 Loan Shares to Mr Gozlan (**LG Loan Shares**) will give him a relevant interest in the capital of the Company of 2.1%, being the 7,500,000 Loan Shares.

In addition to the Loan Terms being applicable to the Loan Shares proposed to be issued to Mr Gozlan, his Loan Shares are also subject to certain vesting conditions as outlined in section 3.3 below (**LG Vesting Conditions**) and a Power of Attorney given in favour of the Company as described in section 2.2(c) above.

The Application Form for the LG Loan Shares includes the Liquidity Event Vesting Condition, as defined in section 2.2(c) above, which prevails over all other vesting conditions.

The Loan Shares proposed to be issued to Mr Gozlan will be subject to escrow provisions contained in a voluntary restriction agreement to be entered by Mr Gozlan and the Company prior to the Company issuing any Loan Shares, pursuant to which there are 4 escrow periods, each period being equivalent to the period between the date the Loan Shares are issued and ending on the respective dates each of the 4 tranches of Loan Shares satisfies their respective LG Vesting Conditions.

### 3.2 Application of ASX Listing Rules and Corporations Act 2001 (Cth)

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

### 3.3 ASX Listing Rule 10.15 Requirements

ASX Listing Rule 10.14 requires a notice of meeting to include the following ASX Listing Rule 10.15 information to be disclosed:

- (a) the maximum number of securities to be issued to Mr. Gozlan pursuant to Resolution 3 is 7,500,000 Loan Shares;
- (b) the price for each security to be issued to Mr Gozlan is \$0.13 per Share, which price is 87% of the market price of the Company's securities. However, no funds will be received by the Company immediately upon the issue of the LG Loan Shares as Mr. Gozlan will receive a loan from the Company for the amount of the issue price of the LG Loan Shares. Such loan will be repayable in accordance with the Loan Terms described in section 2.2(b) above
- (c) the names of all persons referred to in ASX Listing Rule 10.14 who have received securities under the scheme since the last approval of the scheme, together with details of those issues, is as follows:

Director	Number of Securities	Issue Price
Dr. Neil Frazer	20,000,000	\$0.10*
Mr. Martin Rogers	5,000,000	\$0.10*

\*No funds will be received by the Company immediately upon the issue of these shares as Dr. Frazer and Mr. Rogers each received a loan from the Company for the amount of the issue price of these Loan Shares, as approved by shareholders in general meeting on 24 September 2013.

- (d) the names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the scheme are:
  - (i) Dr. Neil Frazer
  - (ii) Mr. Martin Rogers
  - (iii) Dr Roger Aston
  - (iv) Mr Lawrence Gozlan (subject to approval of Resolution 1)
- (e) the terms of the loan to be granted to Mr. Gozlan for his acquisition of the LG Loan Shares are described in Section 2.2(b) above.
- (f) the Company proposes to issue the LG 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 3 months 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 immediately upon the issue of the LG Loan Shares

as Mr. Gozlan will receive a loan from the Company for the amount of the issue price of the LG Loan Shares. Such loan will be repayable in accordance with the Loan Terms described in section 2.2(b) above;

### 3.4 Vesting Conditions

The vesting conditions applicable to the LG Loan Shares are as follows:

Tranche	Proportion of Loan Shares	Vesting Condition
1	25% of the Loan Shares	Tranche 1 shares will vest automatically (but subject to below) where during the 4 year vesting period (from the date of issue) the Total Shareholder Returns ( <b>TSR</b> ) in respect of holding ordinary shares in the Company equaling 175% - where the TSR is calculated using the average closing share price over the period of 30 consecutive trading days concluding on the issue date for the relevant shares as compared to the average closing share price over the period of 30 consecutive trading days concluding on the relevant calculation date. Notwithstanding the achievement of this TSR, the Tranche 1 shares will not vest until the expiry of 2 years from the date of issue of the Tranche 1 shares.
2	25% of the Loan Shares	Tranche 2 shares will vest automatically (but subject to below) where during the 4 year vesting period (from the date of issue) the TSR in respect of holding ordinary shares in the Company equaling 250% - where the TSR is calculated using the average closing share price over the period of 30 consecutive trading days concluding on the issue date for the relevant shares as compared to the average closing share price over the period of 30 consecutive trading days concluding on the relevant calculation date. Notwithstanding the achievement of this TSR, the Tranche 2 shares will not vest until the expiry of 2 years from the date of issue of the Tranche 2 shares.
3	25% of the Loan Shares	Tranche 3 shares will vest automatically where during the 4 year vesting period (from the date of issue) the Company receives US Food and Drug Administration ( <b>FDA</b> ) approval of a product (using the Company's technology) for the sale of a pharmaceutical product in the United States.
4	25% of the Loan Shares	Tranche 4 shares will vest automatically where Mr. Gozlan is still an employee or director of the Company on the expiry of the vesting period being three years from the issue date of the relevant shares.

### 3.5 Financial Assistance

In late February 2014, the Board resolved to provide financial assistance to Mr. Gozlan pursuant to the Plan, such financial assistance to take the form of a limited recourse loan to enable Mr. Gozlan to acquire Loan Shares under the Plan. The Board resolved that the giving of this assistance does not materially prejudice the interests of the Company or its shareholders, or the Company's ability to pay its creditors.

The reasons for the directors' conclusions concerning the giving of financial assistance in respect of the Plan are:

- (a) giving the assistance is in the best interests of the Company, and is of benefit to those shareholders not receiving the financial assistance, because it increases the alignment of the interests of Mr. Gozlan and shareholders and rewards Mr. Gozlan for the creation of shareholder wealth, and, therefore creates incentives for Mr. Gozlan to strive to ensure that the Company performs for the benefit of all its shareholders;
- (b) the terms and conditions do not materially prejudice the interests of the Company and its shareholders because the costs of providing the financial assistance are relatively small and are outweighed by the benefit of alignment of interest that is achieved under the Plan;
- (c) the vesting conditions of the Loan Shares are intended to encourage Mr. Gozlan to achieve the outcomes embodied in those vesting conditions; and
- (d) in the opinion of the directors, the provision of financial assistance under schemes of this kind is consistent with market practice in the area of executive incentive schemes currently operated in Australia.

### 3.6 Related Party Transaction

Shareholder approval is not required under Chapter 2E of the Corporations Act 2001 (Cth) for the financial benefit covered by this Resolution 3 as the Board has resolved that the financial benefit to be provided to Lawrence Gozlan under the Plan comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act 2001 (Cth).

### 3.7 Director Recommendation

All of the directors (other than Mr. Gozlan, who abstained from voting) recommend shareholders vote in favour of Resolution 3

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## Section 4

### RESOLUTIONS 4 and 5 – APPROVAL OF ISSUE OF LOAN SHARES TO PETER CASEY and NATALIE RUFFLES

Pursuant to Resolutions 4 and 5 for the purposes of ASX Listing Rule 7.1 the Company seeks shareholder approval (subject to the approval of Resolution 2) for the proposed issue of;

- (A) 461,539 Loan Shares on the terms of the Loan Share Plan to Mr. Peter Casey (**PC Loan Shares**) (Resolution 4), resulting in Mr. Casey having a relevant interest in the capital of the Company of 0.13%, being 461,539 ordinary shares and
- (B) 769,231 Loan Shares on the terms of the Loan Share Plan to Ms. Natalie Ruffles (**NR Loan Shares**) (Resolution 5), resulting in Ms. Ruffles having a relevant interest in the capital of the Company of 0.22%, being 769,231 ordinary shares.

The PC Loan Shares and the NR Loan Shares will be issued on the terms of the Loan Terms (described in section 2.2 above) and subject to the condition that the respective Loan Shares shall not vest unless the recipient has remained employed or engaged by the Company for a period of at least 3 years.

The PC Loan Shares and the NR Loan Shares shall also be subject to an escrow contained in voluntary restriction agreements to be entered with the Company by each of Mr Casey and Ms Ruffles 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.

Mr Casey and Ms Ruffles have also given a Power of Attorney in favour of the Company as described in section 2.2(c) above.

The Application Form for the PC Loan Shares and for the NR Loan Shares includes the Liquidity Event Vesting Condition, as defined in section 2.2(c) above, which prevails over all other vesting conditions.

## 4.1 Application of ASX Listing Rules

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

## 4.2 ASX Listing Rule 7.3 Requirements

ASX Listing Rule 7.1 requires a notice of meeting to include the following ASX Listing Rule 7.3 information to be disclosed concerning the PC Loan Shares and the NR Loan Shares:

- (a) the maximum number of securities to be granted by the Company under Resolutions 4 and 5 is 461,539 PC Loan Shares and 769,231 NR Loan Shares respectively;
- (b) the Loan Shares will be issued as soon as practicable after the Meeting, but in any event no later than three (3) months after the date of the Meeting. It is anticipated that they will be issued on one date rather than on a progressive basis;
- (c) the issue price of each Loan Share is 13 cents (\$0.13). The issue price of the Loan Shares will be accounted for through a loan from the Company and so will not result in any receipt of funds by the Company;
- (d) the PC Loan Shares and the NR Loan Shares shall be issued on the same terms as described in sections 2.2 and 4 of this Notice of Meeting;
- (e) no funds will be received by the Company immediately upon the issue of the Loan Shares to either of Mr. Peter Casey or Ms. Natalie Ruffles as each will receive a loan from the Company for the amount of the issue price of their Loan Shares. Such loans will be repayable in accordance with the Loan Terms described in section 2.2(b) above.

### Director Recommendation

All of the directors recommend that shareholders vote in favour of Resolutions 4 and 5.

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## Section 5

### RESOLUTION 6 – APPROVAL OF ISSUE OF LOAN SHARES TO PETER KNOX and DREW FERGUSON

Pursuant to Resolution 6 for the purposes of ASX Listing Rule 7.1 the Company seeks shareholder approval (subject to the approval of Resolution 2) for the proposed issue of up to a total of 2,307,694 Loan Shares, to be issued as follows:

- (A) up to 1,615,386 Loan Shares to Dr. Peter Knox (**PK Loan Shares**), resulting in Mr. Knox having a relevant interest in the capital of the Company of 3.53%, being 12,631,933 ordinary shares and
- (B) up to 692,308 Loan Shares to Dr. Drew Ferguson (**DF Loan Shares**), resulting in Mr. Ferguson having a relevant interest in the capital of the Company of 3.28%, being 11,708,855 ordinary shares.

The vesting conditions for the PK Loan Shares and the DF Loan Shares are as follows:

- (1) the PK Loan Shares and the DF Loan Shares shall not vest until the day the recipient has remained employed or engaged by the Company for a period of 3 years (except where any of the Termination Conditions apply); and
- (2) in addition to the minimum 3 year period described in (1) above, the PK Loan Shares and the DF Loan Shares shall also only vest (assuming satisfaction of the 3 year employment or engagement condition) in 2 tranches on the achievement of the following milestones:

- (a) 807,693 PK Loan Shares and 346,154 DF Loan Shares upon full patient recruitment for the "OncoCal" pivotal study, and
- (b) 807,693 PK Loan Shares and 346,154 DF Loan Shares upon any regulatory approval for the sale of "OncoCal" in a relevant jurisdiction (defined as the US, EU, Japan or Australasia)

The Application Form for the PK Loan Shares and for the DF Loan Shares includes the Liquidity Event Vesting Condition, as defined in section 2.2(c) above, which prevails over all other vesting conditions.

The PK Loan Shares and the DF Loan Shares are also to be issued subject to terms the same as the Loan Terms (described in section 2.2 above) and the Termination Conditions (outlined below). Further an escrow contained in voluntary restriction agreements is to be entered with the Company by each of Dr Knox and Dr Ferguson 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.

Dr Knox and Dr Ferguson are consultants to the Company. Each has also separately agreed to include in their respective voluntary restriction agreements the stipulation that their existing holdings of ordinary shares in the Company (not being Loan Shares) being 11,016,547 ordinary shares each (**Existing Holding**) are also subject to escrow on the same terms for a period of 3 years provided that where the Company raises at least \$10m capital within that period 2 million shares each will be released from escrow following any such raising.

Dr Knox and Dr Ferguson have also given a Power of Attorney in favour of the Company as described in section 2.2(c) above.

If Dr Knox and or Dr Ferguson (each referred to as a **Departing Person**) ceases engagement or employment with the Company, the following (**Termination Conditions**) shall also apply:

- due to his or her death or retirement due to having a terminal illness, then all Loan Shares issued to that Departing Person as at the date of cessation which have vested may be retained by the Departing Person (or their legal personal representatives) and all other Loan Shares that have not vested will immediately vest and may be retained by the Departing Person (or their legal personal representatives);
- for any reason other than those contemplated in (a) above (including where the Board believes that the Departing Person has acted fraudulently or dishonestly), all Loan Shares issued to that Departing Person as at the date of cessation, regardless of whether or not they have vested, will at the discretion of the Board will be transferred to a nominee of the Company or bought back by the Company (in repayment of the Loan to that Departing Person).

## 5.1 Application of ASX Listing Rules

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

## 5.2 ASX Listing Rule 7.3 Requirements

ASX Listing Rule 7.1 requires a notice of meeting to include the following ASX Listing Rule 7.3 information to be disclosed concerning the PK Loan Shares and the DF Loan Shares:

- (i) the maximum number of securities to be granted by the Company under Resolutions 6 is up to 1,615,386 Loan Shares to Dr. Peter Knox and up to 692,308 Loan Shares to Dr. Drew Ferguson;
- (ii) the Loan Shares will be issued as soon as practicable after the Meeting, but in any event no later than three (3) months after the date of the Meeting. It is anticipated that they will be issued on one date rather than on a progressive basis;
- (iii) the issue price of each Loan Share is 13 cents (\$0.13). The issue price of the Loan Shares will be accounted for through a loan from the Company and so will not result in any receipt of funds



by the Company;

- (iv) the PK Loan Shares and the DF Loan Shares shall be issued on terms the same as described in sections 2.2 and 5 of this Notice of Meeting;
- (v) no funds will be received by the Company immediately upon the issue of the Loan Shares to either of Dr. Peter Knox or Dr. Drew Ferguson as each will receive a loan from the Company for the amount of the issue price of their Loan Shares. Such loans will be repayable in accordance with the Loan Terms described in section 2.2(b) above.

### **Director Recommendation**

All of the directors recommend that shareholders vote in favour of Resolution 6.

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## **Section 6**

### **Further information**

The directors of the Company are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of annual general meeting.

The directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

ONCOSIL MEDICAL LTD

ACN 113 824 141

REGISTERED OFFICE:
Suite 7
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1 Alfred Street
SYDNEY NSW 2000

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: OSL

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Empty box for Chairperson appointment

OR

Grid for name of person appointed

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson 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 (or if no directions have been given, as the Proxy sees fit) at the Extraordinary General Meeting of the Company to be held at 10.00am (Sydney time) on Tuesday 29 April 2014 at Level 8, 1 Alfred Street, SYDNEY NSW and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Table with 3 columns: Resolution, For, Against, Abstain\*. Contains 6 rows of resolutions related to appointments and share issues.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Empty box for Chairperson appointment

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box.

By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him/her other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairperson of the Meeting intends to vote undirected proxies in favour of the resolution.

SECTION C: Please Sign Below

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

Signature lines for Individual or Security Holder, Security Holder 2, and Security Holder 3.

5933174350 Reference Number:

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OSL 1

