
ONCOSIL MEDICAL LIMITED

ACN 113 824 141

NOTICE OF EXTRAORDINARY GENERAL MEETING

TIME: 10:00 am (AEST)

DATE: 9 May 2016

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

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

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

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Extraordinary General Meeting of the shareholders of OncoSil Medical Limited ACN 113 824 141 (**Company**) to which this Notice of Extraordinary General Meeting relates will be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney at 10.00am (AEST) on 9 May 2016 (**Extraordinary General Meeting** or **EGM**).

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

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

- (a) post to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001; or
 - (b) facsimile to Boardroom Pty Limited on facsimile number + 61 2 9290 9655, or
 - (c) in person to Boardroom Pty Limited at Level 12, 225 George Street, Sydney, NSW
- so that it is received not later than 10.00am (AEST) on 7 May 2016.

Proxy forms received later than this time will be invalid.

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

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

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

Dear Shareholder

Previously the Company had scheduled an Extraordinary General Meeting of the Company which was to be held on 24 March 2016 (**Cancelled March 2016 meeting**) which, given the change in the share price since the loan share issues were originally proposed, the Directors decided to cancel.

The attached notice of meeting and related documents relate to a new shareholder meeting to consider those matters afresh, but with some material differences from the resolutions as proposed for the Cancelled March 2016 meeting, being –

- Resolution 1 - appointment of Chris Roberts as a director – no change
- Resolution 2 - approval of issue of loan shares to Chris Roberts – no change to quantum, but to be issued at a fixed price of 22 cents per Share
- Resolution 3 - approval of issue of loan shares to Daniel Kenny – no change to quantum, but to be issued at a fixed price of 22 cents per Share
- Resolution 4 - approval of change to loan shares vesting date – Roger Aston – extension of Tranche 3 vesting date, loan repayment date and restriction period to 31/12/19, as consideration for the increase of the Loan Amount owed by Roger Aston by \$25,000 to a total of \$285,000.
- Resolution 5 - approval of change to loan shares vesting date – Martin Rogers – extension of the vesting date, loan repayment date and restriction period to 31/12/19, as consideration for the increase of the Loan Amount owed by Martin Rogers by \$250,000 to a total of \$750,000.

I am pleased to invite you to the new Extraordinary General Meeting of the Company which will be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales on 9 May 2016, commencing at 10.00am.

Your personal proxy form is enclosed with this Notice of Extraordinary General Meeting .

The Company believes that these amendments will be aligned with the interests of all shareholders and I look forward to seeing you at the Extraordinary General Meeting. If you are unable to attend, please ensure that you fill out and return your personalised proxy form which is enclosed with this Notice of Extraordinary General Meeting.

Thank you for your ongoing support.

Yours sincerely,

Dr. Roger Aston
Chairman
6 April 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of shareholders of the Company will be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales at 10.00am (AEST) on 9 May, 2016.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered shareholders of the Company at 10.00am (AEST) on 9 May 2016.

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

RESOLUTION 1 – APPOINTMENT OF DR CHRIS ROBERTS AS A DIRECTOR

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

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

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

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

"Subject to the approval of Resolution 1, that for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 10,000,000 Loan Shares to Dr Chris Roberts at a fixed price of 22 cents per share pursuant to the Employee Share Plan subject to the vesting conditions and otherwise on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

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

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

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of a total of 14,000,000 Loan Shares to Daniel Kenny at a fixed price of 22 cents per share pursuant to the Employee Share Plan subject to the vesting conditions and otherwise on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

RESOLUTION 4 – APPROVAL OF CHANGE TO LOAN AMOUNT AND VESTING DATE – ROGER ASTON

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

"That Shareholders approve the extension to 31 December 2019 of the vesting period for tranche 3 of the loan plan shares (being 500,000 shares) originally issued to Roger Aston on 28 November 2014, the corresponding period for repayment (to 31 December 2019) by Roger Aston of the loan from the Company in respect of those loan plan shares, and the increase in total Loan Amount owed in relation to those share loan plan shares, the details of which are set out in the Explanatory Memorandum which accompanies this Notice of Meeting."

RESOLUTION 5 – APPROVAL OF CHANGE TO LOAN AMOUNT AND VESTING DATE – MARTIN ROGERS

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

"That Shareholders approve the extension to 31 December 2019 of the vesting period of the loan plan shares originally issued to Martin Rogers on 30 October 2013 (being 5,000,000 shares), the corresponding period for repayment (to 31 December 2019) by Martin Rogers of the loan from the Company in respect of those loan plan shares, and the increase in total Loan Amount owed in relation to those share loan plan shares, the details of which are set out in the Explanatory Memorandum which accompanies this Notice of Meeting."

VOTING EXCLUSION STATEMENTS

As required by the ASX Listing Rules:

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

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

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

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

RESOLUTIONS 2, 3, 4 and 5

As required by the Corporations Act 2001 (Cth), no member of the Company's key

management personnel or a Closely Related Party of any such member may vote as proxy on Resolutions 2, 3, 4 or 5 unless:

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

Dated 6 April 2016

BY ORDER OF THE BOARD

Tom Milicevic
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held at PKF Sydney, Level 8, 1 O'Connell Street, Sydney, New South Wales on 9 May 2016 at 10.00am (AEST).

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

RESOLUTION 1 – APPOINTMENT OF DR CHRIS ROBERTS AS A DIRECTOR

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

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

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

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

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

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

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

Recommendation

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

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

For the purposes of ASX Listing Rule 10.14 the Company seeks shareholder approval for the proposed issue of 10,000,000 Loan Shares at 22 cents per Share to Dr Chris Roberts (**CR Loan Shares**) pursuant to the terms of the Employee Share Plan, resulting in Dr Roberts having a relevant interest in the capital of the Company of 2.37% as at the date of issue of those Shares, being the 10,000,000 ordinary shares.

The CR Loan Shares will be issued on the terms of the Loan Terms (described in Schedule 1) and subject to the condition that a tranche of Loan Shares shall not vest unless and until the corresponding Vesting Condition (referred to below) is met. If a particular Vesting Condition is not satisfied during the 5 year period after the Loan Shares issue date (**Vesting Period**), the tranche of Loan Shares corresponding to Vesting Condition not met shall not vest and Dr Roberts shall hold those Loan Shares on behalf of the Company, including for the Company to transfer those Loan Shares to a nominee of the Company or the Company to buy back or cancel those Loan Shares.

The CR Loan Shares shall also be subject to an escrow contained in a voluntary restriction agreement to be entered with the Company by Dr Roberts prior to the Company issuing any Loan Shares, where the escrow period for a particular tranche is equivalent to the period between the date the Loan Shares are issued and ending on the date being the earliest of (i) the date that particular tranche of CR Loan Shares vests, (ii) the expiry of the Vesting Period and (iii) the repayment of the Loan Amount.

The Company has taken security over the CR Loan Shares (and will impose a holding lock) pending repayment of the Loan.

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

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

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

Application of ASX Listing Rules and Corporations Act

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

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

ASX Listing Rule 10.15 Requirements

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

- (a) the maximum number of securities to be issued to Dr Roberts pursuant to Resolution 2 is 10,000,000 CR Loan Shares, which Loan Shares only vest in tranches upon the achievement of the respective Vesting Conditions as described in Schedule 2;
- (b) the CR Loan Shares will be issued at 22 cents per Loan Share;
- (c) the names of all persons referred to in ASX Listing Rule 10.14 who have received securities under the same Employee Share Plan since the last approval of the scheme, together with details of those issues is as follows:

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

- (d) the names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the employee incentive scheme are:
 - Roger Aston
 - Chris Roberts
 - Daniel Kenny
 - Martin Rogers
- (e) the key terms of the Loan Shares are as set out in Schedules 1 and 2. The Loan Amount owed in respect of the CR Loan Shares will be \$2,200,000 upon the issue of the CR Loan Shares.
- (f) the Company proposes to issue the Loan Shares pursuant to Resolution 2 as soon as reasonably practicable after Resolution 2 is approved by shareholders, but in any case by no later than 12 months after the date of passage of Resolution 2;
- (g) a voting exclusion statement is included in the Notice of Extraordinary General Meeting;
- (h) no funds will be received by the Company upon the issue of the CR Loan Shares as Dr Roberts will receive a Loan from the Company for the amount of the issue price of the Loan Shares. Such Loan will be repayable in accordance with the Loan Agreement.

Recommendation

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

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

For the purposes of ASX Listing Rule 10.14 the Company seeks shareholder approval for the proposed issue of 14,000,000 Loan Shares at 22 cents per Share to Daniel Kenny (**DK Loan Shares**) pursuant to the terms of the Employee Share Plan, resulting in Daniel Kenny having a relevant interest in the capital of the Company of a total of 6.16% as at the date of issue of those Shares, being 26,000,000 ordinary shares.

The DK Loan Shares will be issued on the terms of the Loan Terms (described in Schedule 1) and subject to the condition that a tranche of Loan Shares shall not vest unless and until the corresponding Vesting Condition (referred to below) is met. If a particular Vesting Condition is not satisfied during the 5 year period after the Loan Shares issue date (**Vesting Period**), the tranche of Loan Shares corresponding to Vesting Condition not met shall not vest and Mr Kenny shall hold those Loan Shares on behalf of the Company, including for the Company to transfer those Loan Shares to a nominee of the Company or the Company to buy back or cancel those Loan Shares.

The DK Loan Shares shall also be subject to an escrow contained in a voluntary restriction agreement to be entered with the Company by Mr Kenny prior to the Company issuing any Loan Shares, where the escrow period for a particular tranche is equivalent to the period between the date the Loan Shares are issued and ending on the date being the earliest of (i) the date that particular tranche of DK Loan Shares vests, (ii) the expiry of the Vesting Period and (iii) the repayment of the Loan Amount.

The Company has taken security over the DK Loan Shares (and will impose a holding lock) pending repayment of the Loan.

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

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

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

Application of ASX Listing Rules

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

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

ASX Listing Rule 10.15 Requirements

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

- (a) the maximum number of securities to be issued to Mr Kenny pursuant to Resolution 3 is 14,000,000 DK Loan Shares, which loan shares only vest in tranches upon the achievement of the respective Vesting Conditions as described in Schedule 2;
- (b) the DK Loan Shares will be issued at 22 cents per Loan Share;
- (c) the names of all persons referred to in ASX Listing Rule 10.14 who have received securities under the same Employee Share Plan since the last approval of the scheme, together with details of those issues is as follows:

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

- (d) the names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the employee incentive scheme are:
- Roger Aston
 - Chris Roberts
 - Daniel Kenny
 - Martin Rogers
- (e) the key terms of the Loan Shares are as set out in Schedules 1 and 2. The Loan Amount owed in respect of the DK Loan Shares will be \$3,080,000 upon the issue of the DK Loan Shares.
- (f) the Company proposes to issue the Loan Shares pursuant to Resolution 3 as soon as reasonably practicable after Resolution 3 is approved by shareholders, but in any case by no later than 12 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 upon the issue of the DK Loan Shares as Mr Kenny will receive a Loan from the Company for the amount of the issue price of the Loan Shares. Such Loan will be repayable in accordance with the Loan Agreement.

Recommendation

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

RESOLUTION 4 - APPROVAL OF CHANGE TO LOAN AMOUNT AND VESTING DATE – ROGER ASTON

On 28 November 2014 the Company issued Dr Roger Aston a total of 2,000,000 loan plan shares (**RA Shares**) in 4 tranches pursuant to the shareholder approval obtained at the 2014 Annual General Meeting of the Company (**2014 AGM**). The RA Shares were issued in accordance with the terms of the loan agreement (**Loan Agreement**), as described in the 2014 AGM Notice of Meeting.

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

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

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

The RA Loan Shares shall also be subject to an escrow contained in a new voluntary restriction agreement to be entered with the Company by Dr Aston, where the escrow period for a particular tranche is equivalent to the period between the date the Loan Shares are issued and ending on the date being the earliest of (i) the date that particular tranche of RA Loan Shares vests, (ii) the expiry of the Vesting Period and (iii) the repayment of the Loan Amount.

The Board believes that the Original Vesting Date was originally set incorrectly. Furthermore the revised clinical and regulatory programme currently under review by FDA differs significantly from the programme as originally designed when the original vesting date was determined.

Accordingly, the Board wishes to extend the Original Vesting Date by substituting the New Vesting Date in its place, consistent the Tranche 3 RA Shares being issued pursuant to the Company's employee incentive scheme and as a consideration for the change in role within the Company undertaken by Dr Aston after the September 2014 change in management structure (as described in the Company's Notice of Annual General Meeting dated 28 October 2014). As consideration for the Board agreeing to extend the date for satisfying the Tranche 3 Vesting Condition (to the New Vesting Date) and extend the repayment date for the Loan Amount (to the New Repayment Date) without Dr Aston being required to pay any additional interest as a result of those extensions, Dr Aston and the Company agree that the Loan Agreement shall be amended such that Loan Amount he owes with respect to all RA Shares shall be increased by \$25,000 from \$260,000 to \$285,000.

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

Effect of passing of resolution 4

Resolution 4, if passed, will **not** result in the Company issuing any new shares, but rather the Company will be:

(a) extending to 31 December 2019

- (i) the date by which the Vesting Condition applicable to the Tranche 3 RA Shares previously issued to Dr Aston will need to be satisfied (failing which the Tranche 3 RA Shares may be transferred, cancelled or bought back by the Company) and,
- (ii) the repayment date for the Loan Amount, and

- (b) increasing the Loan Amount owed with respect to the RA Shares by \$25,000 from \$260,000 to \$285,000.

Recommendation

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

RESOLUTION 5 - APPROVAL OF CHANGE TO LOAN AMOUNT AND VESTING DATE – MARTIN ROGERS.

On 30 October 2013 the Company issued Mr Martin Rogers a total of 5,000,000 loan plan shares (**MR Shares**) in accordance with shareholder approval obtained at the 6 January 2014 Extraordinary General Meeting (**2014 EGM**). The MR Shares were issued in accordance with the terms of the loan agreement (**Loan Agreement**), as referred to in the 2014 EGM Notice of Meeting.

MR Shares had the following vesting date and condition

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

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

The MR Loan Shares shall also be subject to an escrow contained in a new voluntary restriction agreement to be entered with the Company by Mr Rogers, where the escrow period is equivalent to the period between the date the Loan Shares are issued and ending on the date being the earliest of (i) the date the RA Loan Shares vest, (ii) the expiry of the Vesting Period and (iii) the repayment of the Loan Amount.

The Board believes that the Original Vesting Date was originally set incorrectly. Furthermore the revised clinical and regulatory programme currently under review by FDA differs significantly from the programme as originally designed when the original vesting date was determined.

Accordingly, the Board wishes to correct the Original Vesting Date by substituting the New Vesting Date in its place, consistent MR Shares being issued pursuant to the Company's employee incentive scheme and as a consideration for the role within the Company undertaken by Mr Rogers. As consideration for the Board agreeing to extend the date for satisfying the Vesting Condition (to the New Vesting Date) and repayment date for the Loan Amount (to the New Repayment Date) without Mr Rogers being required to pay any additional interest as a result of those extensions, Mr Rogers and the Company agree that the Loan Agreement shall be amended such that Loan Amount he owes with respect to all MR Shares shall be increased by \$250,000 from \$500,000 to a total of \$750,000.

The Board has determined that the extension of the vesting period and the period for repayment of the Loan Amount for the MR Shares, as contemplated by this resolution 5,

to be both on arm's length commercial terms and reasonable remuneration for Mr Rogers in the circumstances.

Effect of passing of resolution 5

Resolution 5, if passed, will **not** result in the Company issuing any new shares, but rather the Company will be:

(a) extending to 31 December 2019

(i) the date within which the vesting condition applicable to the MR Shares previously issued to Mr Rogers will need to be satisfied (failing which the MR Shares may be transferred, cancelled or bought back by the Company)

(ii) the repayment date for the Loan Amount

(b) increasing the Loan Amount owed with respect to the MR Shares by \$250,000 from \$500,000 to \$750,000.

Recommendation

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

OTHER INFORMATION

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

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

For the same reasons as applicable to extending the vesting period for Resolutions 4 and 5 above, the Board will also be extending the vesting condition period for the Original Plan Shares Tranche 3 (and the corresponding period for repayment of the Loan Amount) for Mr Kenny so that they will also expire on 31 December 2019, the Board being of the view that these extensions to be both on arm's length commercial terms and reasonable remuneration for Mr Kenny in the circumstances.

GLOSSARY

AEST means Australian Eastern Standard Time, as observed in Sydney, New South Wales.

ASX means ASX Limited.

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

Board means the Board of Directors.

Chair means the chair of the Meeting.

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

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

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

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

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

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

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

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

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

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

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

Proxy Form means the proxy form accompanying the Notice.

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

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

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

Shareholder means a holder of a Share.

Schedule 1- Employee Share Plan Terms

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

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

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

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

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

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

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

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

Rights attaching to the Loan Shares

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

Sale of the Loan Shares

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

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

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

Schedule 2 – Vesting Conditions

Part 1

Milestone Vesting Conditions

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

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

Part 2

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

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