

VIRALYTICS LIMITED
ABN 12 010 657 351

**NOTICE OF ANNUAL GENERAL
MEETING**

Commencing 11.00am on
Wednesday, 22 November 2017
at the offices of McCullough Robertson
Level 32, MLC Centre
19-29 Martin Place
SYDNEY NSW

Notice is given that the Annual General Meeting (*AGM*) of shareholders of Viralytics Limited ABN 12 010 657 351 (the *Company*) will be held at the Offices of McCullough Robertson, Level 32, MLC Centre, 19-29 Martin Place, Sydney, New South Wales on Wednesday, 22 November 2017 commencing at 11.00am.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2017.

Unless the Company's Share Registry has been notified otherwise, shareholders will not be sent a hard copy of the Annual Report. All shareholders can view the Annual Report, which contains the Financial Report for the year ended 30 June 2017 on the website of the Company (www.viralytics.com), under "Investor Centre / Financial Reports".

B. QUESTIONS AND COMMENTS

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

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

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

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

C. ITEMS FOR APPROVAL

1. Re-election of Mr Paul Hopper

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

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

2. Remuneration Report

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

"That, the Company's Remuneration Report for the financial year ended 30 June 2017 (set out in the Directors' Report) be adopted."

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

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

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

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

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

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the issue of 2,500,000 Options in the capital of the Company to Dr Malcolm McColl (or his nominee), the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved.”

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

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

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the issue of 266,000 Options in the capital of the Company to Mr Paul Hopper (or his nominee), the terms of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved.”

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

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

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

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

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

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

8. Increase in maximum aggregate remuneration of Non-executive Directors

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

“That, for the purposes of ASX Listing Rule 10.17 and in accordance with rule 19.5(a) of the Company’s Constitution, the maximum aggregate amount per annum available for payment as remuneration to the Non-executive Directors of the Company be increased by \$100,000 from \$500,000 per annum to \$600,000 per annum.”

VOTING RESTRICTIONS AND EXCLUSION STATEMENTS

Resolution 2

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

- a member of the key management personnel (**KMP**) whose remuneration details are included in the 2017 Remuneration Report; or
- a closely related party of such a KMP (including close family members and companies the KMP controls).

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

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

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

Resolution 3

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed and any associates of such persons. At this point in time, there are no potential allottees to whom shares may be issued under this Resolution. On that basis, no shareholders are currently excluded from voting.

However, the Company need 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.

Resolutions 4, 5, 6 and 7

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 4, 5, 6 or 7 by any director of the Company who is eligible to participate in the Viralytics Equity Incentive Plan, their nominees (if applicable) and their associates.

However, the Company need not disregard a vote cast on Resolutions 4, 5, 6 or 7 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.

In addition, a vote must not be cast on Resolutions 4, 5, 6 or 7 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting because Viralytics’ proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 8

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 8 by any director of the Company and their associates.

However, the Company need not disregard a vote cast on Resolution 8 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.

In addition, a vote must not be cast on Resolution 8 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting because Viralytics' proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

By order of the Board

A handwritten signature in cursive script that reads "S. Prince".

Sarah Prince
Company Secretary
16 October 2017

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on 20 November 2017 will be entitled to attend and vote at the AGM as a shareholder.

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

Voting By Proxy

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

A proxy need not be a shareholder of the Company.

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

To be effective, the proxy must be received at the share registry of the Company no later than 11.00am (Sydney time) on 20 November 2017. Proxies must be received before that time by one of the following methods:

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

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

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11.00am (Sydney time) on 20 November 2017 being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the

requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

IMPORTANT: If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 2, 4, 5, 6, 7 and 8 then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

SHAREHOLDER QUESTIONS

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au, select Voting then click 'Ask a Question'.

To allow time to collate questions and prepare answers, please submit any questions by 11.00am (Sydney time) on Wednesday, 15 November 2017. Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

ENCLOSURES

Enclosed are:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Viralytics' share registry's website at www.linkmarketservices.com.au to ensure the timely and cost effective receipt of your proxy; and
- a reply paid envelope for you to return your proxy form.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist Viralytics shareholders (**Shareholders**) to understand the business to be put to Shareholders at the Company's 2017 Annual General Meeting.

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

RESOLUTION 1: RE-ELECTION OF MR PAUL HOPPER

Mr Paul Hopper was appointed as a director of the Company on 4 September 2008 and was most recently re-elected at the 2014 Annual General Meeting of the Company. In accordance with clause 19.3 of the Company's constitution, Mr Hopper retires and, being eligible, offers himself for re-election as a Director. Mr Hopper is an independent, Non-Executive Director, Chairman of the Board, Member of the Audit & Risk Committee and Chairman of the Remuneration & Nomination Committee.

Mr Paul Hopper, BA (UNSW), Diploma - Securities Institute of Australia has over twenty years' experience in the management and funding of biotechnology and healthcare public companies with extensive capital markets experience in equity and debt raisings in Australia, Asia, US and Europe. Mr Hopper's sector experience has covered a number of therapeutic areas with a particular emphasis on immunotherapy and cancer vaccines.

Mr Hopper has served as CEO and Director of many listed biotechnology and healthcare companies in Australia and the US and has significant experience in fund raising, corporate governance, risk and strategy. Mr Hopper also brings significant financial and accounting expertise to the Board with many years' experience in providing advice and guidance as it relates to the oversight of accounting policies, financial reporting, financial analysis, cash flow forecasting, M & A, valuations and management of companies of differing sizes and financial circumstances.

Mr Hopper currently serves as Executive Chairman, Chairman and Executive Director of three ASX listed companies, including Viralytics, and serves on a number Board sub-committees relating to audit, risk, governance and remuneration.

Directors' Recommendation

The Directors, with Mr Hopper abstaining, recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2: REMUNERATION REPORT

Section 250R(2) of the Corporations Act 2001 (Cth) (the **Act**) requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

Shareholders can view the full Remuneration Report in the Annual Report which is available from page 16 in the Company's Annual Report which can be viewed in the "Investor Centre / Financial Reports" section of the Company's website (www.viralytics.com).

Following consideration of the Remuneration Report, the Chairman of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution

that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors of the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

Directors' Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 2.

RESOLUTION 3: ASX LISTING RULE 7.1A - ADDITIONAL SHARE ISSUE CAPACITY

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

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

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

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

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

At the date of this Notice, the Company has on issue 240,724,252 Shares and a capacity to issue:

- (i) 36,108,637 Equity Securities under Listing Rule 7.1; and
- (ii) 24,072,425 Equity Securities under Listing Rule 7.1A (under the approval granted on 23 November 2016, expiring 23 November 2017).

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% placement period without using the Company's 15% placement capacity under Listing Rule 7.1. Any equity securities issued pursuant to Resolution 3 must be in an existing quoted class.

Information required by ASX Listing Rule 7.3A

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

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

If Resolution 3 is approved by Shareholders and the Company issues securities under the 10% Placement Facility, the existing ordinary Shareholders face the risk of economic and voting dilution as a result of the issue of Equity Securities which are the subject of this resolution, to the extent that such securities are issued; including:

- (a) the market price of Equity Securities in that class may be significantly lower on the issue date than on the date on which this approval is being sought; and

- (b) the Equity securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date or the Equity Securities may be issued as part consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- The following table gives examples of the potential dilution of existing ordinary Shareholders on the basis of the market price of Shares on 2 October 2017 and the number of ordinary securities for variable “A”, calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Meeting.

The table also shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

No. of Shares on Issue ¹	Dilution			
	Issue price (per Share)	\$0.405 50% decrease in Issue Price	\$0.81 Issue Price	\$1.62 100% increase in Issue Price
240,724,252 (Current)	Shares issued	24,072,425	24,072,425	24,072,425
	Funds raised	\$9,749,332	\$19,498,664	\$38,997,328
361,086,378 (50% increase)	Shares issued	36,108,637	36,108,637	36,108,637
	Funds raised	\$14,623,998	\$29,247,996	\$58,495,993
481,448,504 (100% increase)	Shares issued	48,144,850	48,144,850	48,144,850
	Funds raised	\$19,498,664	\$38,997,328	\$77,994,657

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Unlisted Options are exercised into ordinary shares before the date of the issue of the Equity Securities under Listing Rule 7.1A.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The issue price is \$0.81, being the closing price of the Shares on ASX on 2 October 2017.
- If any of the Equity Securities being approved by this resolution are issued, they will be issued during the placement period, that is, within 12 months of the date the AGM i.e. before 22 November 2018 and the approval being sought by this resolution will cease to be valid if ordinary shareholders approve a transaction under Listing Rules 11.1.2 or 11.2 prior to 22 November 2018.
- The Company may seek to issue Equity Securities for the purpose of raising working capital for the Company. A proportion of the Equity Securities may be issued for non-cash consideration and in such

¹ Variable “A” in Listing Rule 7.1A.2

circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3. An example of such a transaction includes an issue of shares in lieu of payment for services provided to the Company.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of Equity Securities have not been determined at the date of this Notice and allottees may include existing shareholders and/or parties who are not currently shareholders and are not related parties or associates of the Company. The allottees will be determined on a case by case basis having regard to factors including, but not limited to, the following:
 - The methods of raising funds available to the Company;
 - The effect of the issue of Equity Securities on the control of the Company. Allocation will be subject to takeover thresholds;
 - The financial situation and solvency of the Company; and
 - Advice from corporate, financial and broking advisors (if applicable).
- The Company previously obtained approval under Listing Rule 7.1A at its Annual General Meeting held on 23 November 2016.
- The total number of Equity Securities issued in the 12 months prior to 22 November 2017 is 1,489,833, being 0.62% of the total number of Equity Securities on issue at the commencement of the 12 month period.

A Voting Exclusion Statement is set out under Resolution 3 in the Notice of Meeting. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Details of all issues of Equity Securities during the 12 months prior to 22 November 2017 are as follows:

	Issue 1 23/11/2016	Issue 2 24/04/2017	Issue 3 05/05/2017	Issue 4 15/09/2017
Number of Equity Securities issued:	666,000	390,000	333,333	100,500
Class:	Unlisted Options	Unlisted Options	Ordinary shares	Ordinary shares
Summary of Terms	Options issued to eligible persons under the Viralytics Equity Incentive Plan as approved by Shareholders at the 2016 AGM. The options have an exercise price of \$1.20557 and expire on 23 November 2021. One third of options vest on 23 November 2017, one third vest on 23 November 2018 and one third vest on 23 November 2019 subject to the satisfaction of continued employment.	Options issued to eligible persons under the Viralytics Equity Incentive Plan as approved by Shareholders at the 2016 AGM. The options have an exercise price of \$1.0092 and expire on 28 March 2022. One third of options vest on 28 March 2018, one third vest on 28 March 2019 and one third vest on 28 March 2020 subject to the satisfaction of continued employment.	Fully paid ordinary shares	Fully paid ordinary shares issued on conversion of Performance Rights issued to staff in 2016 under the Viralytics Equity Incentive Plan
Persons to whom securities were issued and basis for issue:	Non-Executive Directors	Senior Management Employees	Non-executive Director (on exercise of unlisted options)	Employees
Price at issue: Discount to market price:	Nil N/A	Nil N/A	266,666 issued at \$0.332, 66,667 issued at \$0.6626 Discount n/a as exercise price for options.	Nil Discount n/a
Total cash consideration: Amount of cash spent: Spent on: Intended use for remaining cash:	Nil N/A	Nil N/A	\$132,706.66 Merged with existing funds - cash at bank a/a 30 June 2017 \$34.3 million. Working capital	Nil

Non-cash consideration: Current value of non-cash consideration:	Nil	Nil	Nil	Nil
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Resolution 3 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders present and entitled to vote on Resolution 3 must be in favour of the resolution.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

RESOLUTIONS 4, 5, 6 & 7: ISSUE OF OPTIONS TO DIRECTORS

Background

Resolutions 4, 5, 6 and 7 seek Shareholder approval for the issue of options to the Company's Directors (or their nominees) on the terms set out under the individual resolutions (**Options**). The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 3,166,000 Options to Dr Malcolm McColl, Mr Paul Hopper, Dr Leonard Post and Mr Peter Turvey under the Plan. The Exercise Price payable in respect of vested options will be the 5 day volume weighted average market price calculated to the date immediately preceding the AGM.

Dr McColl, Mr Hopper, Dr Post and Mr Turvey are Directors of the Company and therefore related parties under the Act.

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

ASX Listing Rule 10.14

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

If approval is given for the issue of securities under Listing Rule 10.14, approval is not required under Listing Rule 7.1 and the issue of securities to each of the Directors will not be included in the 15% calculation for the purposes of Listing Rule 7.1. The issue of shares on the exercise of the Options will similarly be excluded from Listing Rule 7.1 if the approval sought under Resolutions 4, 5, 6 and 7 is obtained by virtue of Listing Rule 7.2, Exception 4.

Section 208 of the Act

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

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

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

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

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

Considerations in determining the number of proposed Options

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

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

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

1. The Directors consider it is important for the Company to be able to attract and retain experienced directors and that the proposed grant of Options to each Director is appropriate taking into account the relevant Director's level of experience and contribution to the Company.
2. The Company has previously issued options to the Managing Director and its Non-Executive Directors and Resolutions 4, 5, 6 and 7 ensures a congruent and consistent remuneration philosophy.
3. The Directors consider that the proposed number of Options to be granted to each Director is appropriate to:
 - motivate the relevant Directors to pursue long term growth and success of the Company (within an appropriate control framework);
 - align the interests of key leadership with the long-term interests of the Company's Shareholders; and
 - ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy.
4. The Directors' Fee Pool is currently set at \$500,000. In the financial year ending 30 June 2017 the Non-Executive Directors received total remuneration of \$462,869 (inclusive of superannuation and options). If the Company is unable to issue Options then it may need to consider whether, in order to attract and retain appropriate directors, it needs to increase the level of cash fees payable. By issuing Options, the Company will be able to preserve a greater portion of its cash reserves operating expenditure than it would if additional cash remuneration were given to the Directors.
5. The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd ed.) (Principles) note that it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other security holders. In accordance with the Principles, these Options do not have Company specific performance conditions so as to not lead to bias in the Non-Executive Directors' decision-making or to compromise their objectivity. Likewise the Principles note that equity-based remuneration can be an effective form of remuneration for executives.

Performance Hurdles for Dr Malcolm McColl

It is proposed to offer Dr McColl two equal tranches of 1,250,000 options each. Dr McColl's options will only vest on achievement of specific performance hurdles set for each tranche of options. The performance hurdles, as set and recommended by the Remuneration and Nomination Committee of the Board, are designed to enhance share value creation.

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

Tranche 1 performance hurdles

Tranche 1 will vest on the achievement of any one of three performance hurdles on or before 30 November 2018. Each hurdle has been designed by the Remuneration and Nomination Committee of the Board to enhance share value creation. The performance hurdles relate to:

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

Tranche 2 performance hurdles

Tranche 2 will vest on the achievement of any one of three performance hurdles on or before 30 November 2019. Each hurdle has been designed by the Remuneration and Nomination Committee of the Board to enhance share value creation. The performance hurdles relate to:

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

Director Interests

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

Related Party	Shares	Unlisted Options
Dr Malcolm McColl	Nil	1,200,000 unlisted options expiring 21 January 2018 with an exercise price of \$0.326. 400,000 unlisted options expiring on 28 November 2019 with an exercise price of \$0.332. 5,000,000 unlisted options expiring on 18 November 2020 with an exercise price of \$0.5885 – 2,500,000 vested and 2,500,000 vesting on the achievement of any one of three performance hurdles on or before 30 November 2017.
Mr Paul Hopper	<ul style="list-style-type: none">• 129,106 shares – held by Kilinwata Investments Pty Ltd A.C.N. 009 641 212 (Paul Hopper is a shareholder of Kilinwata Investments Pty Ltd)• 36,000 shares - held by Ms Deborah Coleman (Mr Hopper's spouse). 15,000 shares – held by Kilinwata Investments Pty Ltd ATF Life Science Portfolio Managers Trust	200,000 vested unlisted options expiring on 28 November 2019 with an exercise price of \$0.332. 300,000 unlisted options expiring on 18 November 2020 with an exercise price of \$0.6626: <ul style="list-style-type: none">• 100,000 vested options;• 100,000 options scheduled to vest on 18 November 2017; and• 100,000 options scheduled to vest on 18 November 2018. 266,000 unlisted options expiring on 23 November 2021 with an exercise price of \$1.20557: <ul style="list-style-type: none">• 88,667 options scheduled to vest on 23 November 2017;• 88,667 options scheduled to vest on 23 November 2018; and• 88,666 options scheduled to vest on 23 November 2019.
Dr Len Post	Nil	200,000 vested unlisted options expiring 23 November 2017 with an exercise price of \$0.352.

Related Party	Shares	Unlisted Options
		<p>200,000 vested unlisted options expiring on 28 November 2019 with an exercise price of \$0.332.</p> <p>200,000 unlisted options expiring on 18 November 2020 with an exercise price of \$0.6626:</p> <ul style="list-style-type: none"> • 66,667 vested options; • 66,667 options scheduled to vest on 18 November 2017; and • 66,666 options scheduled to vest on 18 November 2018. <p>200,000 unlisted options expiring on 23 November 2021 with an exercise price of \$1.20557:</p> <ul style="list-style-type: none"> • 66,667 options scheduled to vest on 23 November 2017; • 66,667 options scheduled to vest on 23 November 2018; and • 66,666 options scheduled to vest on 23 November 2019.
Mr Peter Turvey	420,894 shares held by Peter and Pascale Turvey ATF Katto Superannuation Fund (of which Mr Turvey is a beneficiary)	<p>133,334 vested unlisted options expiring on 28 November 2019 with an exercise price of \$0.332.</p> <p>133,333 unlisted options expiring on 18 November 2020 with an exercise price of \$0.6626:</p> <ul style="list-style-type: none"> • 66,667 options scheduled to vest on 18 November 2017; and • 66,666 options scheduled to vest on 18 November 2018. <p>200,000 unlisted options expiring on 23 November 2021 with an exercise price of \$1.20557:</p> <ul style="list-style-type: none"> • 66,667 options scheduled to vest on 23 November 2017; • 66,667 options scheduled to vest on 23 November 2018; and • 66,666 options scheduled to vest on 23 November 2019.

Valuation of the Options

A summary of the potential value of the Non-executive's Options is tabled below:

<i>Option Holder</i>		<i>Tranche 1 – vesting on 1st anniversary of issue</i>	<i>Tranche 2 – vesting on 2nd anniversary of issue</i>	<i>Tranche 3 – vesting on 3rd anniversary of issue</i>	<i>Total</i>
Mr Paul Hopper	Number	88,667	88,667	88,666	266,000
	Value	\$36,619	\$36,619	\$36,618	\$109,856

Dr Len Post	Number	66,667	66,667	66,666	200,000
	Value	\$27,533	\$27,533	\$27,532	\$82,598
Mr Peter Turvey	Number	66,667	66,667	66,666	200,000
	Value	\$27,533	\$27,533	\$27,532	\$82,598
Total	Number	222,001	222,001	221,998	666,000
	Value	\$91,684	\$91,684	\$91,683	\$275,052

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

<i>Option Holder</i>		<i>Tranche 1 – vesting on or before 30 November 2018 if performance hurdle met</i>	<i>Tranche 2 – vesting on or before 30 November 2019 if performance hurdle met</i>		<i>Total</i>
Dr Malcolm McColl	Number	1,250,000	1,250,000	0	2,500,000
	Value	\$507,081	\$507,081	-	\$1,014,162
		<i>Tranche 1</i>	<i>Tranche</i>	<i>Tranche 3</i>	
Total (including non-executive directors)	Number	1,472,001	1,472,001	221,998	3,166,000
	Value	\$598,765	\$598,765	\$91,683	\$1,289,214

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

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

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

As set out above, the total value of Options proposed to be issued to Dr McColl is \$1,014,162, Mr Hopper is \$109,856, to Dr Post is \$82,598 and to Mr Turvey is \$82,598. These are theoretical valuations derived using the Black-Scholes Model and have been valued by external consultants (who, it is considered, have sufficient qualifications, expertise and experience to conduct such a valuation). A valuation of the Options and the pricing methodology for that valuation is set out in Schedule 1. The value of these Options will be expensed in the Company's financial statements over the relevant vesting periods.

Directors' Remuneration

The remuneration and emoluments paid by the Company to the Directors for the previous financial year (ended 30 June 2017) and the proposed remuneration and emoluments for the current financial year (including the value of Options proposed to be granted) are as follows:

Director	Current Financial Year			Previous Financial Year		
	<i>Short term payments, travel allowance and post-employment benefits</i>	<i>Share based payments (Options)</i>	<i>Total</i>	<i>Short term payments, travel allowance and post-employment benefits</i>	<i>Share based payments (Options)</i>	<i>Total</i>
Dr McColl	\$564,281	\$423,427	\$987,708	\$532,201	\$973,918	\$1,506,119
Mr Hopper	\$92,125	\$98,524	\$190,649	\$92,125	\$47,000	\$139,125

Dr Post	\$60,225	\$71,412	\$131,637	\$60,225	\$34,213	\$94,438
Mr Turvey	\$65,700	\$74,883	\$140,583	\$65,700	\$42,852	\$108,552

If the Options are exercised, a total of 3,166,000 Shares would be allotted and issued. The Company presently has on issue 240,724,252 Shares and 14,197,667 options exercisable into Shares over various exercise periods and at various exercise prices. The dilution effect of exercise of the 3,166,000 Options as proposed above is 1.32% of Shares on issue (assuming no other options are issued) and 1.24% on a fully diluted basis (that is, assuming that all other options on issue are exercised and all performance rights are converted).

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

	Price	Date
Highest	\$1.28	16 November 2016
Lowest	\$0.78	5 October 2017
Last	\$0.82	13 October 2017

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

The following information is provided to Shareholders in relation to Resolutions 4, 5, 6 and 7:

- 2,500,000 Options are to be issued to Dr Malcolm McColl (or his nominee), 266,000 Options are to be issued to Mr Paul Hopper (or his nominee), 200,000 Options are to be issued to Dr Leonard Post (or his nominee) and 200,000 Options are to be issued to Mr Peter Turvey (or his nominee). Each Option may be converted on a one-for-one basis to a Share in the Company.
- Dr McColl is the Managing Director and Chief Executive Officer of the Company. Mr Hopper is the Chairman of the Board. Dr Post and Mr Turvey are Non-Executive Directors of the Company.
- All Directors are entitled to participate in the Plan. At the date of the Notice the Directors of the Company are Dr McColl, Mr Hopper, Dr Post and Mr Turvey.
- It is anticipated that the Options will be issued by the Company within one (1) month of the AGM and no later than twelve (12) months after the date of this AGM.
- No amount will be payable on the grant of an Option.
- The Exercise Price for Dr McColl, Mr Hopper, Dr Post and Mr Turvey's Options will be the 5 day volume weighted average market price calculated to the date immediately preceding the AGM.
- Since the last approval of the Plan by Shareholders at the 2016 AGM, the Directors have received the following grant of options under the Plan which were approved by Shareholders: at the 2016 AGM, Mr Hopper – 266,000 options, Dr Post – 200,000 options and Mr Turvey – 200,000 options. All options were granted for nil financial consideration.
- All funds raised on payment of the exercise price of the Options will be used as working capital.
- There is no loan attaching to the offers of Options.
- A voting exclusion statement is set out under each Resolution.
- If approval is given for the issue of securities under Listing Rule 10.14, approval is not required under Listing Rule 7.1

Additional terms of the Options

- If exercised, each Option will entitle the relevant Director (or his nominees) to each acquire 1 ordinary share in the capital of the Company.
- No amount will be payable on the grant of an Option.
- The Options will be exercisable in multiples of 10,000.
- All Options not exercised by 5.00pm on the 5 year anniversary of the issue date (***Expiry Date***) will lapse.
- The vesting date of the Managing Director's Options is as follows:

- Tranche 1 will vest on satisfaction of one of the specified performance hurdles for Tranche 1 if satisfied on or before 30 November 2018; and
- Tranche 2 will vest on satisfaction of one of the specified performance hurdles for Tranche 2 if satisfied on or before 30 November 2019.
- The vesting date of the Non-Executive Director's Options (when the Options will be exercisable) will be as follows:
 - one-third of the Director Options will vest on the first anniversary of issue ;
 - one-third of the Director Options will vest on the second anniversary of issue; and
 - the remaining third of the Director Options will vest on the third anniversary of issue.
- Notwithstanding the above, the Options will immediately vest and become exercisable upon a control event of the Company.
- All funds raised by the Company from the exercise of the Options will be used for general working capital purposes.
- The Options do not confer the right to participate in any new issue of Shares without first exercising the Options then available to be exercised, and then only to the extent of ordinary Shares then held by the relevant director.
- If there is any re-organisation (including consolidation, subdivision, reduction or return of issued capital of the Company), the number of Options and/or the exercise price will be adjusted by the Company in accordance with the Listing Rules or (if no such rules exist) in a manner which will not advantage or disadvantage either Director as compared to ordinary Shareholders.
- In relation to the Managing Director's Options (Resolution 4), any and all unexercised Options expire on the earlier of:
 - a) if Dr McColl ceases his employment prior to the expiry date as a Good Leaver (as defined by his employment contract) – 365 days after the date his employment ceases.
 - b) If Dr McColl ceases his employment prior to the Expiry Date as a Bad Leaver (as defined by his employment contract) – 90 days after the date his employment ceases; and
 - c) the Expiry Date.
- In relation to the Non-Executive Directors (Resolutions 5, 6 and 7), unvested Options shall lapse upon the relevant director ceasing to be a Director of the Company.
- The Options are not transferable.
- All Shares issued pursuant to the exercise of Options will, subject to the Constitution of the Company, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) *pari passu* with the existing Shares at the date of issue and allotment.
- The Options will not be quoted on the ASX. The Company intends to apply to the ASX for quotation of any Shares acquired on exercise of the Options.

Directors' Recommendations

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

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

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

The Directors (with Mr Turvey abstaining) recommend that Shareholders vote in favour of Resolution 7.

RESOLUTION 8: INCREASE IN MAXIMUM AGGREGATE REMUNERATION OF NON-EXECUTIVE DIRECTORS

Shareholder approval is sought to increase the maximum aggregate annual amount available to be paid or provided to the Non-Executive Directors of the Company by \$100,000, from \$500,000 to \$600,000 per annum (including applicable statutory superannuation guarantee contributions payable by the Company to the Non-Executive Directors).

In accordance with rule 19.5(a) of the Company's Constitution and for the purposes of ASX Listing Rule 10.17, the maximum aggregate amount payable as remuneration to all Non-Executive Directors of the

Company in any year may not exceed an amount determined by shareholders from time to time at a general meeting (**NED Fee Pool**).

In the past three years the Company has issued the following securities to the non-executive Directors with Shareholder approval under ASX Listing Rule 10.11 or 10.14:

Paul Hopper	<ul style="list-style-type: none"> • 200,000 unlisted options with exercise price of \$0.332 expiring 29 November 2019 • 300,000 unlisted options with exercise price of \$0.6626 expiring 18 November 2020 • 266,000 unlisted options with exercise price of \$1.20557 expiring 23 November 2021
Len Post	<ul style="list-style-type: none"> • 200,000 unlisted options with exercise price of \$0.332 expiring 29 November 2019 • 200,000 unlisted options with exercise price of \$0.6626 expiring 18 November 2020 • 200,000 unlisted options with exercise price of \$1.20557 expiring 23 November 2021
Peter Turvey	<ul style="list-style-type: none"> • 400,000 unlisted options with exercise price of \$0.332 expiring 29 November 2019 • 200,000 unlisted options with exercise price of \$0.6626 expiring 18 November 2020 • 200,000 unlisted options with exercise price of \$1.20557 expiring 23 November 2021

A voting exclusion statement is set out under the resolution.

The Board is seeking shareholder approval to increase the NED Fee Pool to ensure the NED Fee Pool can accommodate additional Non-Executive Directors being appointed to the Board.

The increase will also enable the Company to maintain remuneration arrangements that are market competitive, so it can attract and retain high calibre individuals as Non-Executive Directors.

If shareholder approval is obtained, the increased available NED Fee Pool will apply from and including the financial year ending 30 June 2018 however the Board does not propose to increase the fees payable to the Non-Executive Directors for this period or in the near future. The increased limit does not imply that the full amount of the NED Fee Pool will be used.

Details of fee arrangements for Non-Executive Directors have been disclosed in the Company's annual Remuneration Report which must be submitted for adoption by resolution of shareholders at every Annual General Meeting.

Given the personal interests of the Non-Executive Directors, the Board does not believe it is appropriate to make a recommendation to Shareholders in relation to voting on the resolution in relation to Resolution 8.

The Chairman of the Meeting intends to vote all available proxies in favour of the resolution in relation to Resolution 8.

SCHEDULE 1

The Director Options to be issued to the related parties pursuant to Resolutions 4, 5, 6 and 7 have been valued by external consultants. The consultants are considered to have sufficient qualifications, expertise and experience to conduct such a valuation. The valuation was prepared using the Black-Scholes Option Pricing Model, which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the Black-Scholes Model is a function of a number of variables and is rounded to the nearest one hundredth of a cent.

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

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

<i>Option Holder</i>		<i>Tranche 1</i>	<i>Tranche 2</i>	<i>Tranche 3</i>	<i>Total</i>
Dr Malcolm McColl	Number	1,250,000	1,250,000	-	2,500,000
	Value	\$507,081	\$507,081	-	\$1,014,162
Mr Paul Hopper	Number	88,667	88,667	88,666	266,000
	Value	\$36,619	\$36,619	\$36,618	\$109,856
Dr Len Post	Number	66,667	66,667	66,666	200,000
	Value	\$27,533	\$27,533	\$27,532	\$82,598
Mr Peter Turvey	Number	66,667	66,667	66,666	200,000
	Value	\$27,533	\$27,533	\$27,532	\$82,598
Total	Number	1,472,001	1,472,001	221,998	3,166,000
	Value	\$598,765	\$598,765	\$91,683	\$1,289,214

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

- Dr McColl – \$1,014,162
- Mr Hopper - \$109,856
- Dr Post - \$82,598
- Mr Turvey - \$82,598

The valuation relies upon the following assumptions:

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

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

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

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

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Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, will act as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Wednesday, 22 November 2017 at McCullough Robertson, Level 32, MLC Centre, 19-29 Martin Place, Sydney, NSW** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 4, 5, 6, 7 and 8: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 4, 5, 6, 7 and 8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

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



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

VLA PRX1701C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting, will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the resolutions are connected directly or indirectly with the remuneration of KMP.

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid. If you wish to appoint a Director (other than the Chairman) or other member of the KMP or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 2, 4, 5, 6, 7 and 8 by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 2, 4, 5, 6, 7 and 8.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Monday, 20 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Only Proxy Forms issued by the Company will be deemed valid and accepted by the Company.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

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

QR Code



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



BY MAIL

Viralytics Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* in business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**