ASX RELEASE **29 March 2018**

Sirtex Shareholders to Vote on Scheme of Arrangement for Proposed Acquisition by Varian Medical Systems, Inc.

Sydney, Australia

Sirtex Medical (ASX:SRX) (**Sirtex**) today announces that the Federal Court of Australia (**Court**) has today made orders approving the despatch of the scheme booklet (**Scheme Booklet**) in relation to the proposed acquisition of all of the shares in Sirtex by Varian Medical Systems Australasia Holdings Pty Ltd, a wholly-owned subsidiary of Varian Medical Systems, Inc. (**Varian**), by way of scheme of arrangement (**Scheme**) and has ordered that a meeting of Sirtex shareholders be convened to consider and vote on the Scheme (**Scheme Meeting**).

The Scheme Meeting will be held at 10.00am (Sydney time) on Monday, 7 May 2018 at the Royal Automobile Club of Australia, 89 Macquarie Street, Sydney NSW 2000.

All Sirtex shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy form with the Sirtex share registry by 10.00am (Sydney time) on Saturday, 5 May 2018, being not later than 48 hours before the commencement of the Scheme Meeting. Any proxy form received after that time will not be valid for the scheduled Scheme Meeting. Details of how to lodge a proxy form are included in the Scheme Booklet.

The Scheme Booklet has today been registered by the Australian Securities and Investments Commission.

A copy of the Scheme Booklet, including the Independent Expert's Report, a notice of Scheme Meeting and a copy of the proxy form for the Scheme Meeting, is attached to this announcement and will be sent to Sirtex shareholders by Thursday, 5 April 2018.

The Independent Expert appointed by the Board of Directors of Sirtex in relation to the Scheme, Deloitte Corporate Finance Pty Limited (**Deloitte**), has concluded that the Scheme is fair and reasonable and therefore in the best interests of Sirtex shareholders. The Independent Expert's conclusions should be read in the context of the full Independent Expert's Report and the Scheme Booklet attached to this announcement.

The Sirtex Board continues to unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to Deloitte continuing to conclude that the Scheme is in the best interests of Sirtex shareholders. Each Sirtex Director intends to vote all Sirtex shares held or controlled by them in favour of the Scheme, subject to the same qualifications.

As announced to the ASX on 14 March 2018, the US Federal Trade Commission (FTC) granted early termination of the waiting period under the Clayton Act and Premerger Notification Rules with respect to the Scheme. The German FCO confirmed the proposed Scheme does not fulfil the conditions for prohibition pursuant to the Act Against Restraints of Competition.

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As announced to the ASX on 27 March 2018, the Australian Foreign Investment Review Board (**FIRB**) has decided that the Commonwealth of Australia has no objection to Varian either directly or through one or more interposed wholly-owned subsidiaries acquiring up to 100% of Sirtex.

Receipt of these approvals in respect of the Scheme were key conditions to implementation of the Scheme. However, implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of certain conditions precedent, including Sirtex shareholder approval in respect of the Scheme and approval by the Court.

Indicative Timetable

The key events and expected timing in relation to the approval and implementation of the Scheme are set out in the table below.

Event	**Expected date**
Scheme Booklet dispatched to Sirtex shareholders	5 April 2018
Latest date for proxy forms to be received by Sirtex share registry	10.00am (Sydney time) on 5 May 2018
Scheme Meeting to vote on the Scheme	10.00am (Sydney time) on 7 May 2018
Second Court Date for approval of the Scheme	10.15am (Sydney time) on 9 May 2018
Effective Date of the Scheme	10 May 2018
Scheme Record Date (for determining entitlement to Scheme Consideration)	7.00pm (Sydney time) 17 May 2018
Scheme Implementation Date	28 May 2018

All dates are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of conditions precedent under the Scheme. Any changes to the above timetable will be announced by Sirtex to ASX.

Shareholder Information

If Sirtex shareholders have any questions regarding the Scheme or this Scheme Booklet you should contact the Sirtex Shareholder Information Line on 1300 794 682 (within Australia) or +61 1300 794 682 (outside Australia) on Monday to Friday between 8:30am and 5:30pm (Sydney time) or consult your legal, financial, taxation or other professional adviser.

- ENDS –

SCHEME BOOKLET

Sirtex Medical Limited (ABN 35 078 166 122)

This is an important document and requires your immediate attention.

You should read this Scheme Booklet carefully and in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt as to what you should do, you should consult your broker, financial adviser or legal adviser immediately.

For a scheme of arrangement in relation to the proposed acquisition of all the ordinary shares in Sirtex Medical Limited (Sirtex) by Varian Medical Systems Australasia Holdings Pty Ltd (Varian Bidco), a wholly owned subsidiary of Varian Medical Systems, Inc. (Varian).

The Sirtex Directors unanimously recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders.

A Notice of Scheme Meeting is included as Annexure E to this Scheme Booklet, and a proxy form for the Scheme Meeting accompanies this Scheme Booklet.

The Scheme Meeting will be held at 10:00am (Sydney time) on Monday, 7 May 2018 at the Royal Automobile Club of Australia, 89 Macquarie Street, Sydney NSW 2000.

Financial adviser

UBS

Legal adviser

WATSON MANGIONI

IMPORTANT NOTICES

DEFINED TERMS

Capitalised terms used in this Scheme Booklet are defined in the Glossary in section 10 of this Scheme Booklet.

THIS SCHEME BOOKLET

This Scheme Booklet includes the explanatory statement required to be sent to Sirtex Shareholders in relation to the Scheme under Part 5.1 of the Corporations Act. A copy of the proposed Scheme is set out in Annexure C to this Scheme Booklet.

You should read this Scheme Booklet carefully and in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

RESPONSIBILITY FOR INFORMATION

(a) Except as provided in paragraphs (b) to (d) below, the information in this Scheme Booklet has been provided by Sirtex and is the responsibility of Sirtex. Varian, its subsidiaries and their respective directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of any such Sirtex information.

(b) Varian has provided and is responsible for the Varian Information. Sirtex, its subsidiaries and their respective directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the Varian Information.

(c) PricewaterhouseCoopers Securities Limited has provided and is responsible for the information contained in section 8 of this Scheme Booklet. Neither Sirtex nor Varian, nor their subsidiaries nor their respective directors, officers, employees and advisers, assumes any responsibility for the accuracy or completeness of the information contained in section 8 of this Scheme Booklet. PricewaterhouseCoopers Securities Limited does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in section 8 of this Scheme Booklet.

(d) The Independent Expert, Deloitte, has provided and is responsible for the information contained in Annexure A to this Scheme Booklet. Sirtex, its subsidiaries and their respective directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the information contained in Annexure A to this Scheme Booklet except in relation to information given by it to the Independent Expert. Varian, its subsidiaries and their respective directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the information contained in Annexure A to this Scheme Booklet. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Annexure A.

(e) The Sirtex Registry, Link Market Services Limited, has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the Sirtex Registry. The Sirtex Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

INVESTMENT DECISIONS

The information in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet has been prepared without reference to the investment objectives, financial situation or particular needs of any Sirtex Shareholder or any other person. This Scheme Booklet should not be relied on as the sole basis for any investment decision. Independent legal, financial and taxation advice should be sought before making any investment decision in relation to your Sirtex Shares.

ASIC AND ASX INVOLVEMENT

This document is the explanatory statement for the scheme of arrangement between Sirtex and the holders of Sirtex Shares as at the Scheme Record Date for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in this Scheme Booklet as Annexure C.

A copy of this Scheme Booklet (including the Independent Expert's Report) has been lodged with ASIC for the purposes of section 411(2)(b) of the Corporations Act and registered for the purposes of section 412(6) of the Corporations Act by ASIC. ASIC has been requested to provide a statement in accordance with section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme. If ASIC provides that statement, then it will be produced to the Court on the Second Court Date.

Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers take any responsibility for the contents of this Scheme Booklet.

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SUBSECTION 411(1) OF THE CORPORATIONS ACT

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the notice of the meeting does not mean that the Court:

(a) has formed any view as to the merits of the proposed Scheme or as to how members should vote (on this matter members must reach their own decision); or

(b) has prepared, or is responsible for the content of, the explanatory statement.

NOTICE REGARDING SECOND COURT HEARING AND IF A SIRTEX SHAREHOLDER WISHES TO OPPOSE THE SCHEME

The date of the Second Court Hearing to approve the Scheme is 9 May 2018.

The hearing will be at 10.15am (Sydney time) at the Federal Court of Australia at Law Courts Building, 184 Phillip Street, Sydney NSW 2000.

Each Sirtex Shareholder has the right to appear and be heard at the Second Court Hearing and may oppose the approval of the Scheme at the Second Court Hearing. If you wish to oppose in this manner, you must file and serve on Sirtex a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Sirtex at its address for service at least one day before 9 May 2018.

The address for service for Sirtex is:

Sirtex Medical Limited, Level 33, 101 Miller Street, North Sydney NSW 2060 (Attention: Darren Smith)

Email: dsmith@sirtex.com

IMPORTANT NOTICES

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Scheme Booklet contains both historical and forward-looking statements.

The forward-looking statements in this Scheme Booklet are not based on historical facts, but rather reflect the current views of Sirtex or, in relation to the Varian Information, Varian and Varian Bidco, held only as at the date of this Scheme Booklet concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential", or other similar words and phrases. Similarly, statements that describe Sirtex's and Varian's and Varian Bidco's objectives, plans, goals or expectations are or may be forward-looking statements.

The statements in this Scheme Booklet about the impact that the Scheme may have on the results of Sirtex's operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

Any forward-looking statements included in the Varian Information have been made on reasonable grounds. Although Varian and Varian Bidco believe that the views reflected in any forward-looking statements included in the Varian Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Any other forward-looking statements included in this Scheme Booklet and made by Sirtex have been made on reasonable grounds. Although Sirtex believes that the views reflected in any forward-looking statements in this Scheme Booklet (other than the Varian Information, the information in section 8 and the information in Annexure A) have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either Sirtex's, Varian's or Varian Bidco's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. Sirtex Shareholders should note that the historical financial performance of Sirtex is no assurance of future financial performance of Sirtex (whether the Scheme is implemented or not). Sirtex Shareholders should review carefully all of the information included in this Scheme Booklet. The forward-looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet. Neither Sirtex, nor Varian nor Varian Bidco, nor their directors give any representation, assurance or guarantee to Sirtex Shareholders that any forward-looking statements will actually occur or be achieved. Sirtex Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the Listing Rules, Sirtex, Varian and Varian Bidco do not give any undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

PRIVACY AND PERSONAL INFORMATION

Sirtex, Varian and Varian Bidco may collect personal information to implement the Scheme. The personal information may include the names, contact details and details of holdings of Sirtex Shareholders, plus contact details of individuals appointed by Sirtex Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The Sirtex Registry advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by the Sirtex Registry organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the Corporations Act. Some or all of your personal information may be disclosed to contracted third parties, or related companies of the Sirtex Registry in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about the personal information handling practices of the Sirtex Registry, including how you may access and correct your personal information and raise privacy concerns, visit the Sirtex Registry's website at www.linkmarketservices.com.au for a copy of the Link Group Privacy Policy, or contact the Sirtex Registry by phone on +61 1800 502 355 (free call within Australia), 9:00am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of the complete privacy policy of the Sirtex Registry.

The information may be disclosed to print and mail service providers, and to Sirtex and Varian and their respective related bodies corporate and advisers to the extent necessary to effect the Scheme. If the information outlined above is not collected, Sirtex may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively or at all. Sirtex Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

NOTICE TO PERSONS OUTSIDE AUSTRALIA

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this document is based on financial statements that have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions.

This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

TIMES AND DATES

Unless otherwise stated, all times referred to in this Scheme Booklet are times in Sydney, Australia. All dates following the date of the Scheme Meeting are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions Precedent to the implementation of the Scheme (see section 4.5 of this Scheme Booklet).

CURRENCY

The financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A reference to $ and cents is to Australian currency, unless otherwise stated.

DATE OF SCHEME BOOKLET

This Scheme Booklet is dated 29 March 2018.

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CORPORATE DIRECTORY		Inside Back cover

KEY DATES

Time and date	Event
10:00am on Saturday, 5 May 2018	Latest time and date for receipt of proxy forms (including proxies lodged online) or powers of attorney by the Sirtex Registry for the Scheme Meeting
7:00pm on Saturday, 5 May 2018	Time and date for determining eligibility to vote at the Scheme Meeting
10:00am on Monday, 7 May 2018	Scheme Meeting

If the Scheme is approved by Sirtex Shareholders at the Scheme Meeting:

10:15am on Wednesday, 9 May 2018	Second Court Hearing to approve the Scheme
Thursday, 10 May 2018	Effective Date – this is the date on which the Scheme comes into effect and is binding on Sirtex Shareholders. Court order lodged with ASIC and announced on ASX. Sirtex Shares will be suspended from trading at the close of trading on ASX on the Effective Date. If the Scheme proceeds, this will be the last day that Sirtex Shares will trade on ASX.
7:00pm on Thursday, 17 May 2018	Scheme Record Date – all Sirtex Shareholders who hold Sirtex Shares on the Scheme Record Date will be entitled to receive the Scheme Consideration
Monday, 28 May 2018	Implementation Date – all Scheme Shareholders will be sent the Scheme Consideration to which they are entitled

All times and dates in the above timetable are references to the time and date in Sydney, New South Wales, Australia and all such times and dates are subject to change. Sirtex may vary any or all of these dates and times and will provide notice of any such variation on ASX. Certain times and dates are conditional on the approval of the Scheme by Sirtex Shareholders and by the Court. Any changes will be announced by Sirtex to ASX.

LETTER FROM THE CHAIRMAN OF SIRTEX

29 March 2018

Dear Sirtex Shareholder,

On behalf of the Sirtex Directors, I am pleased to provide you with this Scheme Booklet which contains details for your consideration in relation to the proposed acquisition of Sirtex by Varian Medical Systems Australasia Holdings Pty Ltd (**Varian Bidco**), a wholly-owned subsidiary of Varian Medical Systems, Inc (**Varian**).

On 30 January 2018, Sirtex entered into a Scheme Implementation Deed with Varian under which it is proposed that 100% of Sirtex Shares will be acquired by Varian (through Varian Bidco) by way of a scheme of arrangement (**Scheme**). The Scheme is subject to shareholder approval and certain other Conditions Precedent as described in section 4.5 of this Scheme Booklet.

If the Scheme is approved and implemented, Sirtex Shareholders will receive a cash payment of $28.00 per share. This represents an attractive premium over trading prices of Sirtex Shares on ASX prior to the announcement of the proposed Scheme:

- 48.7% premium to the Sirtex closing price of $18.83 per share on 29 January 2018, being the last trading day prior to announcement of the Scheme on 30 January 2018;
- 53.4% premium to the volume weighted average price (**VWAP**) since Sirtex's trading update on 17 January 2018 to 29 January 2018 of $18.25;[1]
- 60.2% premium to the 1-month VWAP to 29 January 2018 of $17.48;[1]
- 77.5% premium to the 3-month VWAP to 29 January 2018 of $15.78;[1] and
- 84.4% premium to the 6-month VWAP to 29 January 2018 of $15.19.[1]

The Scheme Consideration of $28.00 per Sirtex Share implies a fully diluted market capitalisation for Sirtex of $1.58 billion[2] and an implied enterprise value for Sirtex of $1.49 billion.[3]

Director's recommendation

Your directors have considered the advantages and disadvantages of the Scheme, and **unanimously recommend that you vote in favour of the Scheme** in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Sirtex Shareholders. Subject to those same qualifications, each of your directors intends to vote all the Shares held or controlled by them in favour of the Scheme.

While the Sirtex Board is confident that Sirtex is well positioned to continue to deliver growth for Shareholders into the future, your directors consider that the material premium implicit in Varian's offer and the opportunity to realise certain and immediate value represents a highly attractive outcome for Sirtex Shareholders.

The reasons to vote in favour of the Scheme Resolution are set out in detail in section 2.2 of this Scheme Booklet. There are also reasons why you may choose to vote against the Scheme Resolution which are set out in section 2.3 of this Scheme Booklet.

Independent Expert

Deloitte (**Independent Expert**) has prepared the Independent Expert's Report in relation to the Scheme. **The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Sirtex Shareholders.** The Independent Expert has assessed the full underlying value of Sirtex at between $23.41 and $29.42 per Sirtex Share.

A complete copy of the Independent Expert's Report is included as Annexure A to this Scheme Booklet.

How to vote

The Scheme can only be implemented if approved by Sirtex Shareholders by the Requisite Majorities at the Scheme Meeting to be held at 10:00am (Sydney time) on Monday, 7 May 2018 at the Royal Automobile Club of Australia, 89 Macquarie Street, Sydney NSW 2000 and approved by the Court at the Second Court Hearing.

Your vote is important and I strongly encourage you to vote on this significant transaction. You may vote by attending the Scheme Meeting, or by appointing a proxy, attorney or body corporate representative to attend the Scheme Meeting and vote on your behalf. If you do not wish to or are unable to attend the Scheme Meeting in person, I encourage you to vote by completing the enclosed personalised proxy form and returning it so that it is received no later than 10:00am (Sydney time) on 5 May 2018.

I also encourage you to read this Scheme Booklet carefully and in its entirety as it contains important information that you should consider before you vote. You should also seek independent legal, financial, taxation or other professional advice before making an investment decision in relation to your Sirtex Shares.

Further information

If you have any questions regarding the Scheme or this Scheme Booklet you should contact the Sirtex Shareholder Information Line on 1300 794 682 (within Australia) or +61 1300 794 682 (outside Australia) on Monday to Friday between 8:30am and 5:30pm (Sydney time) or consult your legal, financial, taxation or other professional adviser.

On behalf of the Sirtex Directors, I thank you for your ongoing support and I look forward to your participation at the Scheme Meeting.

Yours sincerely,

John Eady

Interim Chairman

Sirtex Medical Limited

1. VWAP is calculated based on cumulative value traded on ASX and CHI-X divided by cumulative volume traded on ASX and CHI-X to 29 January 2018. Source: IRESS

2. Based on 56.6 million fully diluted shares on issue, comprising 55.8 million existing shares and 0.8 million performance rights

3. Based on net cash at 31 December 2017 of A$92.8 million and no adjustment made for any other liabilities

SIRTeX

Summary of the Scheme and next steps

1

1. SUMMARY OF THE SCHEME AND NEXT STEPS

1.1 THE SCHEME

Overview	On 30 January 2018, Sirtex entered into the Scheme Implementation Deed with Varian, under which it is proposed that Varian (through Varian Bidco) will acquire all of the Sirtex Shares on issue by way of the Scheme. If the Scheme is approved by Sirtex Shareholders at the Scheme Meeting and by the Court, and if all other necessary approvals and conditions for the Scheme are satisfied or waived (as applicable), Sirtex will become a wholly-owned subsidiary of Varian Bidco and will be delisted from ASX.
The Scheme Consideration	Under the terms of the Scheme, if the Scheme becomes Effective, Sirtex Shareholders will receive the Scheme Consideration of $28.00 cash for each Sirtex Share held as at the Scheme Record Date. Payments will be made by direct deposit into Sirtex Shareholders' nominated bank account, as advised to the Sirtex Registry as at the Scheme Record Date. If you have not nominated a bank account, payment will be made by Australian dollar cheque. Payment of the Scheme Consideration will be made on the Implementation Date (currently expected to be 28 May 2018). If a Sirtex Shareholder does not have a registered address, or Sirtex considers the Shareholder is not known at its registered address and no bank account has been nominated, payments due to the Sirtex Shareholder will be held by Sirtex until claimed or applied under the relevant laws dealing with unclaimed money.
Key steps in the Scheme	In order for the Scheme to proceed, the Scheme Resolution approving the Scheme must be passed by the Requisite Majorities of Sirtex Shareholders at the Scheme Meeting, being: • a majority in number (more than 50%) of Sirtex Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Sirtex Shareholders, body corporate representative); and • at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting. The Scheme must also be approved by the Court. Further information on the Scheme approval requirements is provided in sections 4.7, 4.8 and 4.9 of this Scheme Booklet. The Scheme is also subject to a number of Conditions Precedent. The following Conditions Precedent are outstanding as at the date of this Scheme Booklet: • approval of the Scheme at the Scheme Meeting by the Requisite Majorities of Sirtex Shareholders; • approval of the Scheme by the Court; • no court or Government Agency in Australia, USA, Germany, Italy, Belgium, the United Kingdom or Ireland has issued any temporary restraining order, preliminary or permanent injunction or other order restraining, preventing or imposing any legal restraint on the Scheme that is in effect at 8:00am on the Second Court Date; • no Material Adverse Change occurring before 8:00am on the Second Court Date; • no Prescribed Occurrence occurring before 8:00am on the Second Court Date; • the Independent Expert not withdrawing or changing its conclusion before 8:00am on the Second Court Date; and • Varian not suffering an Insolvency Event before 8:00am on the Second Court Date. The conditions of the Scheme are further detailed in section 4.5 of this Scheme Booklet and are set out in full in clause 3.1 of the Scheme Implementation Deed which is Annexure B to this Scheme Booklet. The Scheme Implementation Deed may also be terminated in certain circumstances. The circumstances are summarised in section 4.6 of this Scheme Booklet and set out in full in clause 11 of the Scheme Implementation Deed.

1. SUMMARY OF THE SCHEME AND NEXT STEPS

The Sirtex Directors' recommendation	**The Sirtex Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders.** The Sirtex Directors intend to vote, or procure the voting of, any of the Sirtex Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders. The Sirtex Directors consider that the reasons for Sirtex Shareholders to vote in favour of the Scheme outweigh the reasons to vote against it, in the absence of a Superior Proposal. These reasons and other relevant considerations are set out in section 2 of this Scheme Booklet.
Independent Expert's conclusion	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Sirtex Shareholders. You should read the Independent Expert's Report which is contained in Annexure A of the Scheme Booklet.

1.2 NEXT STEPS

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour or against the Scheme (as set out in sections 2.1, 2.2 and 2.3 of the Scheme Booklet), before making any decision on how to vote on the Scheme Resolution.

Answers to various frequently asked questions about the Scheme are set out in section 3 of this Scheme Booklet. If you have any additional questions about this Scheme Booklet or the Scheme, please contact the Sirtex Shareholder Information Line on 1300 794 682 (within Australia) or +61 1300 794 682 (outside Australia), or contact your broker or legal, financial, taxation or other professional adviser.

Who is entitled to vote at the Scheme Meeting?	If you are registered as a Sirtex Shareholder on the Sirtex Share Register at 7:00pm on 5 May 2018, you will be entitled to attend and vote at the Scheme Meeting. In the case of Sirtex Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one shareholder votes in respect of jointly held Sirtex Shares, only the vote of the Sirtex Shareholder whose name appears first in the Sirtex Share Register will be counted.
Your vote is important	In order for the Scheme to be implemented, the Scheme Resolution must be approved by Sirtex Shareholders at the Scheme Meeting. For this reason, the Sirtex Directors unanimously recommend that you vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider that the Scheme is in the best interests of Sirtex Shareholders. If you are unable to attend the Scheme Meeting, the Sirtex Directors urge you to complete and return, in the enclosed reply-paid envelope, the personalised proxy form that accompanies this Scheme Booklet or lodge your proxy form online at the Sirtex Registry's website (www.linkmarketservices.com.au) in accordance with the instructions given there.
Details of the Scheme Meeting	The details of the Scheme Meeting are as follows: Location: Royal Automobile Club of Australia, 89 Macquarie Street, Sydney NSW 2000 Date: Monday, 7 May 2018 Time: 10:00am (Sydney time)
Voting in person, by attorney or corporate representative	If you wish to vote in person, you must attend the Scheme Meeting. If you cannot attend the Scheme Meeting, you may vote by proxy by completing the Proxy Form accompanying this Scheme Booklet. Attorneys who plan to attend the Scheme Meeting should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting. A body corporate which is a Sirtex Shareholder may appoint an individual to act as its corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Scheme Meeting evidence of his or her appointment, including any authority under which it is signed.

1. SUMMARY OF THE SCHEME AND NEXT STEPS

Voting by proxy	If you wish to appoint a proxy to attend and vote at the Scheme Meeting on your behalf, please complete and sign the personalised Proxy Form accompanying this Scheme Booklet in accordance with the instructions set out on the Proxy Form or lodge your proxy vote online at the Sirtex Registry's website (www.linkmarketservices.com.au) in accordance with the instructions given there. You may complete the Proxy Form in favour of the Chairperson of the Scheme Meeting or appoint up to two proxies to attend and vote on your behalf at the Scheme Meeting. Proxy Forms, duly completed in accordance with the instructions set out on the Proxy Form, may be returned to the Registry: • by posting them in the reply-paid envelope provided; • by delivering them to Link Market Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138; • by faxing them to +61 2 9287 0309; • by posting them to Sirtex Medical Limited, c/– Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia; or • online at www.linkmarketservices.com.au. Login to the Link website using the details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your proxy. To use the online proxy lodgement facility, Sirtex Shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form). **TO BE VALID, PROXY FORMS FOR THE SCHEME MEETING MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 10:00AM (SYDNEY TIME) ON SATURDAY, 5 MAY 2018.** Given the last date for lodgement of Proxy Forms falls on a Saturday, please ensure that any Proxy Form which you intend to post or deliver is received by close of business on Friday, 4 May 2018. Sirtex will accept proxies received by fax or online before 10:00am (Sydney time) on Saturday, 5 May 2018.

SIRTeX

Key considerations relevant to your vote

2

2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

2.1 SUMMARY OF REASONS WHY YOU MIGHT VOTE FOR OR AGAINST THE SCHEME

REASONS TO VOTE **IN FAVOUR** OF THE SCHEME

✓	The Sirtex Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders. Subject to those same qualifications, the Sirtex Directors will be voting their own shares in favour of the Scheme
✓	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Sirtex Shareholders
✓	The Scheme provides the opportunity to realise certainty of value for your investment in Sirtex, and is unaffected by the outcome of the Class Actions
✓	The Scheme Consideration of $28.00 cash per Share represents an attractive premium over trading prices of Sirtex Shares on ASX prior to the announcement of the proposed Scheme on 30 January 2018. This is an all cash offer
✓	No Superior Proposal has emerged since the announcement of the Scheme
✓	No brokerage or stamp duty will be payable by you on the transfer of your Sirtex Shares if the Scheme proceeds
✓	Sirtex's share price may fall if the Scheme is not implemented and no Superior Proposal emerges
✓	If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Sirtex's business and general market risks

These reasons are discussed in more detail in section 2.2 of this Scheme Booklet.

REASONS TO VOTE **AGAINST** THE SCHEME

✗	You may disagree with the Sirtex Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests
✗	You may prefer to participate in the future financial performance of the Sirtex business, and may consider that the Scheme does not capture Sirtex's long term potential
✗	You may wish to maintain your current investment profile
✗	You may consider that there is a possibility that a Superior Proposal could emerge in the foreseeable future
✗	The tax consequences of the Scheme may not suit your current financial position

These reasons are discussed in more detail in section 2.3 of this Scheme Booklet.

2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

2.2 REASONS TO VOTE IN FAVOUR OF THE SCHEME

This section sets out the reasons why the Sirtex Directors consider that you should vote in favour of the Scheme.

(a) The Sirtex Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders. Subject to those same qualifications, the Sirtex Directors will be voting their own shares in favour of the Scheme

The Sirtex Board unanimously recommends that Sirtex Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Sirtex Shareholders.

Sirtex's Directors have reached this recommendation having had regard to the reasons to vote in favour of, or against the Scheme, as set out in this Scheme Booklet. The Sirtex Directors have considered the market position of Sirtex and the outlook for the business when determining whether to recommend the Scheme.

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Sirtex Shareholders, each Director intends to vote all the Sirtex Shares held or controlled by them in favour of the Scheme. The interests of the Sirtex Directors are set out in sections 9.3, 9.4 and 9.5 of this Scheme Booklet.

(b) The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Sirtex Shareholders

Sirtex appointed Deloitte to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of Sirtex Shareholders.

The Independent Expert concluded that the Scheme is fair and reasonable and therefore in the best interests of Sirtex Shareholders.

The Independent Expert has assessed the full underlying value of Sirtex at between $23.41 and $29.42 per Sirtex Share. As the Scheme Consideration offered by Varian is within the Independent Expert's estimate of the market value of a Sirtex Share, the Independent Expert has concluded that the Scheme is fair.

The Independent Expert's valuation has not had explicit regard to any potential compensation payable by Sirtex as a result of the Class Actions which relate to alleged breaches of continuous disclosure obligations and misleading and deceptive statements made by Sirtex in 2016 given the significant uncertainty in the outcome of any compensation. However, attributing a value for such compensation would only result in the value of the shares decreasing and as such, the Scheme being assessed as more fair.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure A of this Scheme Booklet. Sirtex Shareholders should carefully review the Independent Expert's Report in its entirety.

(c) The Scheme provides the opportunity to receive certainty of value for your investment in Sirtex, and is unaffected by the outcome of the Class Actions

The offer is a 100% cash offer. If implemented, the Scheme provides a high degree of certainty of value and timing.

More specifically, if the Scheme is implemented, Scheme Shareholders will receive $28.00 in cash for each Sirtex Share held by them at the Scheme Record Date (currently expected to be 7:00pm (Sydney time) on 17 May 2018), to be paid on or about the Implementation Date, which is currently expected to be 28 May 2018. The Scheme Consideration is unaffected by the outcome of the Class Actions.

(d) The Scheme Consideration of $28.00 cash per Share represents an attractive premium over trading prices of Sirtex Shares on ASX prior to the announcement of the proposed Scheme on 30 January 2018. This is an all cash offer.

The Scheme Consideration of $28.00 cash for each Scheme Share, which will be paid to Sirtex Shareholders if the Scheme is approved and implemented, represents an attractive premium to the trading prices for Sirtex Shares on ASX prior to the announcement of Varian's proposed acquisition on 30 January 2018.

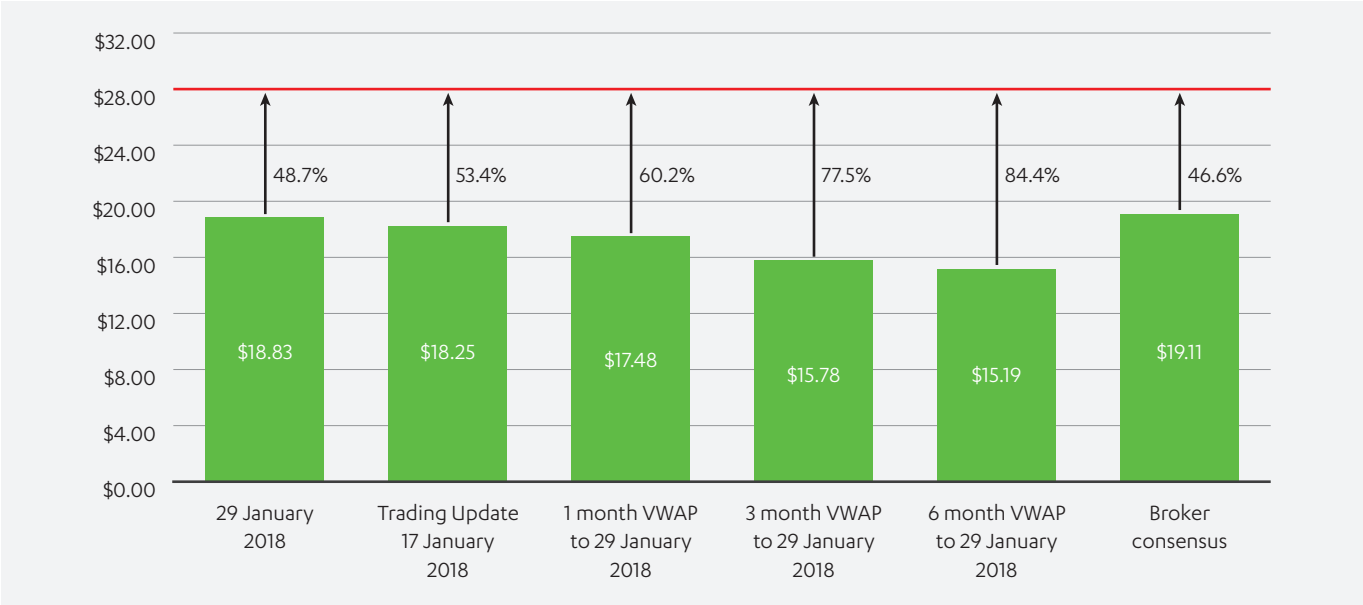
The Scheme Consideration of $28.00 cash per share represents a:

- 48.7% premium to the Sirtex closing price of $18.83 per share on 29 January 2018, being the last trading day prior to the announcement of the Scheme on 30 January 2018;
- 53.4% premium to the VWAP since Sirtex's trading update on 17 January 2018 to 29 January 2018 of $18.25;[1]
- 60.2% premium to the 1-month VWAP to 29 January 2018 of $17.48;[1]
- 77.5% premium to the 3-month VWAP to 29 January 2018 of $15.78;[1]
- 84.4% premium to the 6-month VWAP to 29 January 2018 of $15.19;[1]
- 46.6% premium to the broker consensus target price of $19.11 prior to the announcement of the Scheme on 30 January 2018;[2] and
- 1.3% premium to the Sirtex closing price of $27.65 per share on 23 March 2018, being the Last Practicable Trading Date.

1. VWAP is calculated based on cumulative value traded on ASX and CHI-X divided by cumulative volume traded on ASX and CHI-X to 29 January 2018. Source: IRESS

2. The broker consensus target price of $19.11 prior to the announcement of the Scheme on 30 January 2018 has been calculated from 4 broker valuations dated between 17 January 2018 and 22 January 2018 being publicly available institutional broker target prices ranging from $16.57 to $24.40 known to Sirtex and published after Sirtex's trading update released to the ASX on 17 January 2018.

2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE



Source: IRESS

(e) No Superior Proposal has emerged since the announcement of the Scheme

Since the announcement of the execution of the Scheme Implementation Deed on 30 January 2018 and up to the Last Practicable Trading Date, no Superior proposal has emerged and your Directors are not aware, as at the Last Practicable Trading Date, of any Superior Proposal that is likely to emerge.

(f) No brokerage or stamp duty will be payable by you on the transfer of your Sirtex Shares if the Scheme proceeds

You will not incur any brokerage or stamp duty on the transfer of your Scheme Shares to Varian Bidco under the Scheme.

If you sell your Sirtex Shares on ASX (rather than disposing of them via the Scheme), you may incur brokerage charges (and, potentially GST on those charges).

(g) Sirtex's share price may fall if the Scheme is not implemented and no Superior Proposal emerges

If the Scheme is not implemented, and in the absence of a Superior Proposal, the price of Sirtex Shares on ASX may fall.

Over the 12 months before the announcement of the proposed Scheme on 30 January 2018, Sirtex Shares have traded between a high of $18.83 on 29 January 2018 and a low of $10.75 on 18 May 2017. On the last trading day before the announcement of the proposed Scheme, the Sirtex Share price closed at $18.83. On the day of announcement of the proposed Scheme, the Sirtex Share price closed at $27.45. From the day after the announcement of the proposed Scheme to 23 March 2018, being the Last Practicable Trading Date, the closing price of Sirtex Shares has ranged between $27.76 and $27.32.[3]

The Sirtex Directors are unable to predict the price at which Sirtex Shares will trade in the future, but consider that in the absence of the implementation of the Scheme and in the absence of a Superior Proposal, the price of Sirtex Shares may fall.

(h) If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Sirtex's business and general market risks

The Sirtex Board considers that Sirtex has significant growth opportunities as an independent listed company on the ASX. Nevertheless, these initiatives will take time to fully implement, may require further capital investment, and carry execution risks, some of which are outside the control of Sirtex. Further, Sirtex is also exposed to the industry risk of fluctuations in dose sales and/or profit movements. This may be caused by factors such as increased competition, and new technology in the cancer treatment area.

If the Scheme does not proceed, Sirtex Shareholders will continue to be subject to these risks, as well as other specific risks inherent in Sirtex's business, including those summarised in more detail in section 7 of this Scheme Booklet.

In addition, Sirtex Shares will continue to remain quoted on ASX and will continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions and the demand for listed securities. The price that Sirtex Shareholders will be able to realise for their Sirtex Shares in terms of price will necessarily be uncertain and subject to a number of other risks outlined in section 7 of this Scheme Booklet.

The Scheme removes these risks and uncertainties for Sirtex Shareholders and allows shareholders to exit their investment in Sirtex at a price that your Directors consider is attractive. If the Scheme is approved and implemented, these risks and uncertainties will be

3. Source: IRESS.

2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

assumed by Varian Bidco, as the sole shareholder of Sirtex following implementation of the Scheme.

2.3 REASONS YOU MAY WANT TO VOTE AGAINST THE SCHEME

This section summarises the reasons identified by the Sirtex Directors as to why you may want to vote against the Scheme. The Sirtex Directors believe that the reasons to vote in favour of the Scheme outweigh the reasons you may want to vote against the Scheme and that the Scheme is in the best interests of the Sirtex Shareholders, in the absence of a Superior Proposal. However, the Sirtex Directors believe that Sirtex Shareholders should take into consideration these factors when deciding whether or not to vote in favour of the Scheme.

(a) You may disagree with the Sirtex Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests

Notwithstanding the unanimous recommendation of the Sirtex Directors and the conclusions of the Independent Expert, you may believe that the Scheme is not in your best interests.

There is no obligation to follow the recommendation of the Sirtex Directors or to agree with the opinion of the Independent Expert.

(b) You may prefer to participate in the future financial performance of the Sirtex business, and may consider that the Scheme does not capture Sirtex's long term potential

If the Scheme is approved and implemented, you will cease to be a Sirtex Shareholder in May 2018. As such, you will no longer be able to participate in the future financial performance or future prospects of Sirtex's ongoing business, including any benefits that may result from being a Sirtex Shareholder. You may consider that Sirtex has stronger long-term growth potential and that the Scheme Consideration of $28.00 per Share does not fully reflect your views on long term value. You may therefore prefer to retain your listed Sirtex Shares and realise the value of them over the longer term. However, there is no guarantee as to Sirtex's future performance, as with all investments in listed securities.

(c) You may wish to maintain your current investment profile

You may wish to maintain an interest in Sirtex because you are seeking an investment in a publicly listed company with the specific characteristics of Sirtex, including it being an Australian based company, its strategy, and potential growth profile.

Implementation of the Scheme may result in a disadvantage to those who wish to maintain their investment profile. Sirtex Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of Sirtex and they may incur transaction costs in undertaking any new investment.

(d) You may consider that there is a possibility that a Superior Proposal could emerge in the foreseeable future

You may consider that a Superior Proposal, which is more attractive to Sirtex Shareholders than the Scheme, could emerge in the foreseeable future.

Since the announcement of the Scheme on 30 January 2018 and up to the Last Practicable Trading Date, the Sirtex Directors have not received or become aware of a Superior Proposal and have no reason to believe that a Superior Proposal will emerge.

The Scheme Implementation Deed prohibits Sirtex from soliciting Competing Proposals. However, Sirtex is not restricted from taking any action in relation to an unsolicited Competing Proposal, if the Sirtex Board, acting in good faith, determines:

- after consultation with its financial advisers, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
- after receiving written advice from its legal advisers, that failing to respond to that Competing Proposal would be reasonably likely to constitute a breach of fiduciary or statutory duties of the Sirtex Directors.

Further details of the Scheme Implementation Deed are provided in section 9 of this Scheme Booklet. A copy of the Scheme Implementation Deed is also contained in Annexure B of this Scheme Booklet.

(e) The tax consequences of the Scheme may not suit your financial position

Implementation of the Scheme may trigger taxation consequences for Sirtex Shareholders. A general guide to the taxation implications of the Scheme is set out in section 8 of this Scheme Booklet. This guide is expressed in general terms only and Sirtex Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

2.4 OTHER CONSIDERATIONS

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

(a) The Scheme may be implemented even if you vote against the Scheme or you do not vote at all

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved

2. KEY CONSIDERATIONS RELEVANT TO YOUR VOTE

by the Requisite Majorities of Sirtex Shareholders and the Court. If this occurs, your Sirtex Shares will be transferred to Varian Bidco and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

(b) Implications for Sirtex if the Scheme is not implemented

If the Scheme is not implemented, Sirtex Shareholders will retain their Sirtex Shares and will not receive the Scheme Consideration.

If the Scheme is not implemented, transaction related costs of approximately $1.5 million are expected to be incurred by Sirtex. These amounts do not include transaction or other similar costs that may be incurred by Varian or Varian Bidco.

(c) Exclusivity obligations

Under the Scheme Implementation Deed, Sirtex is subject to certain exclusivity obligations, including no shop, no talk, no due diligence, notification obligations and matching rights in respect of Competing Proposals. Refer to section 9.1(c) of this Scheme Booklet for further information on these arrangements.

(d) Reimbursement fees

If the Scheme does not become Effective, a reimbursement fee of approximately $15.8 million (excluding GST) may be payable to either Sirtex or Varian. The circumstances in which the reimbursement fee would be payable to either party are set out in sections 9.1(e) and 9.1(f) of this Scheme Booklet.

(e) Warranty by Scheme Shareholders about their Scheme Shares and no encumbrances over Scheme Shares

Each Scheme Shareholder is deemed to have warranted to Varian Bidco that all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to Varian Bidco, be fully paid and free from all encumbrances of any kind, and that they have full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to Varian Bidco under the Scheme. See section 4.18 of this Scheme Booklet for further details.

In addition, the Scheme provides that, to the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under the Scheme to Varian Bidco will, at the time of transfer of them to Varian Bidco vest in Varian Bidco free of all securities for payment of moneys or performance of obligations (including mortgages, charges, liens, encumbrances, pledges, trusts, power of title retention or flawed deposit arrangements and any 'security interests' within the meaning of section 12(1) or 12(2) of the *Personal Property Securities Act* 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

SIRTeX

Frequently asked questions

3

3 FREQUENTLY ASKED QUESTIONS

This section 3 answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for Sirtex Shareholders. This section 3 should be read together with all other parts of this Scheme Booklet.

Question	Answer
The Scheme	
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a Sirtex Shareholder and Sirtex Shareholders are being asked to vote on a Scheme which, if implemented, will result in Varian Bidco acquiring all Sirtex Shares for $28.00 cash per Sirtex Share. This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed.
What is the Scheme?	The Scheme is a scheme of arrangement between Sirtex and the Scheme Shareholders, under which it is proposed that Varian Bidco acquires all Sirtex Shares on issue. If the Scheme becomes Effective, Varian Bidco will acquire all of the Scheme Shares for the Scheme Consideration and Sirtex will be removed from the official list of ASX.
Who is Varian and Varian Bidco?	Varian is the world's leading manufacturer of medical devices and software for treating cancer and other medical conditions with radiotherapy, stereotactic radiosurgery, stereotactic body radiotherapy, brachytherapy and proton therapy. Headquartered in Palo Alto, California, Varian employs approximately 6,600 people around the world. Varian is listed on the New York Stock Exchange and has a market capitalisation of approximately US$11.1 billion.[1] Varian is the entity proposing to acquire Sirtex through Varian Bidco, a wholly-owned subsidiary of Varian incorporated in Australia under the Corporations Act. For more information on Varian and Varian Bidco, please see section 6 of this Scheme Booklet.
How will the Scheme be implemented?	In order for the Scheme to be implemented, all Conditions Precedent under the Scheme Implementation Deed must be satisfied or waived (where applicable), including that the Scheme Resolution must be approved by Sirtex Shareholders by the Requisite Majorities at the Scheme Meeting and the Scheme must be approved by the Court at the Second Court Hearing. Details of this Scheme Resolution and the majorities required to approve the resolution are set out in section 4.7 of this Scheme Booklet.
How will Sirtex Rights under the Sirtex Incentive Plan be treated in connection with the Scheme?	As contemplated by the Scheme Implementation Deed, the Sirtex Board has determined to exercise its discretions (in accordance with and as permitted by the terms of the Sirtex Incentive Plan) to vest all outstanding Sirtex Rights subject to the Scheme becoming Effective and to issue Sirtex Shares to holders of those Sirtex Rights that exercise those Sirtex Rights prior to the Scheme Record Date. The Sirtex Shares issued to the holders of the Sirtex Rights on exercise will therefore participate in the Scheme, such that the holders will receive the Scheme Consideration in respect of those Sirtex Shares issued to them. Sirtex Rights that are not exercised will lapse if the Scheme becomes Effective. Please refer to section 9.2 of this Scheme Booklet for further details regarding the treatment of Sirtex Rights.
What do the Sirtex Directors recommend?	Sirtex Directors unanimously recommend that you vote in favour of the Scheme Resolution to approve the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders. The Sirtex Directors consider that the reasons for Sirtex Shareholders to vote in favour of the Scheme outweigh the reasons to vote against it. The Sirtex Directors encourage you to seek independent legal, financial, taxation or other professional advice.
How are the Sirtex Directors intending to vote?	Each of the Sirtex Directors intends to vote, or cause to be voted, in favour of the Scheme in respect of all the Sirtex Shares they control, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders.

1. Based on Varian's share price of US$121.09 per share as at 22 March 2018 (California, USA time).

3 FREQUENTLY ASKED QUESTIONS

Question	Answer
What is the opinion of the Independent Expert?	Deloitte was appointed as the Independent Expert to undertake an independent assessment of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and is therefore in the best interests of Sirtex Shareholders. The Independent Expert has estimated the full underlying value of Sirtex to be in the range of $23.41 to $29.42 per Sirtex Share. You should read the Independent Expert's Report which is contained in Annexure A of this Scheme Booklet carefully and in its entirety.
What are the reasons you may want to vote in favour of the Scheme?	Reasons why you may want to vote in favour of the Scheme include: • The Sirtex Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders. Subject to those same qualifications, the Sirtex Directors will be voting their own shares in favour of the Scheme. • The Independent Expert has concluded that the Scheme is fair and reasonable and therefor in the best interests of Sirtex Shareholders. • The Scheme provides the opportunity to realise certainty of value for your investment in Sirtex, and is unaffected by the outcome of the Class Actions. • The Scheme Consideration of $28.00 cash per Share represents an attractive premium over trading prices of Sirtex Shares on ASX prior to the announcement of the proposed Scheme on 30 January 2018. This is an all cash offer. • No Superior Proposal has emerged since the announcement of the Scheme. • No brokerage or stamp duty will be payable by you on the transfer of your Sirtex Shares if the Scheme proceeds. • Sirtex's share price may fall if the Scheme is not implemented and no Superior Proposal emerges. • If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Sirtex's business and general market risks.
What are the reasons you may want to vote against the Scheme?	Reasons why you may want to vote against the Scheme include: • You may disagree with the Sirtex Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests. • You may prefer to participate in the future financial performance of the Sirtex business, and may consider that the Scheme does not capture Sirtex's long term potential. • You may wish to maintain your current investment profile. • You may consider that there is a possibility that a Superior Proposal could emerge in the foreseeable future. • The tax consequences of the Scheme may not suit your current financial position.

3 FREQUENTLY ASKED QUESTIONS

Question	Answer
What will happen if a Superior Proposal emerges?	If Sirtex receives a Competing Proposal from a third party or is approached to discuss a Competing Proposal, the following applies: • Sirtex must notify Varian as soon as practicable and in any event within 24 hours after receipt of the Competing Proposal or approach and disclose the material terms of the Competing Proposal (including price) and the identity of the third party making or proposing the Competing Proposal; • Sirtex must not enter into any legally binding agreement, arrangement or understanding to implement a Competing Proposal unless it is a Superior Proposal and Sirtex has notified the above details (including the identity of the third party making the proposed Competing Proposal) to Varian; • Varian will be given 5 Business Days during which it can put forward a counter proposal; and • If Varian provides a counter proposal and the Sirtex Directors decide, acting in good faith, that the counter proposal will provide an equivalent or superior outcome for Sirtex Shareholders as a whole than the Competing Proposal, then Sirtex and Varian must use their reasonable endeavours to agree, as soon as reasonably practicable, any amendments to the Scheme Implementation Deed as are reasonably necessary to reflect and implement Varian's counter proposal. Details of these provisions (and other provisions) of the Scheme Implementation Deed are set out in section 9.1 of this Scheme Booklet. Since the announcement of the Scheme on 30 January 2018 and up to the Last Practicable Trading Date, no Superior Proposal has emerged.
Is there a break fee payable?	Under the Scheme Implementation Deed, Sirtex must pay to Varian a reimbursement fee of approximately $15.8 million (exclusive of GST) if certain events occur, including: • if certain types of Competing Proposals are announced during the Exclusivity Period and completed within 12 months of the announcement; • if a majority of the Sirtex Directors change their recommendation that Sirtex Shareholders vote in favour of the Scheme or their statement that they will vote all Sirtex Shares held or controlled by them in favour of the Scheme, or make a recommendation or statement that is inconsistent with such recommendation or statement, or make a public statement indicating that they no longer support the Scheme or that they support a Competing Proposal, except in certain circumstances; • Sirtex terminates the Scheme Implementation Deed because the Independent Expert adversely changes its opinion in the Independent Expert's Report, where the reason for that conclusion is a Competing Proposal; or • Varian validly terminates the Scheme Implementation Deed because of a breach by Sirtex of the Scheme Implementation Deed (or a representation or warranty given by Sirtex under the Scheme Implementation Deed), which is material in the context of the Scheme taken as a whole. Varian must pay a reimbursement fee of approximately $15.8 million (exclusive of GST) to Sirtex if certain events occur, including: • the Scheme Implementation Deed is terminated as a result of certain of the Conditions Precedent (requiring there not to be any legal restraint on the Scheme imposed by Government Agencies in certain jurisdictions) not being satisfied or waived; or • Sirtex validly terminates the Scheme Implementation Deed because of a breach by Varian of the Scheme Implementation Deed (or a representation or warranty given by Varian under the Scheme Implementation Deed), which is material in the context of the Scheme taken as a whole. The reimbursement fee arrangements are summarised in further detail in sections 9.1(e) and 9.1(f) of this Scheme Booklet.

3 FREQUENTLY ASKED QUESTIONS

Question	Answer
Are there any conditions to the Scheme?	There are a number of Conditions Precedent that will need to be satisfied or waived (as applicable) before the Scheme can be implemented. In summary, as at the date of this Scheme Booklet, the outstanding Conditions Precedent (which must be satisfied or waived (as applicable) before the Scheme can become Effective) include: • approval of the Scheme at the Scheme Meeting by the Requisite Majorities of Sirtex Shareholders; • approval of the Scheme by the Court; • no court or Government Agency in Australia, USA, Germany, Italy, Belgium, the United Kingdom or Ireland has issued any temporary restraining order, preliminary or permanent injunction or other order restraining, preventing or imposing any legal restraint on the Scheme that is in effect at 8:00am on the Second Court Date; • no Material Adverse Change occurring before 8:00am on the Second Court Date; • no Prescribed Occurrence occurring before 8:00am on the Second Court Date; • the Independent Expert does not withdraw or change its conclusion before 8:00am on the Second Court Date; and • Varian not suffering an Insolvency Event before 8:00am on the Second Court Date. The Conditions Precedent of the Scheme are summarised in further detail in section 4.5 of this Scheme Booklet. As at the Last Practicable Trading Date, the Sirtex Directors are not aware of any reason why these Conditions Precedent should not be satisfied or waived (as applicable).
Can the Scheme Implementation Deed be terminated?	The Scheme Implementation Deed may be terminated in certain circumstances, details of which are summarised in section 4.6 of this Scheme Booklet. If the Scheme Implementation Deed is terminated, the Scheme will not proceed.
The Scheme Consideration	
What is the Scheme Consideration?	If the Scheme is implemented, Scheme Shareholders will receive the Scheme Consideration of $28.00 cash in respect of each Sirtex Share they hold at the Scheme Record Date.
Am I entitled to receive the Scheme Consideration?	Sirtex Shareholders as at the Scheme Record Date are Scheme Shareholders and, if the Scheme is implemented, are entitled to receive the Scheme Consideration for each Scheme Share that they hold.
What is the premium of the Scheme Consideration to Sirtex's share price?	The Scheme Consideration of $28.00 cash per Sirtex Share represents a: • 48.7% premium to Sirtex's closing share price of $18.83 on 29 January 2018, being the last trading day prior to the announcement of the Scheme on 30 January 2018; • 53.4% premium to the VWAP since Sirtex's trading update on 17 January 2018 of $18.25 to 29 January 2018;[2] • 60.2% premium to the 1-month VWAP of $17.48 to 29 January 2018; • 77.5% premium to the 3-month VWAP of $15.78 to 29 January 2018; • 84.4% premium to the 6-month VWAP of $15.19 to 29 January 2018; and • 46.6% premium to the broker consensus target price of $19.11 prior to the announcement of the Scheme on 30 January 2018.[3]

2. VWAP is calculated based on cumulative value traded on ASX and CHI-X divided by cumulative volume traded on ASX and CHI-X to 29 January 2018. Source: IRESS.

3. The broker consensus target price of $19.11 prior to the announcement of the Scheme on 30 January 2018 has been calculated from 4 broker valuations dated between 17 January 2018 and 22 January 2018 being publicly available institutional broker target prices ranging from $16.57 to $24.40 known to Sirtex and published after Sirtex's trading update released to the ASX on 17 January 2018.

3 FREQUENTLY ASKED QUESTIONS

Question	Answer
How are Varian and Varian Bidco funding the Scheme Consideration?	Varian has undertaken to provide sufficient funding to Varian Bidco to ensure that it has, at all necessary times, sufficient funding and liquidity to meet any of its funding obligations under, or in connection with, the Scheme. Varian intends to fund Varian Bidco using proceeds from borrowings. For more information on Varian's and Varian Bidco's funding arrangements see section 6.5 of this Scheme Booklet.
When and how will I receive my Scheme Consideration?	If the Scheme becomes Effective, the Scheme Consideration will be issued to Scheme Shareholders on the Implementation Date (currently proposed to be 28 May 2018). Payment of the Scheme Consideration will be made by direct deposit into your nominated bank account, as advised to the Sirtex Registry as at the Scheme Record Date. If you have not nominated a bank account, payment will be made by Australian dollar cheque sent by post to your registered address as shown on the Sirtex Share Register.
What are the taxation implications of the Scheme?	The taxation implications of the Scheme will depend on your personal circumstances. A general outline of the main Australian taxation implications of the Scheme for certain Sirtex Shareholders is set out in section 8 of this Scheme Booklet. As this outline is general in nature, you should consult with your own taxation advisers for detailed tax advice regarding the Australian and, if applicable, foreign taxation implications for participating in the Scheme in light of the particular circumstances which apply to you before making a decision as to how to vote on the Scheme.
Will I have to pay brokerage or stamp duty?	You will not have to pay brokerage or stamp duty on the transfer of your Sirtex Shares under the Scheme.
Can I sell my Sirtex Shares now?	You can sell your Sirtex Shares on market at any time before the close of trading on ASX on the Effective Date at the then prevailing market price (which may differ from the price to be paid for Sirtex Shares under the Scheme Consideration). Sirtex intends to apply to ASX for Sirtex Shares to be suspended from trading on ASX from close of trading on the Effective Date. You will not be able to sell your Sirtex Shares on market after this date. If you sell your Sirtex Shares on ASX, you may pay brokerage on the sale, you will not receive the Scheme Consideration, if a Superior Proposal emerges, you will not be able to obtain the benefit of that Superior Proposal in respect of those Sirtex Shares you have sold and there may be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.
Scheme, voting and approvals	
When and where will the Scheme Meeting be held?	The Scheme Meeting to approve the Scheme is scheduled to be held at 10:00am on Monday, 7 May 2018 at the Royal Automobile Club of Australia, 89 Macquarie Street, Sydney NSW 2000.
What will Sirtex Shareholders be asked to vote on at the Scheme Meeting?	At the Scheme Meeting, Sirtex Shareholders will be asked to vote on whether to approve the Scheme.
What is the Sirtex Shareholder approval threshold for the Scheme?	To become Effective, the Scheme must be agreed to by: • a majority in number (more than 50%) of Sirtex Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Sirtex Shareholders, body corporate representative); and • at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Sirtex Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Sirtex Shareholders, body corporate representative). The Court has the discretion to waive the first of the above two requirements if it considers appropriate to do so. Even if the Scheme is agreed to by Sirtex Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court (as well as other Conditions Precedent outlined in section 4.5 of this Scheme Booklet).

3 FREQUENTLY ASKED QUESTIONS

Question	Answer
Am I entitled to vote at the Scheme Meeting?	If you are registered as a Sirtex Shareholder on the Sirtex Share Register at 7:00pm (Sydney time) on 5 May 2018, you will be entitled to attend and vote at the Scheme Meeting.
How can I vote if I can't attend the Scheme Meeting?	If you would like to vote but cannot attend the Scheme Meeting in person, you can vote by appointing a proxy or attorney (including by lodging your proxy online at www.linkmarketservices.com.au) to attend and vote on your behalf. Corporate Sirtex Shareholders may also vote by corporate representative.
Is voting compulsory?	Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Requisite Majorities of Sirtex Shareholders, so voting is important and Sirtex Directors encourage you to vote. In addition, if the Scheme is approved, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of it.
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX (www.asx.com.au) and on the Sirtex website (www.sirtex.com) once available.
What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?	If the Scheme is not approved at the Scheme Meeting, or if it is approved at the Scheme Meeting but is not approved by the Court or a Condition Precedent is not fulfilled or otherwise waived (as applicable), or if the Scheme Implementation Deed is terminated, then the Scheme will not become Effective and will not be implemented. If the Scheme does not become Effective or is not implemented, Sirtex will continue to operate as a standalone group listed on ASX. In that scenario, Sirtex Shareholders will not receive the Scheme Consideration but will retain their Sirtex Shares. Depending on the reason for the Scheme not proceeding, Sirtex may be liable to pay to Varian or Varian may be liable to pay Sirtex a Reimbursement Fee of approximately $15.8 million (excluding GST). The circumstances in which the Reimbursement Fee would be payable to either party are set out in section 9.1(e) and 9.1(f) of this Scheme Booklet.
What happens to my Sirtex Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective and is implemented?	If you do not vote, or vote against the Scheme, and the Scheme becomes Effective and is implemented, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 7:00pm on 17 May 2018) will be transferred to Varian Bidco, and you will receive the Scheme Consideration, despite not having voted or having voted against the Scheme.
When will the Scheme become Effective and when will it be implemented?	Subject to satisfaction or waiver (as applicable) of the Conditions Precedent, the Scheme will become Effective on the Effective Date (currently expected to be 10 May 2018) and will be implemented on the Implementation Date (currently expected to be 28 May 2018).
Where can I get further information?	For further information, you can call the Sirtex Shareholder Information Line on 1300 794 682 (from within Australia) or +61 1300 794 682 (from outside Australia) Monday to Friday between 8:30am and 5:30pm (Sydney time). Sirtex is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Information disclosed to ASX by Sirtex is available on ASX's website at www.asx.com.au or on Sirtex's website at www.sirtex.com. If you are in doubt about anything in this Scheme Booklet, please contact your legal, financial, taxation or other professional adviser.

SIRTeX

Overview of the Scheme

4

4 OVERVIEW OF THE SCHEME

4.1 BACKGROUND

On 30 January 2018, Sirtex entered into the Scheme Implementation Deed with Varian, under which, subject to the satisfaction or waiver of a number of Conditions Precedent, it is proposed that Varian Bidco will acquire all of the ordinary shares in Sirtex pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act.

If the Scheme is implemented, Scheme Shareholders will be entitled to receive the Scheme Consideration, being a cash payment of $28.00 for each Sirtex Share held by each Scheme Shareholder as at the Scheme Record Date.

A brief summary of the Scheme Implementation Deed is included in section 9.1 of this Scheme Booklet. This section 4 contains an overview of the Scheme.

4.2 THE SIRTEX DIRECTORS' UNANIMOUS RECOMMENDATION

The Sirtex Directors unanimously recommend that Sirtex Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders.

The Sirtex Directors consider that the reasons for Sirtex Shareholders to vote in favour of the Scheme outweigh the reasons to vote against the Scheme. See section 2 of this Scheme Booklet for key considerations relevant to your vote.

In considering whether to vote in favour of the Scheme, the Sirtex Directors encourage you to:

- carefully read all of this Scheme Booklet (including the Independent Expert's Report);
- consider the choices available to you as outlined in section 4.13 of this Scheme Booklet;
- have regard to your individual risk profile, portfolio strategy, taxation position and financial circumstances; and
- obtain financial advice from your broker or financial adviser on the Scheme and obtain taxation advice on the effect of the Scheme becoming Effective.

Each Sirtex Director's interests are disclosed in sections 9.3, 9.4 and 9.5 of this Scheme Booklet.

4.3 VOTING INTENTIONS OF THE SIRTEX DIRECTORS

Each Sirtex Director intends to vote, or procure the voting of, any Sirtex Shares held or controlled by them, in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders.

Details of the interests of each Sirtex Director in Sirtex Shares are set out in section 9.3 of this Scheme Booklet.

4.4 INDEPENDENT EXPERT'S CONCLUSION

Sirtex appointed Deloitte as an Independent Expert to review the Scheme and opine on whether the Scheme is in the best interests of Sirtex Shareholders.

The Independent Expert concluded that the Scheme is fair and reasonable and therefore in the best interests of Sirtex Shareholders.

The Independent Expert has assessed the full underlying value of Sirtex at between $23.41 and $29.42 per Sirtex Share. As the Scheme Consideration offered by Varian is within the Independent Expert's estimate of the market value of a Sirtex Share, the Independent Expert has concluded that the Scheme is fair.

The Independent Expert's valuation has not had explicit regard to any potential compensation payable by Sirtex as a result of the Class Actions which relate to alleged breaches of continuous disclosure obligations and misleading and deceptive statements made by Sirtex in 2016 given the significant uncertainty in the outcome of any compensation. However, attributing a value for such compensation would only result in the value of the shares decreasing and as such, the Scheme being assessed as more fair.

The reasons why the Independent Expert reached this conclusion are set out in the Independent Expert's Report, a copy of which is included in Annexure A of this Scheme Booklet.

4.5 CONDITIONS TO THE SCHEME

The Scheme is subject to a number of Conditions Precedent that will need to be satisfied or waived (as applicable) before the Scheme can become Effective. The Conditions Precedent are set out in clause 3.1 of the Scheme Implementation Deed, a copy of which is attached as Annexure B of this Scheme Booklet. In summary, as at the date of this Scheme Booklet, the outstanding Conditions Precedent include:

- approval of the Scheme at the Scheme Meeting by the Requisite Majorities of Sirtex Shareholders;
- approval of the Scheme by the Court;
- no court or Government Agency in Australia, USA, Germany, Italy, Belgium, the United Kingdom or Ireland has issued any temporary restraining order, preliminary or permanent injunction or other order restraining, preventing or imposing any legal restraint on the Scheme that is in effect at 8:00am on the Second Court Date;

4 OVERVIEW OF THE SCHEME

- no Material Adverse Change occurring before 8:00am on the Second Court Date;
- no Prescribed Occurrence occurring before 8:00am on the Second Court Date;
- the Independent Expert not withdrawing or changing its conclusion before 8:00am on the Second Court Date; and
- Varian not suffering an Insolvency Event before 8:00am on the Second Court Date.

The first 2 Conditions Precedent outlined above (relating to Sirtex Shareholder approval and Court approval) cannot be waived.

As at the Last Practicable Trading Date, none of the Sirtex Directors are aware of any circumstances which would cause any Condition Precedent not to be satisfied.

4.6 TERMINATION RIGHTS

The Scheme Implementation Deed may be terminated in certain circumstances. The termination rights are set out in clause 11 of the Scheme Implementation Deed, a copy of which is attached as Annexure B of this Scheme Booklet. In summary:

(a) either party may terminate the Scheme Implementation Deed if:
  (1) the Scheme has not become Effective by the End Date;
  (2) any event occurs which would or does prevent a Condition Precedent from being satisfied and that Condition Precedent is not waived (where applicable); or
  (3) the other party commits a breach of the Scheme Implementation Deed or a representation, or warranty given by that party under the Scheme Implementation Deed, which is material in the context of the Scheme taken as a whole and which is not rectified within 10 Business Days of notification of the breach by the non-breaching party;

(b) Sirtex may terminate the Scheme Implementation Deed if:
  (1) a majority of the Sirtex Board publicly recommends a Competing Proposal that is a Superior Proposal, provided that the Competing Proposal was not connected with a breach of Sirtex's exclusivity obligations (described in section 9.1(c) of this Scheme Booklet); or
  (2) the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Sirtex Shareholders, or adversely changes its opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Sirtex Shareholders;

(c) Varian may terminate the Scheme Implementation Deed if a majority of the members of the Sirtex Board have changed, withdrawn or modified their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting; and

(d) the parties may terminate the Scheme Implementation Deed by mutual agreement.

If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

4.7 SCHEME APPROVAL REQUIREMENTS

The Scheme will only become effective and be implemented if it is:

- approved by the Requisite Majorities of Sirtex Shareholders at the Scheme Meeting;
- approved by the Court at the Second Court Hearing;
- the Conditions Precedent are satisfied or waived (as appropriate); and
- the Scheme Implementation Deed has not been terminated.

The Requisite Majorities of Sirtex Shareholders necessary to approve the Scheme are:

- a majority in number (more than 50%) of Sirtex Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Sirtex Shareholders, body corporate representative) – it should be noted that the Court has the power to waive this requirement; and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Sirtex Shareholders.

The Court has the discretion to waive the first of the above two requirements if it considers appropriate to do so.

4 OVERVIEW OF THE SCHEME

4.8 SCHEME MEETING

(a) The Scheme Meeting

The Court has ordered Sirtex to convene the Scheme Meeting at which Sirtex Shareholders will be asked to approve the Scheme.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting in Annexure E of this Scheme Booklet.

The fact that the Court has ordered the Scheme Meeting to be convened and has approved this Scheme Booklet required to accompany the Notice of Scheme Meeting does not mean that the Court has prepared, or is responsible for the content of, this Scheme Booklet or has any view as to the merits of the Scheme or as to how Sirtex Shareholders should vote. On these matters Sirtex Shareholders must reach their own decision.

(b) Attendance at the Scheme Meeting

The entitlement of Sirtex Shareholders to attend and vote at the Scheme Meeting is set out in the Notice of Scheme Meeting in Annexure E of this Scheme Booklet.

Instructions on how to attend and vote at the Scheme Meeting (in person, by proxy, or in person through an attorney or corporate representative) are set out in the Notice of Scheme Meeting.

Voting is not compulsory. However, the Sirtex Directors unanimously recommend that Sirtex Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider that the Scheme is in the best interests of Sirtex Shareholders.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to ASX (www.asx.com.au) and on the Sirtex website (www.sirtex.com) once available.

4.9 COURT APPROVAL OF THE SCHEME

In the event that:

- the Scheme is approved by the Requisite Majorities of Sirtex Shareholders at the Scheme Meeting (see section 4.7 of this Scheme Booklet for the Scheme approval requirements);
- all Conditions Precedent (except Court approval of the Scheme) have been satisfied or waived (if they are capable of being waived); and
- the Scheme Implementation Deed has not been terminated,

then Sirtex will apply to the Court for orders approving the Scheme. Sirtex may apply to the Court for orders approving the Scheme notwithstanding the first of the above requirements is not satisfied.

Each Sirtex Shareholder has the right to appear at the Second Court Hearing.

4.10 EFFECTIVE DATE

If the Court approves the Scheme, the Scheme will become effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. Sirtex will, on the Scheme becoming effective, announce that on ASX. Under the Scheme Implementation Deed, Sirtex must provide an office copy of the Court order from the Second Court Hearing to ASIC by no later than 5:00pm on the first Business Day after the day on which the Court approves the Scheme. Sirtex will, when the Scheme becomes Effective, give notice of that event to ASX.

4.11 SUSPENSION OF SIRTEX SHARES

If the Court approves the Scheme, Sirtex will immediately notify the ASX. It is expected that suspension of trading on the ASX in Sirtex Shares will occur at the close of business on the Effective Date.

4.12 IF THE SCHEME DOES NOT PROCEED

If the Scheme is not implemented:

- Sirtex will remain listed on ASX and will continue to operate as a standalone group;
- Sirtex Shareholders will retain their Sirtex Shares and will continue to be exposed to general risks as well as risks specific to Sirtex and the industries in which it operates;
- Sirtex Shareholders will not receive the Scheme Consideration; and
- a reimbursement fee of approximately $15.8 million (exclusive of GST) may be payable by either Sirtex to Varian or by Varian to Sirtex in certain circumstances. Those circumstances will not of itself include the failure by Sirtex Shareholders to approve the Scheme at the Scheme Meeting by the Requisite Majorities.

4 OVERVIEW OF THE SCHEME

If the Scheme is not implemented, the advantages of the Scheme described in section 2.2 of this Scheme Booklet will not be realised and the potential disadvantages of the Scheme described in section 2.3 of this Scheme Booklet will not arise.

If the Scheme is not implemented, transaction related costs of approximately $1.5 million are expected to be incurred by Sirtex. These amounts do not include transaction or other similar costs that may be incurred by Varian or Varian Bidco.

4.13 YOUR CHOICES AS A SIRTEX SHAREHOLDER

As a Sirtex Shareholder, you have four choices currently available to you, which are as follows.

Vote in favour of the Scheme	**This is the course of action unanimously recommended by the Sirtex Directors, in the absence of a Superior Proposal and subject to the Independent Expert maintaining its conclusion that the Scheme is in the best interests of Sirtex Shareholders.** If you wish to follow the Sirtex Director's unanimous recommendation, you should vote in favour of the Scheme at the Scheme Meeting. For a summary of how to vote on the Scheme, please refer to section 1.2 of this Scheme Booklet, and the Notice of Scheme Meeting contained in Annexure E to this Scheme Booklet. If the Scheme is implemented, each Scheme Shareholder will receive the Scheme Consideration.
Vote against the Scheme	If, despite the Sirtex Director's unanimous recommendation and the Independent Expert's conclusion that the Scheme is in the best interests of Sirtex Shareholders, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting. However, if all the Conditions Precedent for the Scheme are satisfied or waived (as applicable) and the Scheme becomes Effective, the Scheme will bind all Sirtex Shareholders, including those who voted against the Scheme at the Scheme Meeting and those who did not vote at all.
Sell or transfer your Sirtex Shares	The existence of the Scheme does not prevent you from selling some or all of your Sirtex Shares on the market for cash, or transferring your shares, if you wish. However, if the Scheme becomes Effective, trading in Sirtex Shares on ASX will end at the close of trading on ASX on the Effective Date. If you are considering selling some or all of your Sirtex Shares: • you may wish to have regard to the prevailing trading prices of Sirtex Shares and compare those to the Scheme Consideration. You may ascertain the current trading prices of Sirtex Shares through the ASX website (www.asx.com.au); and • you should contact your stockbroker for information on how to effect that sale, and you should also contact your legal, financial, taxation or other professional adviser if you require any other information or advice. Sirtex Shareholders who sell some or all of their Sirtex Shares on ASX: • may receive payment (which may vary from the Scheme Consideration) for the sale of Sirtex Shares sooner than they would receive the Scheme Consideration under the Scheme; • may incur a brokerage charge; • will not be able to participate in the Scheme or, if one emerges, a Superior Proposal, in respect of those Sirtex Shares they have sold; and • may be liable to pay Australian tax on the disposal of their Sirtex Shares (as you also may be under the Scheme – see the Tax Considerations set out at section 8 of this Scheme Booklet).
Do nothing	Sirtex Shareholders who elect not to vote at the Scheme Meeting or do not sell their Sirtex Shares on market will: • if the Scheme is implemented, have their Scheme Shares transferred to Varian Bidco by operation of the Scheme and receive the Scheme Consideration; or • if the Scheme is not implemented, retain their Sirtex Shares.

4 OVERVIEW OF THE SCHEME

4.14 SCHEME RECORD DATE AND ENTITLEMENT TO SCHEME CONSIDERATION

Those Sirtex Shareholders on the Sirtex Share Register on the Scheme Record Date (currently proposed to be 7:00pm on 17 May 2018) will be entitled to receive the Scheme Consideration in respect of the Sirtex Shares they hold at that time.

(a) Dealings before the Scheme Record Date

For the purpose of determining which Sirtex Shareholders are eligible to participate in the Scheme, dealings in Sirtex Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the Sirtex Registry as the holder of the relevant Sirtex Shares as at 7:00pm (Sydney time) on the Scheme Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received by the Sirtex Registry on or before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purpose of determining entitlements under the Scheme, Sirtex will not accept for registration or recognise any transfer or transmission applications in respect of Sirtex Shares received after the Scheme Record Date.

(b) Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, Sirtex must maintain the Sirtex Share Register in its form as at the Scheme Record Date, until the Scheme Consideration has been paid to the Scheme Shareholders. The Sirtex Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for Sirtex Shares will cease to have effect as documents relating to title in respect of such Sirtex Shares; and
- each entry on the Sirtex Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Sirtex Shares relating to that entry.

4.15 IMPLEMENTATION DATE

Scheme Shareholders will be issued the Scheme Consideration on the Implementation Date (currently proposed to be 28 May 2018). Immediately after the Scheme Consideration is issued to Scheme Shareholders the Scheme Shares will be transferred to Varian Bidco.

4.16 DEED POLL

Varian and Varian Bidco have entered into the Deed Poll, pursuant to which Varian and Varian Bidco have agreed in favour of the Scheme Shareholders to:

- pay, or procure the payment of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- undertake all other actions attributed to them under the Scheme,

subject to the Scheme becoming Effective.

A copy of the Deed Poll is contained in Annexure D of this Scheme Booklet.

4.17 COPY OF THE SIRTEX SHARE REGISTER

Under section 173 of the Corporations Act, any Sirtex Shareholder has a right to inspect, and to ask for a copy of, the Sirtex Share Register which contains details of the name and address of each Sirtex Shareholder. Sirtex may require a Sirtex Shareholder to provide reasons for their request prior to providing a copy of the Sirtex Share Register and a Sirtex Shareholder must not use any information obtained for an improper purpose. A copy of the Sirtex Share Register will be given to any Sirtex Shareholder upon request and payment of the prescribed fee under the Corporations Act where Sirtex is satisfied that the details provided are not likely to be used for an improper purpose.

4 OVERVIEW OF THE SCHEME

4.18 WARRANTY BY SCHEME SHAREHOLDERS

The terms of the Scheme provide that each Scheme Shareholder warrants to Varian Bidco, and is deemed to have authorised Sirtex to warrant to Varian Bidco as its agent and attorney, that:

(a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Varian Bidco under the Scheme will, at the date of transfer, be fully paid and free from all securities for payment of money or performance of obligations (including mortgages, liens, charges, pledges, trusts, powers or title retention or flawed deposit arrangements and any "security interest" as defined in sections 12(1) or 12(2) of the *Personal Property Securities Act* 2009 (Cth)) and all agreements to create any of them or allow them to exist; and

(b) they have full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Varian Bidco under the Scheme.

4.19 DELISTING OF SIRTEX

Following the Implementation Date, Sirtex will apply for the termination of the official quotation of Sirtex Shares on ASX and for Sirtex to be removed from the official list of ASX.

SIRTeX

Profile of Sirtex

5

5 PROFILE OF SIRTEX

5.1 INTRODUCTION

Sirtex is an Australian-based global life-sciences company that develops and delivers oncology treatments using small particle technology.

Sirtex is headquartered in Sydney, and is listed on the ASX where it trades under the symbol of SRX. The company was founded in 1997 and currently employs approximately 260 people globally.

For the financial year ended 30 June 2017, Sirtex reported dose sales of 12,578, sales revenue of $234.3m and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) before significant items of $61.5m. For the half year ended 31 December 2017, Sirtex reported dose sales of 6,023, revenue of $109.4m and EBITDA before significant items of $34.1m.

5.2 OVERVIEW OF OPERATIONS

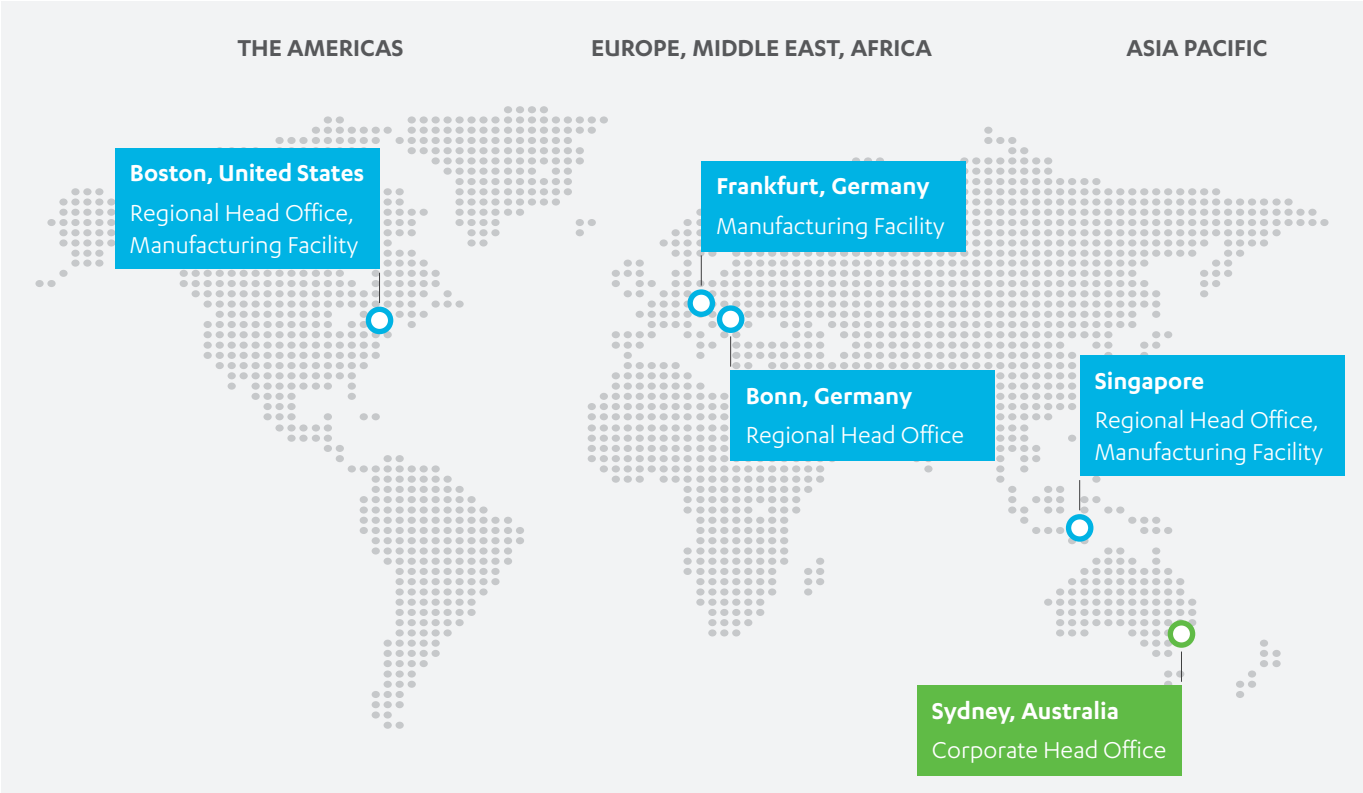
Sirtex generates revenues through the sale of SIR-Spheres® Y-90 resin microspheres, a targeted radiation therapy for liver cancer.

SIR-Spheres microspheres are used to deliver targeted internal radiation therapy directly to liver tumours via the hepatic artery. The therapy is called Selective Internal Radiation Therapy (SIRT) and is performed using minimally invasive techniques by interventional radiologists. SIR-Spheres microspheres are currently used in primary liver cancer (hepatocellular carcinoma) and secondary liver cancer (metastatic liver cancer), where the liver tumour has originated from cancer in another part of the body.

Over 86,000 doses of SIR-Spheres® Y-90 resin microspheres have been supplied in over 1,160 medical centres across more than 40 different countries.

Sirtex has manufacturing capabilities in Singapore, Wilmington, Massachusetts and Frankfurt, Germany. The facilities are close to major transport hubs, which allows for efficient dispatch of SIR Spheres microspheres across the Americas, EMEA and Asia Pacific regions.

SIRTEX'S GLOBAL OPERATING FOOTPRINT



Sirtex's business is organised into three reportable segments – The Americas, EMEA and Asia Pacific. Sirtex generates 70% of its dose sales and 80% of its sales revenues from the Americas region.

5 PROFILE OF SIRTEX

FIGURE 1: DOSE SALES – BY GEOGRAPHY (FY17A)

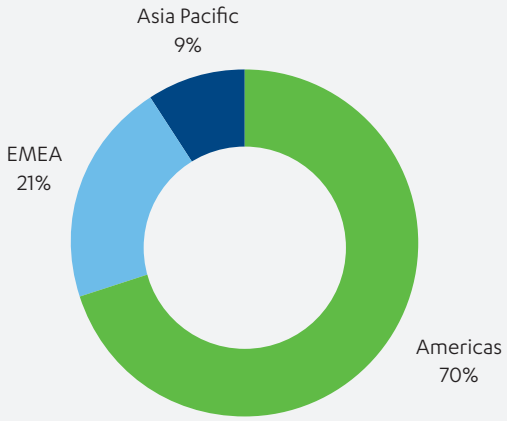
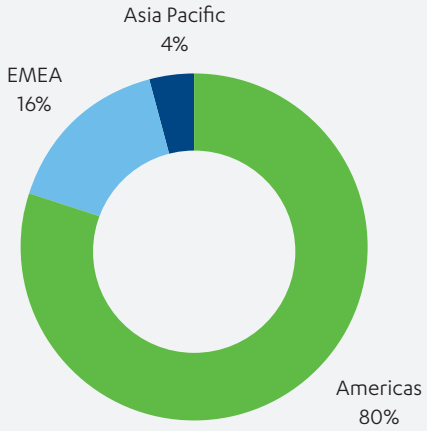


FIGURE 2: SALES REVENUE – BY GEOGRAPHY (FY17A)



5.3 BOARD AND SENIOR MANAGEMENT

(a) Sirtex Board

The directors of Sirtex (as at the Last Practicable Trading Date) are listed below.

Name	Current position
Andrew McLean	Executive Director and Chief Executive Officer
Grant Boyce	Non-Executive Director
Helen Kurincic	Non-Executive Director
John Eady	Non-Executive Director (Interim Chairman)
Katherine Woodthorpe	Non-Executive Director
Neville Mitchell	Non-Executive Director

(b) Sirtex senior management

Sirtex's current senior management comprises the following members.

Name	Current position
Andrew McLean	Chief Executive Officer
Anthony Dixon	Executive Vice President, Sales & Marketing - EMEA
Brett Carroll	Global Head of Compliance, Safety & Quality, and interim Chief HR Officer
Darren Smith	Chief Financial Officer, and Company Secretary
Grant Spindler	Global Head of Operations
Kevin Smith	Executive Vice President, Sales & Marketing - Americas
Reuben Teo	Executive Vice President, Sales & Marketing - APAC
Shyam Srinivas	Chief Medical Officer
Suki Shergill	VP Global Pricing, Reimbursement & Market Access
Tom Duthy	Global Head of Investor Relations & Corporate Development

5 PROFILE OF SIRTEX

5.4 SIRTEX DIRECTORS' INTENTIONS

If the Scheme becomes Effective, the Sirtex Directors will resign and the Sirtex Board will be reconstituted in accordance with the instructions of Varian on the Implementation Date (see section 6.6(d) of this Scheme Booklet). Accordingly, it is not possible for the Sirtex Directors to provide a statement of their intentions regarding:

(a) the continuation of the business of Sirtex or how Sirtex's existing business will be conducted;

(b) any major changes to be made to the business of Sirtex, including any redeployment of the fixed assets of Sirtex; or

(c) the future employment of the present employees of Sirtex,

in each case, after the Scheme is implemented.

If the Scheme is implemented, Varian Bidco will own all of the Sirtex Shares and Varian will be the ultimate Controller of Sirtex. The Sirtex Directors have been advised that the intentions of Varian are as set out in section 6 of this Scheme Booklet.

5.5 CAPITAL STRUCTURE

As at the Last Practicable Trading Date, the issued securities of Sirtex were as follows:

Type of security	Number on issue
Sirtex Shares	55,773,045
Sirtex Rights	787,539

Refer to section 9.2 of this Scheme Booklet in relation to the impact of the Scheme on Sirtex Rights.

5.6 SIRTEX'S SUBSTANTIAL SHAREHOLDERS

As extracted from filings released on ASX, in each case prior to the Last Practicable Trading Date, the following persons were substantial holders of Sirtex Shares:

Substantial holder	Number of Sirtex Shares	Voting power
Deutsche Bank AG and its related bodies corporate	2,791,105	5.00%
Allan Gray Australia Pty Ltd and certain of its related bodies corporate, as investment manager for certain funds and investment mandates	3,504,600	6.27%

5.7 RECENT SIRTEX SHARE PRICE PERFORMANCE

Entry into the Scheme Implementation Deed was announced to the market on Tuesday, 30 January 2018. The last recorded closing price for Sirtex Shares on ASX before that announcement was $18.83 (on 29 January 2018).

During the period leading up to the announcement of entry into the Scheme Implementation Deed on 30 January 2018, the VWAP[1] for a Sirtex Share was:

- $18.25 for the period from Sirtex's trading update on 17 January 2018 to 29 January 2018;
- $17.48 for the 1 month ended 29 January 2018;
- $15.78 for the 3 months ended 29 January 2018; and
- $15.19 for the 6 months ended 29 January 2018.

The closing price of Sirtex Shares on ASX on 23 March 2018, being the Last Practicable Trading Date, was $27.65, being a discount of 1.3% to the Scheme Consideration of $28.00 for each Sirtex Share. The following chart highlights the movements in the Sirtex Share price for the period from 30 January 2017 (12 months prior to announcement of the Scheme) until 23 March 2018, being the Last Practicable Trading Date.

1. VWAP is calculated based on cumulative value traded on ASX and CHI-X divided by cumulative volume traded on ASX and CHI-X to 29 January 2018. Source: IRESS

5 PROFILE OF SIRTEX

5.8 HISTORICAL FINANCIAL INFORMATION

(a) Basis of preparation

This section 5.8 presents summary financial information in relation to Sirtex for the purpose of this Scheme Booklet. The information has been extracted from Sirtex's financial results for the half year ended 31 December 2017, and its audited financial statements for the financial years ended 30 June 2016 and 30 June 2017.

The financial information contained in this section is presented in an abbreviated form and may not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act, and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. A full description of Sirtex's accounting policies can be found in its annual financial report for FY2017.

Sirtex's full financial accounts, including all notes to those accounts, can be found in:

- the Sirtex Appendix 4E and the 2016 Annual Financial Report (released to the ASX on 24 August 2016);
- the Sirtex Appendix 4E and the 2017 Annual Financial Report (released to the ASX on 23 August 2017); and
- The Sirtex Appendix 4D and the Interim Report for the half year ended 31 December 2017 (released to the ASX on 21 February 2018).

Copies of these reports can be found on ASX's website at www.asx.com.au and the Sirtex website at www.sirtex.com.

5 PROFILE OF SIRTEX

(b) Sirtex historical consolidated statement of profit or loss

Below is a summary of Sirtex's consolidated statements of profit or loss or other comprehensive income for the financial years ended 30 June 2016 and 30 June 2017 and for the six months ended 31 December 2017.

$'000	Year ended 30 June 2016	Year ended 30 June 2017	Half year ended 31 December 2017
Revenue from the sale of goods	232,492	234,282	**109,396**
Cost of sales	(35,287)	(36,177)	(17,726)
Gross profit	**197,205**	**198,105**	**91,670**
Other revenue and income	4,328	2,814	1,100
Operating expenses	(129,856)	(146,373)	(57,084)
Impairment of intangibles	-	(90,541)	-
Other expenses and foreign exchange losses	(1,679)	(4,959)	(2,517)
(Loss)/profit before income tax	**69,998**	**(40,954)**	**33,169**
Income tax benefit/(expense)	(16,416)	14,697	(9,616)
(Loss)/profit for the year	**53,582**	**(26,257)**	**23,553**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation (net of tax) of foreign operations	464	(713)	1,404
Total comprehensive (loss)/income for the year attributable to members of the parent entity	**54,046**	**(26,970)**	**24,957**

Note: For the half year ended 31 December 2017 quality assurance expenses were reclassified from an operating expense to be a cost of sales. In the summary of Sirtex's consolidated statements of profit or loss or other comprehensive income for the financial years ended 30 June 2016 and 30 June 2017, $2.218m and $2.232m of quality assurance expenses were included in operating expenses.

5 PROFILE OF SIRTEX

(c) Sirtex historical consolidated statement of financial position

Below is a summary of Sirtex's consolidated statement of financial position as at 30 June 2016, 30 June 2017 and 31 December 2017.

$'000	30 June 2016	30 June 2017	31 December 2017
Assets			
Current Assets			
Cash and cash equivalents	21,025	50,349	42,808
Other short-term deposits	86,000	68,000	50,000
Trade and other receivables	42,272	36,976	34,932
Inventories	1,918	1,993	2,382
Other financial assets	1,687	1,575	1,780
Other current assets	4,212	3,583	2,775
Total - Current Assets	**157,114**	**162,476**	**134,677**
Non-Current Assets			
Property, plant and equipment	13,987	12,045	11,104
Intangible assets	82,821	9,436	9,147
Other non-current assets	-	-	521
Deferred tax assets	7,795	10,165	9,416
Total - Non-Current Assets	**104,603**	**31,646**	**30,188**
Total Assets	**261,717**	**194,122**	**164,865**
Liabilities			
Current Liabilities			
Trade and other payables	28,090	26,433	16,418
Current tax liabilities	7,239	8,412	6,383
Short-term provisions	7,009	7,972	9,192
Total - Current Liabilities	**42,338**	**42,817**	**31,993**
Non-Current Liabilities			
Long-term provisions	1,153	919	1,062
Deferred tax liabilities	24,722	919	663
Total - Non-Current Liabilities	**25,875**	**1,838**	**1,725**
Total Liabilities	**68,213**	**44,655**	**33,718**
Net Assets	**193,504**	**149,467**	**131,147**
Equity			
Issued capital	32,684	34,792	7,847
Reserves	**6,656**	**3,257**	**5,056**
Retained earnings	154,164	111,418	118,244
Total - Equity	**193,504**	**149,467**	**131,147**

5 PROFILE OF SIRTEX

(d) Sirtex historical consolidated statement of cash flows

Below is a summary of Sirtex's consolidated statements of cash flow for the financial years ended 30 June 2016 and 30 June 2017 and for the six months ended 31 December 2017.

$'000	Year ended 30 June 2016	Year ended 30 June 2017	Half year ended 31 December 2017
Cash flows from operating activities			
Receipts from customers	225,153	239,375	110,813
Payments to suppliers and employees	(153,992)	(177,823)	(80,002)
Interest received	2,184	2,611	1,117
Net income tax paid	(8,134)	(8,191)	**(11,155)**
Net cash provided by operating activities	**65,211**	**55,972**	**20,833**
Cash flows from investing activities			
Utilisation/(investment) in other short-term deposits	(34,000)	18,000	18,000
Proceeds from plant and equipment	137	-	-
Purchase of plant and equipment	(1,718)	(1,239)	(220)
Purchase of intangible assets	(19,196)	(21,701)	(385)
Net cash used by investing activities	**(54,777)**	**(4,940)**	**17,395**
Cash flows from financing activities			
Share buy-back	-	(2,873)	(27,127)
Payment of dividends	(11,432)	(17,306)	(16,727)
Net cash used by financing activities	**(11,432)**	**(20,179)**	**(43,854)**
Net increase/(decrease) in cash held	**(998)**	**30,853**	**(5,626)**
Cash and cash equivalents at beginning of financial year	**21,941**	**21,025**	**50,349**
Effect of exchange rate fluctuations on cash held	**82**	**(1,529)**	**(1,915)**
Cash and cash equivalents at end of financial year	**21,025**	**50,349**	**42,808**

5.9 MATERIAL CHANGES IN FINANCIAL POSITION OF SIRTEX

To the knowledge of the directors of Sirtex, the financial position of Sirtex has not materially changed since 31 December 2017, as reported in the Sirtex Interim Report for the half year ended 31 December 2017, other than:

- the accumulation of profits in the ordinary course of trading;
- as disclosed to ASX by Sirtex; or
- as disclosed in this Scheme Booklet.

A copy of the Sirtex Interim Report is available on Sirtex's website (www.sirtex.com).

5.10 OUTLOOK

On 17 January 2018, Sirtex released an announcement on ASX that provided the following commentary on outlook:

> *"As a result of recent management initiatives, we anticipate higher sales in the second half, with ongoing targeted reductions in operating expenditure to drive business efficiencies and productivity gains, resulting in forecasted full year EBITDA[2] in the range of $75-85 million. This compares to an underlying EBITDA of $61.5 million reported in the 2017 financial year. Cash flow generation is expected to remain strong given our high levels of EBITDA conversion to cash flow coupled with lower investing cash flow, resulting from the completion of our major clinical studies."*

Sirtex confirmed this guidance on reported EBITDA in an announcement on ASX released on 21 February 2018.

As at the date of this Scheme Booklet, to the knowledge of the Sirtex Directors, Sirtex's outlook has not materially changed.

2. FY17 underlying EBITDA excludes clinical and R&D asset impairments, restructuring costs and impairment/write-off of receivables.

5 PROFILE OF SIRTEX

5.11 RISKS RELATING TO SIRTEX'S BUSINESS

There are existing risks relating to Sirtex's business and an investment in Sirtex which will continue to be relevant to Sirtex Shareholders if the Scheme does not become Effective. A summary of the key risks relating to Sirtex's business and an investment in Sirtex is set out in section 7 of this Scheme Booklet.

5.12 CLASS ACTIONS AND OTHER LITIGATION

Sirtex is from time to time involved in disputes and litigation.

As at the date of this Scheme Booklet, Sirtex is the respondent (i.e. the defendant) to two representative proceedings (commonly known as class actions) being brought against it in the Federal Court of Australia.

The first Class Action was filed in the Federal Court of Australia on 9 February 2017 by Portfolio Law on behalf of Todd Hayward as the representative applicant (the **Hayward Proceeding**). This claim is said to concern all persons who acquired Sirtex Shares on or after 24 August 2016 and who were holders of any of those Sirtex Shares at the commencement of trading on 9 December 2016.

The second Class Action was filed in the same court on 19 December 2017 by Maurice Blackburn on behalf of Pawel Kuterba as the representative applicant (the **Kuterba Proceeding**). This claim is said to concern all persons who acquired an interest in Sirtex Shares during the period from 24 August 2016 to 16 December 2016.

A broad range of allegations are made against Sirtex in both proceedings, including alleged contraventions of the Corporations Act, the *Australian Securities and Investments Commission Act* 2001 (Cth) and the *Competition and Consumer Act* 2010 (Cth) by Sirtex in relation to misleading and deceptive conduct and breach of continuous disclosure obligations.

In both matters, the applicants seek orders for damages, interest and costs from Sirtex on behalf of themselves and their respective class members. The applicant in the Hayward Proceeding claims that the total potential value of the claims brought in that matter is in the order of $277M to $283M (excluding interest and costs). This amount is based upon a range of assumptions favourable to the applicant and group members in the Hayward Proceeding. No statement as to the total potential value of the claims in the Kuterba Proceeding has yet been made.

Given the commonality of events and the extent of the overlap of group members falling within the respective classes, on 16 February 2018 the Federal Court of Australia set a timetable for the determination of procedural issues. This included a timetable for the hearing of applications for a stay or an order for class closure in one of the two proceedings, to prevent claimants falling within both classes and pursuing double recovery in respect of the same alleged loss.

Having regard to the status of both proceedings, the current pleadings and other presently available information, Sirtex believes that any potential liability arising out of the Class Actions cannot be reliably assessed or estimated at this point in time.

Sirtex is vigorously defending both these proceedings, and will continue to incur legal costs in doing so.

Nonetheless, there is a risk that a judgment may be entered against Sirtex or a settlement reached in either or both proceedings, requiring Sirtex to pay compensation to the applicants and their respective class members.

Both proceedings also represent a reputational risk to Sirtex given the nature and seriousness of the allegations and issues involved.

Other than as described in this section 5.12, to the best knowledge of the Directors and senior management, Sirtex is not involved in any litigation or dispute which is material in the context of Sirtex and its subsidiaries taken as a whole.

5.13 PUBLICLY AVAILABLE INFORMATION ABOUT SIRTEX

Sirtex is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, Sirtex is subject to Listing Rules which require (subject to some exceptions) continuous disclosure of any information that Sirtex has that a reasonable person would expect to have a material effect on the price or value of Sirtex shares.

ASX maintains files containing publicly disclosed information about all entities listed on ASX. Information disclosed to ASX by Sirtex is available on the ASX's website at www.asx.com.au. Further announcements concerning developments at Sirtex will continue to be made available on this website after the date of this Scheme Booklet.

In addition, Sirtex is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Sirtex may be obtained from or inspected at an ASIC office.

Sirtex shareholders may obtain copies of the Sirtex Interim Report for the half year ended 31 December 2017 and the Sirtex Annual Report for the financial year ended 30 June 2017 on ASX's website at www.asx.com.au.

Sirtex will also make copies of the Sirtex Interim Report for the half year ended 31 December 2017 and the 2017 Annual Report available, free of charge. Requests can be made by contacting the Sirtex Shareholder Information Line on 1300 794 682 (within Australia) or +61 1300 794 682 (outside Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday, prior to the Effective Date.

A substantial amount of information about Sirtex, including financial information and releases to ASX, is available in electronic form on Sirtex's website at https://www.sirtex.com.

SIRTeX

Information about Varian and Varian Bidco

6

6 INFORMATION ABOUT VARIAN AND VARIAN BIDCO

Information contained in this section 6 has been prepared by Varian. The information concerning Varian and the intentions, views and opinions contained in this section 6 are the responsibility of Varian. Sirtex and its directors and officers do not assume any responsibility for the accuracy or completeness of this information.

6.1 OVERVIEW OF VARIAN

(a) Corporate overview

Varian is the world's leading manufacturer of medical devices and software for treating cancer and other medical conditions with radiotherapy, stereotactic radiosurgery, stereotactic body radiotherapy, brachytherapy and proton therapy. Varian's operations are currently grouped into two reportable operating segments: Oncology Systems and Varian Particle Therapy.

Varian is listed on the New York Stock Exchange where it trades under the symbol VAR. Varian has a market capitalisation of approximately A$14.4 billion.[1] Varian was founded in 1948 and is headquartered in Palo Alto, California, USA.

In fiscal year ending 29 September 2017, Varian earned revenue of approximately US$2.67 billion and net earnings from continuing operations of approximately US$257 million. As at 29 December 2017, Varian's consolidated total assets were approximately US$3.2 billion and its consolidated net assets were approximately US$1.5 billion.

(b) Operating divisions

Oncology Systems

The Oncology Systems business designs, manufactures, sells and services advanced hardware and software products for treatment of cancer with conventional radiation therapy and advanced treatments. Oncology Systems products address each major aspect of the radiotherapy process, including linear accelerators and accessory products for positioning the patient and delivering the X-ray beam; brachytherapy afterloaders for delivering radioactive implantable seeds; treatment planning software for planning treatment sessions and dose delivery; treatment simulation and verification equipment and quality assurance software for simulating and verifying treatment plans before treatment as well as verification of correct treatment delivery; and information management software for recording the history and results of treatments and other patient treatment information and data, including patient images. During the fiscal year ending 29 September 2017, total Oncology Systems revenue was approximately US$2.5 billion.

Varian Particle Therapy

The Varian Particle Therapy business develops, designs, manufactures, sells and services products and systems for delivering proton therapy, another form of external beam radiotherapy using proton beams, for the treatment of cancer. During the fiscal year ending 29 September 2017, total Varian Particle Therapy revenue was approximately US$182.5 million.

6.2 DIRECTORS OF VARIAN

Varian's Board of Directors as at the Last Practicable Trading Date is comprised of the following members:

(a) R. Andrew Eckert, Chairman of the Board

Principal occupation, business experience and directorships

- Chief Executive Officer, Acelity L.P., Inc., a global advanced wound care company (April 2017—present)
- Chief Executive Officer, Valence Health, a healthcare solutions company (August 2015—October 2016)
- Chief Executive Officer, TriZetto Corporation, a healthcare IT solutions firm (March 2014—November 2014)
- Chief Executive Officer, CRC Health Corporation, a provider of substance abuse treatment and adolescent youth services (January 2011—March 2014)
- Managing Director, Symphony Technology Group, a private equity firm (October 2009—January 2011)
- President and Chief Executive Officer, Eclipsys Corporation, a former publicly traded healthcare information management software provider (October 2005—May 2009)
- Chief Executive Officer, SumTotal Systems, Inc., an enterprise software provider (2004—2005)
- Chief Executive Officer, Docent Inc., an enterprise software provider that was acquired by SumTotal Systems (2002—2004)
- Chairman and Chief Executive Officer, ADAC Laboratories, a former publicly traded medical imaging company (1997—2001)
- Other current public company board memberships: Becton, Dickinson and Company, a global medical technology company

(b) Timothy E. Guertin, Vice Chairman of the Board

Principal occupation, business experience and directorships

- Positions at Varian:
  - Chief Executive Officer (February 2006—September 2012)
  - President (August 2005—September 2012)

1. Based on Varian's share price of US$121.09 per share and the AUD/USD exchange rate of .76935, as at 22 March 2018 (California, USA time)

6 INFORMATION ABOUT VARIAN AND VARIAN BIDCO

  - Chief Operating Officer (October 2004—February 2006)
  - Corporate Executive Vice President (October 2002—August 2005)
  - President, Oncology Systems (1992—January 2005)
  - Corporate Vice President (1992—2002)
- Other current public company board memberships: Teradyne, Inc., a supplier of automatic test equipment

(c) Dow R. Wilson, President and Chief Executive Officer

Principal occupation, business experience and directorships

- Positions at Varian:
  - President and Chief Executive Officer (September 2012—Present)
  - Corporate Executive Vice President and Chief Operating Officer (October 2011—September 2012)
  - Corporate Executive Vice President and President, Oncology Systems (August 2005—September 2011)
  - Corporate Vice President and President, Oncology Systems (January 2005—August 2005)
- Prior to joining Varian in January 2005, held various senior management positions in and outside of the Unites States with General Electric Company, a diversified industrial company
- Other current public company board memberships: Agilent Technologies, Inc., a global leader in life sciences, diagnostics and applied chemical markets

(d) Regina E. Dugan, Ph.D., Director

Principal occupation, business experience and directorships

- Vice President of Engineering, Facebook, Inc., leading Building 8, a team charged with developing and delivering next generation consumer hardware to market (May 2016—January 2018)
- Vice President of Engineering at Google, Inc., leading the Advanced Technology and Products group (a group charged with breakthrough innovations in mobile computing and accelerating the development of promising technologies to market) (February 2014—April 2016)
- Senior Vice President, Google Inc. and Motorola Mobility LLC, a mobile technology company Google acquired in May 2012 (March 2012—February 2014)
- Director, Defense Advanced Research Projects Agency (DARPA), a research and development organization of the U.S. Department of Defense (July 2009—March 2012)
- Co-Founder, President and Chief Executive Officer, RedXDefense LLC, a security solutions company (2005—July 2009)
- Co-Founder, President and Chief Executive Officer, Dugan Ventures, an investment firm (currently a non-voting partner) (2001—July 2009)
- Other current public company board memberships: Zynga Inc., a social game developer

(e) José Baselga, Director

Principal occupation, business experience and directorships

- Physician-in-Chief and Chief Medical Officer at Memorial Sloan Kettering Cancer Center, New York, NY (January 2013—current)
- Professor of Medicine at Weill Cornell Medical College, New York, NY (January 2013—current)
- Attending Physician, Breast Medicine Service, Division of Solid Tumor Oncology, Department of Medicine of Memorial Hospital for Cancer & Allied Diseases, New York, NY (January 2013—current)
- Chief of Division of Hematology / Oncology and Associate Director of the Massachusetts General Hospital Cancer Center (January 2010—December 2012)
- Professor of Medicine at Harvard Medical School (January 2010—December 2012)
- Chairman of Medical Oncology and Founding Director of the Vall d'Hebron Institute of Oncology in Barcelona, Spain (January 1996—July 2010)

6 INFORMATION ABOUT VARIAN AND VARIAN BIDCO

(f) Susan L. Bostrom, Director

Principal occupation, business experience and directorships

- Positions at Cisco Systems, Inc., a networking equipment provider:
  - Executive Vice President, Chief Marketing Officer, Worldwide Government Affairs (January 2006—January 2011)
  - Senior Vice President (February 2000—January 2006), taking on responsibility for Worldwide Government Affairs in October 2002 and becoming Chief Marketing Officer in January 2006
  - Vice President, Internet Business Solutions Group (1998—February 2000)
- Other current public company board memberships: Cadence Design Systems, Inc., an electronic design company; ServiceNow, Inc., an enterprise IT cloud company; Nutanix, Inc., enterprise cloud infrastructure

(g) David J. Illingworth, Director

Principal occupation, business experience and directorships

- Chief Executive Officer, Smith & Nephew plc, a medical devices company (July 2007—April 2011)
- Chief Operating Officer and Division President, Smith & Nephew plc (2002—July 2007)
- Other Senior Management Experience: President, XL Vision, Inc.; Chairman and Chief Executive Officer, VidaMed, Inc.; President, Nellcor Puritan Bennett LLC; and Managing Director, Asia/Pacific, GE Medical Systems
- Other current public company board memberships: Domtar, Inc., a manufacturer of fiber-based products

(h) Judy Bruner, Director

Principal occupation, business experience and directorships

- Positions at SanDisk Corporation, a global leader in flash memory storage solutions:
  - Executive Vice President, Administration and Chief Financial Officer (June 2004—May 2016)
  - Member of Board of Directors (June 2002—July 2004)
- Senior Vice President and Chief Financial Officer, Palm, Inc., a manufacturer of personal digital assistants (September 1999—June 2004)
- Vice President, Finance & Corporate Controller, 3Com Corporation, a digital electronics manufacturer (May 1998—September 1999)
- Other current public company board memberships: Applied Materials, Inc., a provider of engineering solutions; Rapid7, a security data and analytics solutions provider, Seagate Technology plc, a world leader in digital storage solutions

(i) Jean-Luc Butel, Director

Principal occupation, business experience and directorships

- Positions at Baxter International, a health care company providing a portfolio of renal and hospital products:
  - President, International (January 2015—June 2015)
  - Corporate Officer, Operating Committee Member, Corporate Vice President and President, International (February 2012—December 2014)
- Positions at Medtronic, Inc., a global leader in medical technology:
  - Corporate Officer, Executive Committee Member, Executive Vice President; Group President International (January 2011—January 2012)
  - Corporate Officer, Executive Committee Member, Senior Vice President and President, Medtronic International (May 2008—December 2010)
  - Corporate Officer, Executive Committee Member, Senior Vice President, Medtronic and President, Medtronic Asia Pacific (August 2003—April 2008)
- Other Senior Management Experience: President, Johnson & Johnson Independence Technology; President, Worldwide Consumer Healthcare, Becton Dickinson
- Other current public company board memberships: Takeda Pharmaceutical Company Limited, a global pharmaceuticals company focused on metabolic disorders, gastroenterology, neurology, inflammation and oncology

6 INFORMATION ABOUT VARIAN AND VARIAN BIDCO

6.3 VARIAN BIDCO

Varian Bidco was incorporated as a proprietary limited company registered in the State of New South Wales on 16 March 2018 for the purpose of acquiring Sirtex Shares under the Scheme. Varian Bidco is a wholly-owned subsidiary of Varian.

If the Scheme Resolution is approved by the Requisite Majorities of Sirtex Shareholders and the Scheme is approved by the Court, then subject to the terms of the Scheme, on the Implementation Date Varian Bidco will acquire all the shares held by Sirtex Shareholders so that following implementation of the Scheme, Varian Bidco will own 100% of the issued shares of Sirtex.

As at the Last Practicable Trading Date, the directors of Varian Bidco were John W. Kuo, Gary Edward Bischoping and Stephen Paul Hay.

Following implementation of the Scheme, Varian intends that the board of Varian Bidco will remain unchanged.

6.4 RATIONALE FOR VARIAN'S PROPOSED ACQUISITION OF SIRTEX

Varian's business strategy has been to expand through both organic growth and strategic acquisitions, including in international markets. The acquisition of Sirtex is consistent with Varian's growth initiative to expand its addressable market and support its long-term growth and value creation strategy to become the global leader in multi-disciplinary integrated cancer care solutions. The acquisition is a natural fit given Sirtex's leadership in radioembolisation and will expand Varian's solutions portfolio into interventional oncology. Varian expects to leverage its capabilities in treatment planning and delivery, image guidance and processing, oncology practice management software, and radiation safety in combination with Sirtex's interventional oncology platform to provide customers of both companies with a wider range of cancer care solutions.

Specifically, the acquisition:

- Adds a global leader in radioembolization to Varian's cancer care portfolio
  - Extends into adjacent market with proven technology, products, and services
  - Adds established and enduring liver cancer therapy
- Advances Varian's vision towards becoming a multi-modality oncology care company
  - Expands Varian's addressable market by entering attractive Interventional Oncology market
  - Adds consumables business and sets foundation for new minimally invasive oncology platform
- Provides an opportunity for significant growth and cost synergies
  - Leverages Varian's geographic footprint to enable new market entry
  - Global integration will drive efficiencies and financial returns.

6.5 FUNDING ARRANGEMENTS FOR THE SCHEME CONSIDERATION

(a) Cash consideration

If the Scheme becomes effective and is implemented, holders of Sirtex Shares will be entitled to receive $28.00 in cash per Sirtex Share held on the Scheme Record Date. Based on the number of Sirtex Shares and Sirtex Rights currently outstanding, the aggregate amount of cash payable by Varian to holders of Sirtex Shares (including Sirtex Shares issued as a result of the vesting and exercise of the Sirtex Rights currently on issue) in connection with the Scheme will be approximately $1.58 billion.

Pursuant to the Deed Poll, Varian and Varian Bidco have undertaken in favour of each Scheme Shareholder to deposit, or procure the deposit of, an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders in a trust account operated by or on behalf of Sirtex as trustee for the Scheme Shareholders, subject to and in accordance with the Scheme. For further details regarding the obligations of Varian and Varian Bidco under the Deed Poll, see section 4.16 of this Scheme Booklet.

(b) Overview of funding arrangements

Varian intends to fund the Scheme Consideration entirely using proceeds from borrowings from a committed credit facility.

The committed credit facility comprises a senior revolving credit facility in an aggregate principal amount of up to approximately US$1.8 billion provided by a group of lenders led by Bank of America and Merrill Lynch, Pierce, Fenner & Smith Incorporated. Funds available under this credit facility total approximately US$1.8 billion, of which approximately US$200 million will be drawn to fund Varian's operations, and approximately US$1.2 billion[2] will be drawn to fund the Scheme Consideration.

The committed credit facility will be subject to customary conditions precedent to drawdown, such as that the representations and warranties made by Varian continue to be true and that no default or event of default exists or can result from the drawdown, which Varian believes it will be able to satisfy.

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2. Based on the AUD/USD exchange rate of .76935 as at 22 March 2018 (California, USA time)

6 INFORMATION ABOUT VARIAN AND VARIAN BIDCO

On the basis of the arrangements described above, Varian is of the opinion that it has a reasonable basis for forming the view that it will be able to satisfy its payment obligations under the Scheme, as well as the costs associated with the Scheme.

6.6 VARIAN'S INTENTIONS IF THE SCHEME IS IMPLEMENTED

This section sets out Varian's current intentions in relation to:

- the continuation of the business of Sirtex;
- any major changes to be made to the business of Sirtex, including any redeployment of fixed assets of Sirtex; and
- the future employment of present employees of Sirtex,

in circumstances where the Scheme is implemented.

These intentions have been formed on the basis of facts and information concerning Sirtex and the general business environment which are known to Varian at the time of preparing this Scheme Booklet. Final decisions about any major changes to the future commercial operating plan and management organisation for Sirtex, will only be made by Varian in light of all material facts and circumstances at the relevant time. Accordingly, statements set out in this section 6.6 are statements of current intention only and may change as new information becomes available or circumstances change.

(a) Sirtex to be delisted

If the Scheme is implemented, Varian will cause Sirtex to request ASX to remove Sirtex from ASX's official list.

(b) Corporate structure

Varian will be the ultimate holding company of Sirtex upon implementation of the Scheme. As part of business as usual planning following implementation of the Scheme, Varian may convert Sirtex to a proprietary company and may reorganise the way that Sirtex's subsidiaries are held within the broader Varian corporate structure.

(c) Operations and continuation of business

If the Scheme is implemented, Varian intends to conduct a review of Sirtex's operations covering strategic, financial and operational matters. While Varian does not have any specific intentions in relation to the outcomes of the review, it may identify opportunities on how best to integrate the two businesses and to achieve greater efficiencies and synergy benefits over time. By way of example, there may be duplication across certain office locations, in which case there may be some efficiencies to be gained from consolidating the premises of Sirtex and Varian.

The existing businesses of Sirtex and Varian are complementary, and the process of integrating the two businesses may result in some changes to both the Sirtex business and the Varian business, but the nature or extent of such changes will depend on the outcome of the review described above.

Varian has no current intention to make major changes to the Sirtex business and intends to support Sirtex in continuing to operate its business largely consistently with its existing strategies and initiatives. Varian has no current intention to redeploy any of Sirtex's fixed assets. However, any final decisions regarding the continuation of Sirtex's business, any major changes to the Sirtex business and any redeployment of the fixed assets of Sirtex will be made as part of or following the review described above.

(d) Board of directors

If the Scheme is implemented, Varian will replace the members of the Sirtex Board and its subsidiaries with nominees of Varian (who have yet to be identified).

(e) Management and employees

Varian considers Sirtex's management personnel and other employees to be an integral part of the success of the combined Varian and Sirtex business.

Nevertheless, Varian will evaluate the future employment requirements of the combined Varian and Sirtex business as part of the integration process and review described in section 6.6(c) above. To the extent that any functions currently carried out by either Varian or Sirtex employees are duplicated (including any corporate or administrative functions), Varian's current intention, where possible and practicable to do so, is to seek to reassign or allocate alternative responsibilities to those employees within the combined business. However, it may not be possible or practicable for Varian to reassign, or allocate alternative responsibilities to, affected employees in all cases. Where affected employees are unable to be reassigned or allocated alternative responsibilities, it is anticipated that those employees would be made redundant and would receive payments and other benefits to which they are entitled on departure in accordance with the terms of their employment. The extent of any employee reassignments, reallocations or redundancies is presently unknown as this is to be finally determined following completion of the review described in in section 6.6(c) above.

Other than as described above, it is the current intention of Varian to retain Sirtex's existing management personnel and continue the current employment of employees of Sirtex. As set out in section 9.5(b) of this Scheme Booklet, Varian intends to retain the services of Andrew McLean to oversee and be responsible for the Sirtex business.

6 INFORMATION ABOUT VARIAN AND VARIAN BIDCO

After implementation of the Scheme, Varian intends to review and implement appropriate incentive arrangements for Sirtex employees so as to align the interests of Sirtex employees with those of Varian. The terms of any new incentive plans and the employees who will be entitled to participate in those plans will be determined by Varian after implementation of the Scheme.

6.7 VARIAN'S INTERESTS AND DEALINGS IN SIRTEX SHARES

(a) Relevant Interest in Sirtex Shares

As at the date of this Scheme Booklet, none of Varian, any of its related bodies corporate or any of their respective associates has any Relevant Interest in any Sirtex Shares or Sirtex Rights or any voting power in Sirtex.

(b) No dealings in Sirtex Shares in the previous four months

Except for the consideration to be provided under the Scheme and as described in this Scheme Booklet, none of Varian, any of its related bodies corporate or any of their respective associates has provided or agreed to provide consideration for any Sirtex Shares or Sirtex Rights under any transaction during the period of four months before the date of this Scheme Booklet.

(c) Benefits to holders of Sirtex Shares in previous four months

During the four months before the date of this Scheme Booklet, none of Varian, any of its related bodies corporate or any of their respective associates have given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an associate to:

- vote in favour of the Scheme; or
- dispose of Sirtex Shares,

where the benefit was not offered to all Sirtex Shareholders.

6.8 OTHER MATERIAL INFORMATION

Other material information relating to Varian and Varian Bidco in relation to the Scheme is set out below.

(a) Regulatory approvals

As Sirtex announced to the ASX on 14 March 2018, the United States Federal Trade Commission has granted early termination of the waiting period under the Clayton Act and Premerger Notification Rules in respect of the Scheme and the German Federal Cartel Office has provided written confirmation to Varian that the proposed Scheme does not fulfil the conditions for the prohibition pursuant to the Act Against Restraints of Competition.

As Sirtex announced to ASX on 27 March 2018, the Foreign Investment Review Board has provided written confirmation to Varian that the Commonwealth Government has no objections to Varian, either directly or through one or more interposed wholly-owned subsidiaries, acquiring all of the issued shares in Sirtex under the Scheme, subject to Varian complying with certain customary and other tax conditions.

Receipt of these approvals in respect of the Scheme were three of the key conditions to implementation of the Scheme, and these conditions have been satisfied.

(c) Benefits to Sirtex officers

Except for the consideration to be provided under the Scheme and as described in this Scheme Booklet, none of Varian, any of its related bodies corporate or their respective associates will be making any payment or giving any benefit to any current officers of Sirtex as compensation or consideration for, or otherwise in connection with, their resignation, retirement or removal from their respective positions as officers of Sirtex if the Scheme is implemented.

(d) No other information

Except as set out in this Scheme Booklet, there is no other information regarding Varian, or its intentions regarding Sirtex, that is material to the making of a decision by a Sirtex Shareholder in relation to the Scheme, being information that is within the knowledge of Varian as at the Last Practicable Trading Date, which has not been previously disclosed to Sirtex Shareholders.

SIRTeX

What if the Scheme is not implemented?

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7 WHAT IF THE SCHEME IS NOT IMPLEMENTED?

7.1 WHAT IF THE SCHEME IS NOT IMPLEMENTED

If the Scheme is not implemented, Sirtex will continue to operate on a stand-alone basis. As such, Sirtex will remain listed on the ASX and you will retain your Sirtex Shares and they will not be acquired by Varian Bidco. The other immediate consequences of the Scheme not being implemented are set out section 4.12 of this Scheme Booklet.

7.2 STRATEGY AND INTENTIONS FOR SIRTEX IF THE SCHEME DOES NOT PROCEED

Sirtex intends to continue its current strategic plans and operate on a stand-alone basis should the Scheme not proceed. The current strategic plan targets operational efficiency and organic expansion, patient registries, clinical studies, analysis of clinical study results, as well as core business aligned research and development.

(a) Operational

(1) Efficiency and productivity gains

(2) Becoming easier to do business with

(b) Four core areas of organic expansion

(1) Geographical

(2) New segments within existing geographies

(3) Reimbursement

(4) Indication expansion

7.3 RISKS ASSOCIATED WITH SIRTEX IF THE SCHEME IS NOT IMPLEMENTED

If the Scheme is not implemented Sirtex will remain as a listed company and as such Sirtex will continue to be subject to various risk factors. Some notable risk factors that could have an impact on Sirtex and therefore a continued investment in Sirtex Shares are listed below. The risks described below are not to be taken as exhaustive or listed in any order of importance. The risks described below as well as other risks not described below could, in the future, materially and adversely affect the financial performance of Sirtex and the value of Sirtex Shares.

In considering the Scheme, you should be aware that there are a number of risk factors, both general and specific associated with an investment in Sirtex.

This section outlines:

- general investment risks (refer to section 7.4 of this Scheme Booklet);
- Sirtex specific investment risks (refer to section 7.5 of this Scheme Booklet);

This section 7 is a summary only and does not purport to list every risk that may be associated with an investment in Sirtex now or in the future.

If the Scheme is implemented you will receive the Scheme Consideration, will cease to be a Sirtex Shareholder and will also no longer be exposed to the risks set out below.

These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Sirtex Shareholders. If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme, it is recommended that you consult your legal, financial, taxation or other professional adviser before deciding how to vote.

You should carefully consider the risk factors discussed in this section 7, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

7.4 GENERAL INVESTMENT RISKS

As with many listed companies, Sirtex is subject to a number of general risks that could materially adversely affect its financial position, assets and liabilities, reputation, profits, prospects and market price and/or value of Sirtex Shares and/or dividends that may be paid by Sirtex. These could include any of the following:

- changes in investor sentiment and overall performance of the Australian and international stock markets;
- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels and consumer demand;
- changes in government fiscal, monetary and regulatory policies, including foreign investment;
- government or political intervention in export and import markets (including sanction controls and import duties) and the disruptions this causes to supply and demand dynamics;
- loss of key personnel;

7 WHAT IF THE SCHEME IS NOT IMPLEMENTED?

- interruptions at Sirtex's workplaces arising from industrial disputes, work stoppages and accidents, which may result in business operations delays;
- natural disasters and catastrophes, whether on a global, regional or local scale; and
- changes in accounting standards which affect the financial performance and position reported by Sirtex.

7.5 SPECIFIC RISKS ASSOCIATED WITH YOUR CURRENT INVESTMENT IN SIRTEX

(a) Increased competition and technological obsolescence

The interventional oncology industry is highly competitive, and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than Sirtex. There is a risk that existing competitors or new entrants may attempt to grow or establish market share or reposition their offerings closer to Sirtex's offerings.

Further, Sirtex's main product SIR-Sphere is subject to technological obsolescence as new cancer treatment products develop and come to market. New cancer treatment products can result in increasing competition.

Any deterioration in Sirtex's competitive position may result in a decline in sales and margins and a loss of market share which could have a material adverse impact on Sirtex's business, operational performance, financial results and growth strategies.

(b) Relationships with key distributors and customers

The performance of Sirtex is reliant on its relationships with distributors and key customers. Loss of relationships or a change in the size and/or structure of the SIRT market may impact Sirtex's revenues and profitability in the future. In addition, the loss of relationships with key customers could impact on the Sirtex's future operating and business performance.

(c) Health care insurers and reimbursement

In both domestic and foreign markets, dose sales of Sirtex's main product SIR-Sphere will continue to be influenced by the availability and amounts of reimbursement of patients' medical expenses by third party payer organisations including government agencies, private health care insurers and other health care payers. There is no assurance that reimbursement of expenses for Sirtex's products currently available will continue to be available in the future, either at all or at the same rates, or that reimbursements will be available in markets that Sirtex seeks to expand to, either at all or without substantial delay.

(d) Protection of intellectual property

Sirtex relies on a number of patents and intellectual property as part of its core SIR-Spheres technology. Sirtex's intellectual property and know-how are carefully guarded by a number of trademarks, patents and confidentiality agreements. However, these legal measures afford only limited protection and may not provide sufficient protection to prevent the infringement, misuse or misappropriation of Sirtex's intellectual property. Accordingly, this could adversely affect Sirtex's competitive position.

The patents Sirtex owns (and any future applications for or granting of patents) could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide meaningful protection or commercial advantage. Sirtex's trade secrets, data and know-how could be subject to unauthorised use, misappropriation or unauthorised disclosure.

Competitors or new entrants may seek to copy or emulate Sirtex's intellectual property. While Sirtex may seek to resist any breaches of its intellectual property, there is no guarantee it will be successful in doing so or it may not be economical to do so. This may adversely affect Sirtex's revenue or operating costs.

(e) FX depreciation

The majority of Sirtex revenues and cost of goods sold are foreign currency denominated so currency depreciation in terms of AUD can impact Sirtex's financial performance and the value of Sirtex Shares. No currency hedging is currently in place.

(f) Quality

A product quality issue could adversely impact the brand reputation and the brand equity of the products sold by Sirtex and could also expose Sirtex to product liability claims or litigation, resulting in the removal of regulatory approvals and/or monetary damages being awarded against Sirtex. In such event, Sirtex's liability may exceed its insurance coverage. Quality and regulatory controls are embedded in the company, from material sourcing and product design through to manufacturing and distribution, including a number of stringent quality control checks, though there can be no assurance that unforeseen adverse manufacturing defects or other events will not arise.

(g) Business continuity

Sirtex's sales and profit could be significantly impacted by a major disruption to critical points in the company's supply chain or IT systems. Sirtex has a concentrated list of suppliers and manufacturing facilities, although it has extensive logistics and supply chain planning that reduces the risk of significant business downtime.

7 WHAT IF THE SCHEME IS NOT IMPLEMENTED?

(h) Litigation and disputes

Sirtex may be exposed to potential legal claims, disputes and litigation in the future, with respect to its operations, suppliers or customers in the ordinary course of business. Proceedings may result in high legal costs, adverse monetary judgments and/or damage to Sirtex's reputation, which could have an adverse effect on Sirtex and its financial performance.

Sirtex is currently defending two Class Actions which could result in significant awards of damages against Sirtex. Further detail relating to these Class Actions is set out in section 5.12 of this Scheme Booklet.

(i) Compliance with regulations

The health industry is heavily regulated. As a service provider to this industry, Sirtex is exposed to changes in laws and regulations. Regulations give rise to risks such as:

- increasing cost of compliance with relevant regulations (both directly and indirectly through changing business practices);
- breaches of law;
- criminal and/or civil lawsuits; and
- increased product requirements for Sirtex's products and the inherent development and execution risks.

Any unfavourable changes in laws and regulations have the potential to adversely affect Sirtex's financial performance and operating model.

Further, inadvertently Sirtex may find that it has not complied with regulations in a jurisdiction that the business operates in. A finding of non-compliance with regulations may be detrimental to Sirtex leading to financial penalty and/or reputation damage.

(j) Global tax law and company law

There is the potential for changes to taxation and company laws in jurisdictions in which Sirtex operates. Any change to the current rates of taxes imposed on Sirtex (including in foreign jurisdictions in which Sirtex operates) is likely to affect returns to Sirtex Shareholders.

An interpretation of taxation laws by the relevant tax authority that is contrary to Sirtex's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in Sirtex's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and Sirtex Shareholder returns.

Changes in the tax laws in the jurisdictions in which Sirtex operates may adversely impact its profitability.

(k) Brand and reputational risk

The reputation and brand of Sirtex and its products are important in attracting hospitals, other medical centres and physicians to use Sirtex's products. Any reputation damage or negative publicity around Sirtex or its products could adversely impact on Sirtex's business operations and profitability.

(l) Clinical trial failure risk

Clinical trials required for product candidates or new indications of Sirtex's marketed products are expensive and time-consuming, and their outcome is highly uncertain. If any such trials are delayed or yield unfavourable results, regulatory approval for Sirtex's product candidates or new indications of Sirtex's marketed products may be delayed or become unobtainable.

Clinical trials may produce negative or inconclusive results for many reasons, including, among others, failure of the product candidate to demonstrate safety or efficacy, the development of serious or life-threatening adverse events (or side effects) caused by or connected with exposure to the product candidate, difficulty in enrolling and maintaining subjects in a clinical trial, lack of sufficient supplies of the product candidate, and failure of clinical investigators, trial monitors, contractors, consultants, or trial subjects to comply with the trial plan, protocol, or applicable regulations. A clinical trial may fail because it did not include and retain a sufficient number of patients to detect the endpoint being measured or reach statistical significance. A clinical trial may also fail because the dose(s) of the product candidate included in the trial were either too low or too high to determine the optimal effect of the product candidate.

Sirtex will need to re-evaluate any product candidate that does not test favourably and either conduct new studies, which are expensive and time consuming, or abandon that product development program.

(m) Other risks

Additional risks and uncertainties not currently known to Sirtex may also have a material adverse effect on Sirtex and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Sirtex.

SIRTeX

Tax considerations

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8 TAX CONSIDERATIONS

The Directors
Sirtex Medical Limited
Level 33, 101 Miller Street
North Sydney NSW 2060
Australia

29 March 2018

Scheme of Arrangement - General Australian Tax Implications

Dear Directors

We have been engaged by Sirtex Medical Limited (the **Company** or **Sirtex** as relevant) to provide a general summary of the Australian income tax, goods and services tax (**GST**), and stamp duty implications for Australian and non-Australian tax resident Shareholders (the **Scheme Shareholders**) who participate in the proposed Scheme of Arrangement (**Scheme**) between Sirtex, Varian Medical Systems Inc. (**Varian**), and Scheme Shareholders under which Varian will acquire 100% of the Shares in Sirtex (the **Shares**).

This summary has been prepared for inclusion in the Scheme Booklet dated on or about 29 March 2018 to be issued by the Company in respect of the Scheme.

The advice within this report is necessarily general in nature. Scheme Shareholders should obtain, and rely upon, their own independent taxation advice about the consequences of disposing of the Shares having regard to their own specific circumstances.

The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their shares on capital account.

This summary does not consider the tax consequences for Shareholders who:

- hold their Shares on revenue account;
- carry on a business of trading in shares;
- are exempt from Australian tax; or
- are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or "TOFA" regime) and have made fair value or reliance on financial reports elections.

This summary is based on the Australian tax law, and our understanding of the practice of the tax authorities, at the time of issue of the Scheme Booklet. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. It does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal will depend upon each Scheme Shareholder's specific circumstances.

In providing our tax comments, PricewaterhouseCoopers Securities Ltd has relied on information contained in the Scheme Booklet. PricewaterhouseCoopers Securities Ltd has relied on the accuracy and completeness of the information provided and has not undertaken any procedures to validate or verify the completeness or accuracy of such information. Therefore, PricewaterhouseCoopers Securities Ltd does not accept any responsibility or any liability arising from the inaccuracy or incompleteness of any information provided to us.

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1 Certain income tax consequences of the Scheme for Scheme shareholders

Under the terms of the Scheme, Scheme Shareholders will be entitled to receive A$28.00 in cash per Sirtex share (**Scheme Consideration**), subject to all applicable conditions being satisfied or waived and the Scheme being implemented.

1.1 Resident shareholders

The disposal of a Share by a Scheme Shareholder will be a capital gains tax (**CGT**) event at the time the Scheme Shareholders dispose of their shares to Varian under the Scheme (i.e. the Implementation Date).

1.1.1 *Calculation of capital gain or capital loss*

Scheme Shareholders will make a capital gain on the disposal of each of their Sirtex Shares to the extent that the capital proceeds received in respect of the Sirtex Share is more than its cost base. Conversely, Scheme Shareholders will make a capital loss to the extent that the capital proceeds in respect of each of their Sirtex Shares is less than their reduced cost base for those Sirtex Shares.

A net capital gain arises where a taxpayer's capital gains for a year exceed their capital losses for that year, plus any unused capital losses from prior years. Any net capital gain will be included in assessable income.

1.1.2 *Capital proceeds*

The capital proceeds should be equal to the cash proceeds from the sale (in this instance, A$28.00 per share).

1.1.3 *Cost base and reduced cost base*

The cost base (or reduced cost base) of each Sirtex Share held by a Scheme Shareholder will broadly be:

- the amount of money paid, or the value of property given, in order to acquire the Sirtex Share; plus
- any 'incidental costs' as defined in the CGT rules; plus
- any non-capital costs not claimed as an income tax deduction; less
- any previous capital returns made by Sirtex.

1.1.4 *CGT discount*

A CGT discount may be applied against the net capital gain where the Scheme Shareholder is an individual, complying superannuation entity or trustee, the Shares have been held for more than 12 months (excluding the day of acquisition and disposal) and certain other requirements have been met. Where the CGT discount applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half. For a complying superannuation entity, any net capital gain may be reduced by one-third.

Scheme Shareholders will be taken to have disposed of their Shares on the Implementation Date.

1.1.5 *Capital losses*

A capital loss will arise where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Scheme Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

8 TAX CONSIDERATIONS

Specific capital loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Scheme Shareholders should obtain their own tax advice in relation to the operation of these rules.

1.2 Non-resident shareholders

Scheme Shareholders who are not residents of Australia for income tax purposes and do not hold their Sirtex Shares through a permanent establishment in Australia, should be able to disregard any capital gain or capital loss that would otherwise arise from the disposal of their Sirtex Shares to Varian. This is on the basis of advice from Sirtex that the Sirtex Shares will not constitute 'taxable Australian property' at the Implementation Date.

Varian should not be required to withhold a portion of the Scheme Consideration payable to Scheme Shareholders who are not residents of Australia for income tax purposes and do not hold their Sirtex Shares through a permanent establishment in Australia as the Shares should not be considered to be 'taxable Australian property'.

2 Goods and Services Tax

No GST will be payable by Scheme Shareholders in respect of the disposal of their Sirtex Shares under the Scheme. Scheme Shareholders may however be charged GST on their costs (such as advisor fees) that relate to their participation in the Scheme.

Scheme Shareholders may be entitled to full or partial input tax credits for any GST payable on such costs, but this will depend on each Scheme Shareholder's individual circumstances. Scheme Shareholders should seek independent advice in this regard.

3 Stamp Duty

Under current stamp duty legislation, no stamp duty would ordinarily be payable by Scheme Shareholders on the disposal of the Shares.

* * * * *

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this tax summary in the Scheme Booklet in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this tax summary in the Scheme Booklet. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Scheme Booklet.

Disclaimer

The information contained in this summary does not constitute "financial product advice" within the meaning of the Corporations Act 2001 (Cth) (Corporations Act). To the extent that this summary contains any information about a "financial product" within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product.

This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking advice from a person who is licensed to provide financial

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product advice under the Corporations Act. Any recipient should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs, and consider obtaining independent financial advice.

Yours faithfully

Joshua Cardwell
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

SIRTeX

Additional information

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9 ADDITIONAL INFORMATION

9.1 SCHEME IMPLEMENTATION DEED

(a) Overview

On 30 January 2018, Sirtex and Varian entered into the Scheme Implementation Deed. The key terms of the Scheme Implementation Deed are summarised below.

A full copy of the Scheme Implementation Deed is contained at Annexure B to this Scheme Booklet.

(b) Conditions Precedent

Implementation of the Scheme is subject to Conditions Precedent, which must be satisfied or waived (as applicable).

For details of the Conditions Precedent, see clause 3.1 of the Scheme Implementation Deed and section 4.5 of this Scheme Booklet.

(c) Exclusivity arrangements

The Scheme Implementation Deed contains certain customary exclusivity arrangements granted by Sirtex in favour of Varian.

These exclusivity arrangements are set out in clause 9 of the Scheme Implementation Deed. In summary, during the Exclusivity Period:

- **(No-shop)** Sirtex must not directly or indirectly solicit, invite, encourage or initiate any enquiries, negotiations or discussions in relation to, or that may lead to, a Competing Proposal, or communicate any intention to do any of those things;
- **(No-talk)** Sirtex must not directly or indirectly negotiate, or enter into or participate in negotiations or discussions with, or enter into any agreement or understanding with, any person regarding, a Competing Proposal;
- **(No due diligence)** Sirtex must not, in relation to a Competing Proposal, make available to any person (other than Varian) or permit any such person to receive any non-public information relating to any member of the Sirtex Group.

Sirtex's "no-talk" and "no-due diligence" obligations described above do not apply to the extent that they restrict Sirtex or the Sirtex Board from taking or refusing to take any action with respect to a genuine Competing Proposal (which was not solicited, invited, encouraged or initiated by Sirtex or its representatives in contravention of Sirtex' "no-shop" obligations described above) if the Sirtex Board determines:

  - after consultation with its financial advisors, that the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal; and
  - after receiving written legal advice from Sirtex's legal advisers, that failing to respond to that Competing Proposal would be reasonably likely to constitute a breach of the Sirtex Board's fiduciary or statutory obligations;

- **(Notification obligation)** Sirtex must inform Varian as soon as practicable and in any event within 24 hours if Sirtex (directly or indirectly) receives an unsolicited approach with respect to a Competing Proposal, including details of the identity of the person making the approach and all known material terms of the Competing Proposal, or if Sirtex proposes to engage in activities the subject of the "no-talk" and "no-due diligence" obligations described above; and
- **(Matching rights)** Sirtex must not enter into an arrangement to give effect to a Competing Proposal and must use its reasonable endeavours to procure that no Sirtex Director withdraws or changes their recommendation in respect of the Scheme, or otherwise makes a public statement to endorse or recommend an actual, proposed or potential Competing Proposal, unless:

  - the Competing Proposal is a Superior Proposal;
  - Sirtex has provided Varian with the material terms and conditions of the Competing Proposal;
  - Sirtex has given Varian 5 Business Days after the provision of that information to provide a matching or superior proposal to the terms of the Competing Proposal; and
  - Varian has not provided a matching or superior counter proposal by the expiry of that 5 Business Day period.

  If Varian proposes to Sirtex, or announces, amendments to the Scheme or a new proposal that constitutes a matching or superior proposal to the terms of the Competing Proposal (**Varian Counterproposal**), Sirtex must procure that the Sirtex Board considers the Varian Counterproposal and if it determines that the Varian Counterproposal would provide an equivalent or superior outcome for Sirtex Shareholders as a whole compared with the Competing Proposal, then Sirtex and Varian must endeavour to agree the amendments to the Scheme Implementation Deed, the Scheme and Deed Poll that are reasonably necessary to reflect and implement the Varian Counterproposal and Sirtex must endeavour to procure that each of the Sirtex Directors recommends the Scheme (as modified by the Varian Counterproposal) to Sirtex Shareholders.

9 ADDITIONAL INFORMATION

(d) Change in recommendation

Sirtex has agreed in the Scheme Implementation Deed to use reasonable endeavours to procure that the members of the Sirtex Board do not change, withdraw or modify their recommendation to vote in favour of the Scheme or their statement that they will vote (or procure the voting) of all Sirtex Shares held or controlled by them in favour of the Scheme at the Scheme Meeting (and do not make a recommendation or statement that is inconsistent with such recommendation or statement) unless:

- the Independent Expert provides a report to Sirtex that concludes that the Scheme is not in the best interests of Scheme Shareholders or adversely changes its opinion given in the Independent Expert's Report;
- Sirtex receives a Competing Proposal and the Board, acting in good faith, determines (after consultation with its financial advisers) that the Competing Proposal constitutes a Superior Proposal; or
- or the Sirtex Director determines (acting in good faith and after taking written advice from Sirtex's external financial and legal advisers) that a failure by them or the Board to do so would be reasonably likely to constitute a breach of their fiduciary or statutory obligations.

Sirtex's obligations regarding the recommendation of the Sirtex Board are set out in clause 5.5 of the Scheme Implementation Deed.

(e) Reimbursement fee payable by Sirtex

Sirtex has agreed to pay Varian a fee of 1% of the total Scheme Consideration payable if certain events occur, including where:

- a third party makes or announces a proposal to acquire control of Sirtex (or any of Sirtex's material subsidiaries), or to acquire assets, or an economic interest in assets, of the Sirtex Group with an aggregate book value representing 20% or more of the total assets of Sirtex as at 30 June 2017, or to otherwise acquire or merge or amalgamate with Sirtex (or any of its material subsidiaries), during the Exclusivity Period and such a proposal is completed within 12 months of the announcement;
- a majority of the Sirtex Directors make a public statement withdrawing or adversely changing their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting or their statement that they will vote (or procure the voting) of all Sirtex Shares held or controlled by them in favour of the Scheme at the Scheme Meeting, or make a recommendation or statement that is inconsistent with such recommendation or statement, or make a public statement indicating the they no longer support the Scheme or that they support a Competing Proposal, except where the Independent Expert concludes that the Scheme is not in the best interests of Sirtex Shareholders (other than where the reason for that conclusion is a Competing Proposal) or where Sirtex is entitled to terminate the Scheme Implementation Deed due to a breach by Varian of the Scheme Implementation Deed (or a representation or warranty given by Varian under the Scheme Implementation Deed), which is material in the context of the Scheme taken as a whole;
- Sirtex terminates the Scheme Implementation Deed because the Independent Expert concludes that the Scheme is not in the best interests of Sirtex Shareholders or adversely changes its previously given opinion in the Independent Expert's Report that the Scheme is in the best interests of Sirtex Shareholders, where the reason for that conclusion is a Competing Proposal; or
- Varian validly terminates the Scheme Implementation Deed because of a breach by Sirtex of the Scheme Implementation Deed (or a representation or warranty given by Sirtex under the Scheme Implementation Deed), which is material in the context of the Scheme taken as a whole.

The Sirtex reimbursement fee arrangements are set out in clause 10.2 of the Scheme Implementation Deed.

(f) Reimbursement fee payable by Varian

Varian has agreed to pay Sirtex a fee of 1% of the total Scheme Consideration payable if certain events occur, including where:

- the Scheme Implementation Deed is terminated as a result of certain of the Conditions Precedent (requiring there not to be any legal restraint on the Scheme imposed by Government Agencies in certain jurisdictions) not being satisfied or waived; or
- Sirtex validly terminates the Scheme Implementation Deed because of a breach by Varian of the Scheme Implementation Deed (or a representation or warranty given by Varian under the Scheme Implementation Deed), which is material in the context of the Scheme taken as a whole.

The Varian reimbursement fee arrangements are set out in clause 10.3 of the Scheme Implementation Deed.

(g) Representations and warranties

Each of Sirtex and Varian has given customary representations and warranties to the other party. A breach of such representations and warranties is capable of triggering an obligation to pay the reimbursement fee (as summarised in further detail in sections 9.1(e) and 9.1(f) of this Scheme Booklet and as set out in clause 10.2 and 10.3 of the Scheme Implementation Deed) or of giving rise to a termination right (see clause 11 of the Scheme Implementation Deed and section 4.6 of this Scheme Booklet). These representations and warranties are set out in clause 6 of the Scheme Implementation Deed.

9 ADDITIONAL INFORMATION

(h) Conduct of business

Clause 5.3 of the Scheme Implementation Deed sets out the obligations of Sirtex from the date of the Scheme Implementation Deed up to and including the Implementation Date in relation to the conduct of its business.

Broadly, Sirtex has agreed to conduct its business in the ordinary and proper course of business in a manner generally consistent with the manner in which it was conducted in the 12-month period prior to the date of the Scheme Implementation Deed.

Sirtex has also agreed not to undertake certain activities with respect to conduct of the Sirtex Group (subject to certain exceptions). These activities include:

- settling the Class Actions currently being defended by Sirtex (see section 5.12 of this Scheme Booklet for further details of these);
- incurring any additional financial indebtedness or guaranteeing or indemnifying the obligations of other persons; and
- making any material change to the terms of employment of any director, executive or senior manager.

These provisions are set out in full in clause 5.3 of the Scheme Implementation Deed which is set out in Annexure B.

(i) Termination rights

The Scheme Implementation Deed may be terminated in certain circumstances.

For details of the termination rights of each party, see clause 11 of the Scheme Implementation Deed and section 4.6 of this Scheme Booklet.

9.2 IMPACT OF THE SCHEME ON THE SIRTEX INCENTIVE PLAN

(a) Sirtex Rights

Sirtex has granted Sirtex Rights to employees under the Sirtex Incentive Plan. Sirtex Rights were granted under the Sirtex Incentive Plan to provide employees with long term incentive awards, which are designed to reward employees and align their interests with the interests of Sirtex Shareholders.

As at the Last Practicable Trading Date, Sirtex had 787,539 Sirtex Rights on issue, which, if they vest, may convert into Sirtex Shares on a one-for-one basis or be satisfied by a cash payment or a combination of Sirtex Shares and a cash payment, as determined by the Board.

Sirtex Rights may lapse for a number of reasons including, unless otherwise determined by the Sirtex Board, where an employee ceases to be employed by the Sirtex Group.

(b) Intended treatment of Sirtex Rights

Under the Sirtex Incentive Plan, in the event of a change of control of Sirtex, or certain other events that may lead to a change of control of Sirtex (including the Court ordering a meeting of Sirtex Shareholders for the purpose of considering a scheme of arrangement for Sirtex's amalgamation with any other body corporate), occurring, a proportion of the unvested Sirtex Rights on issue at the relevant time vest according to prescribed formulae and any remaining Sirtex Rights lapse. However, in accordance with and as permitted by the terms of the Sirtex Incentive Plan, the Sirtex Board has discretion to determine a different treatment of any unvested Sirtex Performance Rights.

On 29 March 2018, the Court ordered that the Scheme Meeting be convened, triggering these provisions. In accordance with the Sirtex Incentive Plan, the Sirtex Board (exclusive of Andrew McLean, who did not participate in discussions due to his interest in the matter) has exercised its discretion and determined that all of the 787,539 Sirtex Rights on issue at the Last Practicable Trading Date (excluding any that lapse before the Effective Date) will, subject to the Scheme becoming Effective, vest with effect from 29 March 2018 (being the date that the Court ordered that the Scheme Meeting be convened) and, subject to those vested Sirtex Rights being exercised, will convert into Sirtex Shares before the Scheme Record Date to allow the relevant former holders of those Sirtex Rights to participate in the Scheme.

In accordance with the terms of the Sirtex Incentive Plan, holders of vested Sirtex Rights may exercise those Sirtex Rights on or before 28 April 2018, failing which they will automatically lapse.

If the Scheme becomes Effective, Sirtex Shares issued to the holders of the vested and exercised Sirtex Rights as outlined above will be acquired by Varian Bidco along with the other Sirtex Shares held by Scheme Shareholders and the holders of those Sirtex Shares will be entitled to receive the Scheme Consideration.

If the Scheme does not become Effective, none of the Sirtex Rights will vest or lapse as a result of this Scheme or anything connected with it (including the Court ordering that the Scheme Meeting be convened) and holders of Sirtex Rights will continue to hold those Sirtex Rights.

A separate letter detailing this process, together with access to this Scheme Booklet, will be provided to all holders of Sirtex Rights. It is currently expected that this letter will be provided on or before 5 April 2018.

9 ADDITIONAL INFORMATION

9.3 INTERESTS OF SIRTEX DIRECTORS IN SIRTEX SECURITIES

As at the Last Practicable Trading Date, the number of Sirtex Shares and Sirtex Rights held by or on behalf of each of the Sirtex Directors is as follows:

Sirtex Director	Position	Relevant Interest in Sirtex Shares	Relevant Interest in Sirtex Rights
Andrew McLean	Chief Executive Offer	Nil	102,723
Grant Boyce	Non-Executive Director	10,418	Nil
Helen Kurincic	Non-Executive Director	590	Nil
John Eady	Non-Executive Director and Interim Chairman	11,773	Nil
Katherine Woodthorpe	Non-Executive Director	2,760	Nil
Neville Mitchell	Non-Executive Director	10,236	Nil

Sirtex Directors who hold Sirtex Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration along with the other Scheme Shareholders.

Each Sirtex Director intends to vote any Sirtex Shares held or controlled by him or her in favour of the Scheme, in absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders.

9.4 INTERESTS OF SIRTEX DIRECTORS IN VARIAN SECURITIES

No Sirtex Director has any interest in any securities of Varian, Varian Bidco or any other member of the Varian group.

9.5 BENEFITS AND AGREEMENTS

(a) Benefits in connection with retirement from office

As announced by Sirtex on ASX at the time of appointment of Andrew McLean as Chief Executive Officer on 24 May 2017, under the terms of his employment Mr. McLean must be given 12 months' notice of termination of his employment or payment in lieu of this notice period. Payments in lieu are calculated by reference to Mr. McLean's base salary of $825,000 per annum. If Mr. McLean's employment is terminated as a result of his position being redundant, he is also entitled to receive any short and long incentives that he would ordinarily have received as a consequence of working out all of his notice of termination, being a minimum of 50% and 100%, respectively, of his base salary. If Mr. McLean's employment is terminated in connection with the Scheme, these entitlements will apply.

Other than as set out above, there is no payment or other benefit that is proposed to be made or given to any Director, secretary or executive officer of Sirtex (or any of its related bodies corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Sirtex (or any of its related bodies corporate) in connection with the Scheme.

(b) Other agreements or arrangements connected with or conditional on the Scheme

Andrew McLean holds 102,723 Sirtex Rights that will be subject to the regime described in section 9.2 of this Scheme Booklet.

Sirtex has been advised that Varian intends to offer to enter into an employment agreement with Andrew McLean with Mr. McLean having oversight and responsibility for the Sirtex business, subject to and with effect from implementation of the Scheme. Sirtex understands that the terms of the proposed employment agreement have not yet been finalised or provided to Mr. McLean, however it is Varian's intention that any employment terms, including in respect of Mr. McLean's remuneration, will appropriately reflect Mr. McLean's role and responsibilities in respect of the Sirtex business and will be consistent with the terms of both Varian's employment and remuneration policies as well as those persons holding comparable roles within Varian.

Other than that, there is no agreement or arrangement made between any Sirtex Director and any other person, including Varian and Varian Bidco, in connection with or conditional on the outcome of the Scheme.

(c) Interests of Sirtex Directors in contracts with Varian

None of the Sirtex Directors has any interest in any contract entered into by Varian, Varian Bidco or any other member of the Varian group, other than as set out in section 9.5(b) of this Scheme Booklet.

9 ADDITIONAL INFORMATION

(d) Benefits from Varian

None of the Sirtex Directors has agreed to receive, or is entitled to receive, any benefit from Varian, Varian Bidco or any other member of the Varian group which is conditional on, or is related to, the Scheme, other than as set out in section 9.5(b) of this Scheme Booklet.

(e) Other interests of Sirtex Directors

Other than as noted in this section 9.5, no Sirtex Director has any interest, whether as a director, member or creditor of Sirtex or otherwise, which is material to the Scheme, other than in their capacity as a holder of Sirtex shares.

9.6 ASX AND ASIC RELIEF

(a) ASX waivers

Sirtex has applied for, and ASX has granted, a waiver of Listing Rule 6.23.3 to permit the treatment of Sirtex Rights as set out in section 9.2 of this Scheme Booklet.

(b) ASIC relief

Regulation 5.1.01 of the Corporations Regulations requires that, unless ASIC allows otherwise, the Scheme Booklet must contain all of the matters set out in Part 3 of Schedule 8 to the Corporations Regulations. As some of these requirements are not applicable or appropriate in respect of the Scheme, ASIC has allowed the following variations in this Scheme Booklet.

Clause 8302(h) of Part 3 of Schedule 8 to the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the Sirtex Directors, the financial position of Sirtex has materially changed since the date of the last balance sheet laid before Sirtex Shareholders in accordance with sections 314 or 317 of the Corporations Act, being its financial statements for the year ended 30 June 2017.

ASIC has allowed Sirtex to confine its disclosure in this Scheme Booklet to all material changes to Sirtex's financial position between 31 December 2017 (being the date of the latest financial statements for Sirtex in the half yearly accounts lodged with the ASX) and the date of this Scheme Booklet on the basis that:

- Sirtex has complied with Division 2 of Part 2M.3 of the Act in respect of the half year ended 31 December 2017;
- Sirtex discloses all material changes to its financial position occurring after the half-year ended 31 December 2017 and prior to the date of this Scheme Booklet, in the Scheme Booklet;
- Sirtex discloses in announcements to the market operated by ASX any material changes to its financial position that occur after the date lodgement of the Scheme Booklet for registration with ASIC but prior to the Scheme being approved by the Court;
- the Scheme Booklet states that Sirtex will give a copy of the financial reports for the financial year ended 30 June 2017 and half-year ended 31 December 2017 free of charge to anyone who requests a copy before the Scheme to which the Scheme Booklet relates is approved by order of the Court; and
- the Scheme Booklet sent to Scheme Shareholders is substantially in the form given to ASIC on 27 March 2018.

9.7 CONSENTS

(a) The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:

(1) UBS AG, Australia Branch as financial adviser to Sirtex;

(2) Watson Mangioni Lawyers Pty Limited as legal adviser to Sirtex in relation to the Scheme;

(3) Link Market Services Limited as the manager of the Sirtex Share Register; and

(4) PricewaterhouseCoopers Securities Limited as tax adviser in relation to the Scheme.

(b) The Independent Expert has given and has not withdrawn its consent to be named in this Scheme Booklet and to the inclusion of the Independent Expert's Report in Annexure A to this Scheme Booklet and to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.

(c) Each of Varian and Varian Bidco has given and has not withdrawn its consent to be named in this Scheme Booklet and in relation to the inclusion of the Varian Information in this Scheme Booklet in the form and context in which that information is included.

(d) Each person named in this section 9.7:

(1) has not authorised or caused the issue of this Scheme Booklet;

(2) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this section 9.7; and

9 ADDITIONAL INFORMATION

(3) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 9.7.

9.8 DOCUMENTS AVAILABLE

An electronic version of this Scheme Booklet including the Independent Expert's Report and the Scheme Implementation Deed are available for viewing and downloading online at Sirtex's website at www.sirtex.com and on the ASX website at www.asx.com.au.

9.9 NO UNACCEPTABLE CIRCUMSTANCES

The Sirtex Directors believe that the Scheme does not involve any circumstances in relation to the affairs of Sirtex that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

9.10 FEES

The fees set out in this section relate to fees payable by Sirtex in connection with the Scheme. Those fees include payments to:

- UBS AG, Australia Branch for acting as financial adviser;
- Watson Mangioni Lawyers Pty Limited for acting as legal adviser;
- Deloitte for acting as Independent Expert and for providing the Independent Expert's Report;
- PricewaterhouseCoopers Securities Limited for acting as Sirtex's taxation adviser; and
- Link Market Services Limited for acting as the Sirtex Registry and providing various other services.

In aggregate, if the Scheme is implemented Sirtex expects to pay approximately $13.5 million (excluding GST) in transaction costs. In aggregate, if the Scheme is not implemented Sirtex expects to pay approximately $1.5 million (excluding GST) in transaction costs.

9.11 NO OTHER MATERIAL INFORMATION

Except as disclosed elsewhere in this Scheme Booklet, so far as the Sirtex Directors are aware, there is no other information that is:

- material to the making of a decision by a Sirtex Shareholder whether or not to vote in favour of the Scheme; and
- known to any Sirtex Director at the date of lodging this Scheme Booklet with ASIC for registration,

which has not previously been disclosed to Sirtex Shareholders.

9.12 SUPPLEMENTARY DISCLOSURE

Sirtex will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Second Court Date:

- a material statement in this Scheme Booklet is or becomes false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if known about at the date of lodgement with ASIC.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Sirtex may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Sirtex Shareholders at their address shown on the Sirtex Share Register; or
- posting a statement on Sirtex's website at www.sirtex.com,

as Sirtex, in its absolute discretion, considers appropriate.

SIRTeX

Glossary and interpretation

10

10 GLOSSARY AND INTERPRETATION

10.1 GLOSSARY

In this Scheme Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.
Business Day	a business day as defined in the Listing Rules.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
Class Actions	the representative proceedings brought against Sirtex as referred to in section 5.12 of this Scheme Booklet.
Competing Proposal	any proposal or transaction which, if completed, would mean a person other than the Varian Parties and their associates (either alone or together with any associate) would: • (other than as custodian, nominee or bare trustee) acquire an interest in, or a Relevant Interest in, 20% or more of the Sirtex Shares or the shares of any material subsidiary of Sirtex (other than pursuant to the exception in item 9 of section 611 of the Corporations Act); • directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, an economic interest in assets of the Sirtex Group with an aggregate book value representing 20% or more of the total assets of the Sirtex Group as set out in Sirtex's consolidated balance sheet as at 30 June 2017; • acquire control of Sirtex or any material Subsidiary of Sirtex; or • otherwise acquire or merge with Sirtex or any material Subsidiary of Sirtex; or whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, securities or assets, global assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger) or other transaction or arrangement.
Conditions Precedent	each of the conditions set out at clause 3.1 of the Scheme Implementation Deed.
Corporations Act	the *Corporations Act* 2001 (Cth).
Corporations Regulations	the *Corporations Regulations* 2001 (Cth).
Court	the Federal Court of Australia, New South Wales Registry, or such other court of competent jurisdiction under the Corporations Act as Sirtex and Varian agree.
Deed Poll	the deed poll provided by Varian and Varian Bidco attached as Annexure D.
Deloitte	Deloitte Corporate Finance Pty Limited.
EBITDA	earnings before interest, tax, depreciation and amortisation.
Effective	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
End Date	31 July 2018 or such other date as Sirtex and Varian agree.
Exclusivity Period	the period from and including 30 January 2018 to the earlier of: 1 the date of termination of the Scheme Implementation Deed; and 2 the End Date.
FY2017	the financial year ending 30 June 2017
Government Agency	any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia, the United States of America or elsewhere, including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.
GST	has the meaning given to that term under the *A New Tax System (Goods and Services Tax) Act* 1999 (Cth).
Implementation Date	the fifth Business Day after the Scheme Record Date or such other date as Sirtex and Varian agree.

10 GLOSSARY AND INTERPRETATION

Term	Meaning
Independent Expert	the independent expert appointed by Sirtex, being Deloitte Corporate Finance Pty Limited.
Independent Expert's Report	means the report prepared by the Independent Expert, a copy of which is attached at Annexure A.
Insolvency Event	means, in relation to an entity: 1 it ceases, suspends, or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of all or a substantial part of its assets; 2 it stops or suspends or threatens to stop or suspend payment of all or a class of its debts; 3 it is, or under legislation is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute); 4 it has an administrator, controller or similar officer appointed, or any step preliminary to the appointment of such an officer is taken; 5 an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken for: (i) its winding up, dissolution or administration; or (ii) it entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them, (other than frivolous or vexatious applications, orders, proceedings, notices or steps); 6 any of: (i) a receiver, receiver and manager, administrative receiver or similar officer is appointed to; (ii) a security interest becomes enforceable or is enforced over; or (iii) a distress, attachment or other execution is levied or enforced or applied for over, all or a substantial part of its assets; or 7 anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any foreign law.
Last Practicable Trading Date	23 March 2018, being the last practicable trading date before the date of this Scheme Booklet.
Listing Rules	the official listing rules of ASX.
Material Adverse Change	any event, occurrence or matter that occurs after the date of this deed that individually or when aggregated with all such events, occurrences or matters has, has had or would be reasonably likely to have the effect of: 1 a diminution in the consolidated net assets of the Sirtex Group of at least $25 million compared to the consolidated net assets of the Sirtex Group as at 31 December 2017; or 2 a permanent and recurring diminution in the annual consolidated earnings before interest expense, tax, depreciation and amortisation and significant and non-recurring items of the Sirtex Group of at least $10 million, other than events, occurrences or matters: 3 required or permitted by the Scheme Implementation Deed or the Scheme; 4 which do not relate specifically to the Sirtex Group and which are beyond the control of the Sirtex Group, including those that arise from (i) changes in exchange rates or interest rates; (ii) general economic, political, regulatory or business conditions in Australia or elsewhere; or (iii) changes to accounting standards or laws in Australia or elsewhere, but excluding any such event, change, circumstance, occurrence, matter or thing which has a materially disproportionate effect on the Sirtex Group, taken as a whole, as compared to the equivalent operations of other participants in the industry or industries in which the Sirtex Group operates; 5 to the extent fairly disclosed in the documents and information contained in the data room to which Varian and its representatives were given access before entry into the Scheme Implementation Deed; or 6 to the extent any losses or liabilities arising from such event, occurrence or matter are covered by insurance which Sirtex's insurers have agreed to pay.
Notice of Scheme Meeting	the notice of meeting relating to the Scheme Meeting attached as Annexure E.

10 GLOSSARY AND INTERPRETATION

Term	Meaning
Prescribed Occurrence	the occurrence of any of the following: 1 Sirtex converts all or any of its shares into a larger or smaller number of shares; 2 a member of the Sirtex Group resolves to reduce its share capital in any way; 3 a member of the Sirtex Group: • enters into a buy-back agreement; or • resolves to approve the terms of a buy-back agreement under the Corporations Act; 4 a member of the Sirtex Group issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option, other than the issue of up to 825,954 fully paid ordinary shares to the holders as at the date of the Scheme Implementation Deed of Sirtex Rights in accordance with the terms of those Sirtex Rights (including as a result of an exercise of a discretion vested in Sirtex or the Sirtex Board in those terms); 5 a member of the Sirtex Group issues, or agrees to issue, convertible notes; 6 a member of the Sirtex Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; 7 a member of the Sirtex Group grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property; 8 a member of the Sirtex Group pays, or agrees to pay, any of its directors, officers, employees or contractors a termination or retention payment (other than in accordance with contractual arrangements in effect on the date of the Scheme Implementation Deed which have been fairly disclosed in the documents and information contained in the data room to which Varian and its representatives were given access before entry into the Scheme Implementation Deed); 9 a member of the Sirtex Group resolves to be wound up; 10 a liquidator or provisional liquidator of a member of a member of the Sirtex Group is appointed; 11 a court makes an order for the winding up of a member of the Sirtex Group; 12 an administrator of a member of the Sirtex Group is appointed under sections 436A, 436B or 436C of the Corporations Act; 13 a member of the Sirtex Group executes a deed of company arrangement; or 14 a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of a member of the Sirtex Group.
Proxy Form	the proxy form for the Scheme Meeting which accompanies this Scheme Booklet.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Requisite Majorities	in relation to the Scheme Resolution, a resolution passed by: 1 a majority in number (more than 50%) of Sirtex Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Sirtex Shareholders, body corporate representative); and 2 at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Sirtex and the Scheme Shareholders, the form of which is attached as Annexure C, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Sirtex and Varian.
Scheme Consideration	the consideration to be provided to each Scheme Shareholder for the transfer to Varian Bidco of each Scheme Share being, for each Sirtex Share held by a Scheme Shareholder as at the Scheme Record Date, $28.00 cash.
Scheme Implementation Deed	the scheme implementation deed dated 30 January 2018 between Sirtex and Varian relating to the implementation of the Scheme. A copy of the scheme implementation deed is attached as Annexure B.
Scheme Meeting	the meeting of Sirtex Shareholders ordered by the Court to be convened pursuant to subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

10 GLOSSARY AND INTERPRETATION

Term	Meaning
Scheme Record Date	7:00pm (Sydney time) on the fifth Business Day after the Effective Date or such other time and date as Sirtex and Varian agree.
Scheme Resolution	the resolution set out in the Notice of Scheme Meeting in Annexure E to agree to the terms of the Scheme.
Scheme Shares	all Sirtex Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Sirtex Shares recorded in the Sirtex Share Register as at the Scheme Record Date.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard, with such hearing the Second Court Hearing.
Sirtex	Sirtex Medical Limited (ABN 35 078 166 122).
Sirtex Board	the board of directors of Sirtex.
Sirtex Directors	the directors of Sirtex.
Sirtex Group	Sirtex and each of its subsidiaries.
Sirtex Incentive Plan	the "Sirtex Executive Rights Plan" operated by Sirtex and approved by Sirtex Shareholders at the 2015 annual general meeting held on 27 October 2015 (as amended from time to time).
Sirtex Registry	Link Market Services Limited (ABN 54 083 214 537).
Sirtex Rights	rights to receive Sirtex Shares issued under the Sirtex Incentive Plan.
Sirtex Share	a fully paid ordinary share in the capital of Sirtex.
Sirtex Share Register	the register of members of Sirtex maintained by the Sirtex Registry in accordance with the Corporations Act.
Sirtex Shareholder	each person who is registered as the holder of a Sirtex Share in the Sirtex Share Register.
Sirtex Shareholder Information Line	1300 794 682 (within Australia) or +61 1300 794 682 (outside Australia).
Superior Proposal	a bona fide Competing Proposal which the Sirtex Board determines, acting in good faith and in order to satisfy what the Sirtex Board considers to be its fiduciary or statutory duties (having taken advice from its external financial and legal advisers): • is reasonably capable of being valued and implemented, taking into account all aspects of the Competing Proposal; and • would, if completed substantially in accordance with its terms, be more favourable to Sirtex Shareholders (as a whole) than the Scheme, taking into account all terms and conditions of the Competing Proposal.
Varian	Varian Medical Systems, Inc., a company incorporated under the laws of Delaware, United States of America.
Varian Bidco	Varian Medical Systems Australasia Holdings Pty Ltd (ACN 625 038 048)
Varian Information	the information contained in section 6, and under the headings "Who is Varian and Varian Bidco?" on page 15 and "How are Varian and Varian Bidco funding the Scheme Consideration?" on page 19, of this Scheme Booklet.
Varian Parties	Varian, its subsidiaries and their respective officers, employees and advisers.
VWAP	volume weighted average price, calculated based on cumulative value traded on ASX and CHI-X divided by cumulative volume traded on ASX and CHI-X to 29 January 2018.

10 GLOSSARY AND INTERPRETATION

10.2 INTERPRETATION

In this Scheme Booklet, unless the context otherwise appears:

(a) words and phrases have the same meaning (if any) given to them in the Corporations Act;

(b) words importing a gender include any gender;

(c) words importing the singular include the plural and vice versa;

(d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;

(f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;

(h) a reference to time is a reference to time in Sydney, Australia;

(i) a reference to writing includes facsimile transmissions; and

(j) a reference to dollars, $, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

SIRTeX

Annexure Independent Expert's Report

A

Deloitte.

Sirtex Medical Limited

Independent expert's report and Financial Services Guide

26 March 2018

ANNEXURE A INDEPENDENT EXPERT'S REPORT

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (Deloitte Corporate Finance) (AFSL 241457) has been engaged by Sirtex Medical Limited to prepare an independent expert's report (our Report) in connection with the proposed scheme of arrangement between Sirtex Medical Limited and Varian Medical Systems, Inc. (through a wholly owned subsidiary). Sirtex Medical Limited will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of AUD 275,000 exclusive of GST in relation to the preparation of our Report. This fee is not contingent on the outcome of proposed scheme of arrangement between Sirtex Medical Limited and Varian Medical Systems, Inc. (through a wholly owned subsidiary).

Apart from these fees, Deloitte Corporate Finance, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls Deloitte Corporate Finance. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

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26 March 2018

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ANNEXURE A INDEPENDENT EXPERT'S REPORT

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The Directors
Sirtex Medical Limited
Level 33, 101 Miller Street
North Sydney
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26 March 2018

Dear Directors

Re: Independent expert's report

Introduction

On 30 January 2018 (Announcement Date), Sirtex Medical Limited (Sirtex or the Company), together with Varian Medical Systems, Inc. (Varian), announced a proposal under which Varian (through a wholly owned subsidiary) will acquire 100% of the issued shares in Sirtex via a scheme of arrangement (the Proposed Scheme). If the Proposed Scheme is approved, holders of shares in Sirtex will receive cash consideration of Australian Dollar (AUD) 28.00 per share (Consideration).

Sirtex has developed a treatment for a specific form of liver cancer called SIR-Spheres® (SIR-Spheres, the Product). The Product has regulatory approval in various markets including Australia, the United States (US) and the European Union and is available through more than 1,160 treatment centres in over 40 countries. Listed on the Australian Securities Exchange (ASX) since 2000, Sirtex had a market capitalisation of AUD 1.05 billion (b) immediately prior to the announcement of the Proposed Scheme[1].

Upon completion of the Proposed Scheme, Sirtex would become a wholly owned subsidiary of Varian and would be subsequently delisted from the ASX. The board of directors of Sirtex (Board) has prepared a scheme booklet containing the detailed terms of the Proposed Scheme (the Scheme Booklet) and an overview of the Proposed Scheme is provided in Section 1 of our detailed report.

Purpose of the report

Section 411 of the Corporation Act 2001 (Section 411) regulates schemes of arrangement between companies and their shareholders. Part 3 prescribes the information to be provided to shareholders in relation to schemes of arrangement.

Whilst an independent expert's report is not required in respect of the Proposed Scheme, the directors of Sirtex (the Directors) have requested that Deloitte Corporate Finance Pty Limited (Deloitte Corporate Finance) provide an independent expert's report advising whether, in our opinion, the Proposed Scheme is in the best interests of the shareholders of Sirtex (Shareholders).

This report is to be included in the Scheme Booklet to be sent to Shareholders and has been prepared for the exclusive purpose of assisting Shareholders in their consideration of the Proposed Scheme. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof,

[1] Based on the closing price of AUD 18.83 and 55.8 million (m) ordinary shares outstanding on 29 January 2018, the last trading day prior to the Announcement Date.

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undertakes responsibility to any person, other than the Shareholders and Sirtex, in respect of this report, including any errors or omissions however caused.

Basis of evaluation

This independent expert's report has been prepared in a manner consistent with Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cth) (Part 3) to assist Shareholders in their consideration of the Proposed Scheme. Part 3 prescribes the information to be provided to shareholders in relation to schemes of arrangement. We have prepared this report having regard to Part 3 and Australian Securities and Investments Commission (ASIC) Regulatory Guide 111: Contents of expert reports and ASIC Regulatory Guide 112: Independence of experts.

According to ASIC Regulatory Guide 111, where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid. Accordingly, if an expert were to conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposal is in the best interests of the members of the company.

To assess whether the Proposed Scheme is in the best interests of Shareholders, we have adopted the test of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Definition of value

For the purpose of our opinion, we have referred to the concept of market value. Market value is defined as the amount at which the shares in the entity valued would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

Summary and conclusion

In our opinion the Proposed Scheme is fair and reasonable and therefore in the best interests of Shareholders. In arriving at this opinion, we have had regard to the following factors.

The Proposed Scheme is fair

According to ASIC Regulatory Guide 111, in order to assess whether the Proposed Scheme is fair, the independent expert is required to compare the market value of a share in Sirtex on a control basis with the market value of the consideration under the Proposed Scheme. The Proposed Scheme is fair if the value of the consideration is equal to or greater than the value of the securities subject to the offer.

Set out in the table below is a comparison of our assessment of the market value of a Sirtex share with the Consideration offered by Varian under the Proposed Scheme.

Table 1: Valuation assessment

	Low (AUD)	High (AUD)
Offer price	28.00	28.00
Estimated market value of a share in Sirtex (on a control basis)	23.41	29.42
Premium/(discount) paid over estimated fair market value	**4.59**	**(1.42)**
% Premium	**16.4%**	**(5.1)%**

Source: Deloitte Corporate Finance analysis

The Consideration offered by Varian is within our estimate of the market value of a Sirtex share. Accordingly, it is our opinion that the Proposed Scheme is fair.

Our valuation has not had explicit regard to any potential compensation payable by Sirtex as a result of the various securities class actions which relate to alleged breaches of continuous disclosure obligations and misleading and deceptive statements made by Sirtex in 2016 (refer Section 3.6). Given the significant uncertainty in the outcome of any compensation, we do not consider the liability associated with the class actions can be reliably quantified and accordingly have not adjusted our valuation. However, attributing a value for such compensation would only result in the value of the shares decreasing and as such, the Proposed Scheme being assessed as more fair. Additional consideration of the impact of the class actions is provided in the reasonableness assessment.

Valuation of Sirtex

We have estimated the market value of Sirtex by applying the market multiples method, which involves capitalising a proxy of earnings with an appropriate earnings multiple. Key assumptions adopted under this methodology are outlined in the following table.

Table 2: Summary of our valuation of Sirtex

	Section	Unit	Low	High
Maintainable EBITDA	4.3.1	AUD m	80.0	90.0
EBITDA multiple (on a control basis)	4.3.4	times	15.0	17.0
Enterprise value (on a control basis)		**AUD m**	**1,200.0**	**1,530.0**
Add: net cash	4.3.5	AUD m	120.0	125.0
Add: surplus assets	4.3.6	AUD m	5.0	10.0
Equity value		**AUD m**	**1,325.0**	**1,665.0**
Number of shares on issue	4.3.8	m	56.6	56.6
Value per share in Sirtex		**AUD**	**23.41**	**29.42**

Note:
EBITDA = earnings before interest, tax, depreciation and amortisation
Source: Deloitte Corporate Finance analysis

In selecting the most appropriate approach to value Sirtex, we had regard to the fact that the business generates revenue and is profitable, and that it is at a reasonably mature stage in the product lifecycle. Further details of the selection of valuation approach are set out in Section 4.2.

We have assessed Sirtex's EBITDA to be in the range of AUD 80.0m to AUD 90.0m, based on our consideration of management guidance for FY18 reported EBITDA, historical earnings for FY16 and FY17 and the year to date performance to 31 December 2017, earnings projections from equity research analysts and various normalisation adjustments applicable to Sirtex historical financial performance. Our EBITDA range has been selected having regard to the impact of one-off costs incurred by the business recently, along with the costs of maintaining an ASX listing.

The earnings multiple of 15.0 times to 17.0 times (on a control basis) was selected based on consideration of the multiples of listed comparable companies and previous mergers and acquisitions in the oncology and cancer treatment industry. This resulted in a value of the enterprise of Sirtex. We then made adjustments for net cash and surplus assets to derive the value of 100% of the equity in Sirtex on a control basis.

We have cross-checked our valuation under the capitalisation of maintainable earnings using a high level discounted cash flow approach. The discounted cash flow method requires the projection of future cash flows, which are subsequently discounted to a present value using an appropriate discount rate.

Ungeared, nominal cash flow projections were prepared based on the current five-year plan developed by Sirtex management. We adopted a nominal, post tax discount rate of 11.5% to discount the estimated future cash flows attributed to the current business, with additional premiums applied to higher risk growth initiatives not included in the base plan. Further details of the assumptions underlying the cash flow projections are set out in Section 4.4.

Based on our analysis, we consider the high level discounted cash flow analysis supports our valuation of Sirtex derived under our primary methodology.

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Our valuation range is wider than would normally be the case. However, we do not consider this unreasonable given the current position of the business and the uncertainty as to its ability to grow. We also consider that the upper bound of our valuation range likely captures synergies (revenue and cost) capable of being extracted by Varian and certain other prospective purchasers with adjacent products and services.

Valuation of cash consideration

Varian's offer is a 100% cash offer. If the Scheme is implemented, Sirtex shareholders will receive AUD 28.00 per share and therefore this amount represents the market value of the Consideration offered.

The Proposed Scheme is reasonable

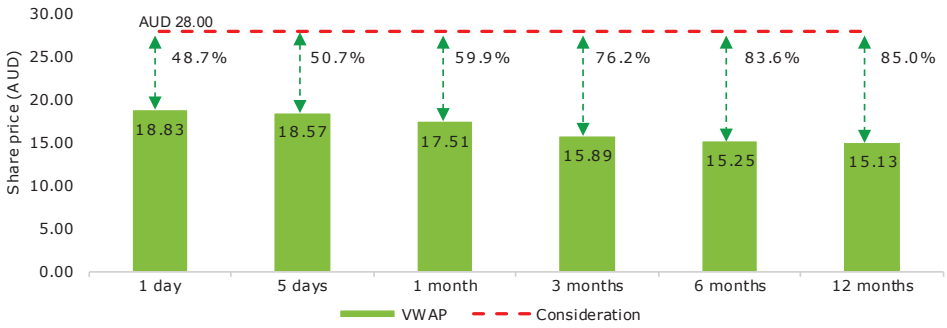
In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. On this basis, in our opinion the Proposed Scheme is reasonable.

Notwithstanding, we have set out a number of reasonableness considerations below.

Shareholders are receiving a substantial premium to the share price of Sirtex prior to the announcement of the Proposed Scheme

The Consideration of AUD 28.00 per share offered to Shareholders under the Proposed Scheme represents a significant premium to Sirtex's share trading prices throughout the 12-month period prior to the Announcement Date, as highlighted below.

Figure 1: Implied premium of the Consideration to Sirtex's recent share trading



Note:
These figures differ slightly to the VWAPs and premiums set out in the ASX announcement released on 30 January 2018 and the Scheme Booklet due to the different sources used
VWAP = volume weighted average price
Source: CapitalIQ, Deloitte Corporate Finance analysis

The premium implied by the Consideration to recent share trading prices is significant and higher than the range of premiums observed in the Australian marketplace (refer to Appendix 5). Such premium is reflective of a number of factors, in particular:

- the depressed share price resulting from the downgrade to dosage volumes in December 2016, followed by the subsequent and uncertain impact of the class actions and business restructure, combined with;
- the offer price from Varian which resulted from a competitive process undertaken by the Board and likely to have included a certain level of synergies.

We also note that the Consideration represents a premium to the median broker share price target prior to announcement of the Proposed Scheme.

The Proposed Scheme provides the opportunity to realise certainty of value

Consideration under the Proposed Scheme is in the form of cash which provides certainty in crystallising the value of Shareholders' investment in Sirtex. It is fixed and unaffected by the outcome of the class actions or actual growth outcomes for the business (it also includes the value of synergies, which Sirtex as a standalone business enterprise could not realise). In the event the Proposed Scheme is not approved, Shareholders will continue to hold shares in Sirtex, the value of which will be impacted by the uncertain outcome of the class actions along with growth outcomes as well as the investment risks relevant to Sirtex. Given these circumstances we consider there is a risk that Sirtex shares could continue to face substantial volatility in the absence of the Proposed Scheme.

The likelihood of a superior proposal emerging is low

Since the Proposed Scheme was announced, no superior proposals have emerged. Whilst such possibility should not be disregarded, we consider the likelihood to be low considering the competitive process undertaken by the Sirtex Board which culminated in the Proposed Scheme, the premium implied by the offer price under the Proposed Scheme and the fact that the Proposed Scheme has been announced.

Sirtex's share price may fall if the Proposed Scheme is not implemented and no superior proposal emerges

It is common for the share price of a target company that is subject to a takeover offer to trade at or around the price of the takeover offer during the offer period, particularly if the market has formed the view that the takeover will proceed at that price. Since the Announcement Date, Sirtex's shares have been trading within the range of AUD 27.21 to AUD 27.82, implying a slight discount in the range of 0.6% to 2.8% of the Consideration.

In the absence of an alternative offer and in the event that the Proposed Scheme is unsuccessful, Sirtex's share price is likely to decline to the levels achieved prior to the Announcement Date in the short term. Based on Sirtex management's forecasts and the Company's pre announcement trading multiple, it could take more than two years to reach a share price of AUD 28.00. Even in this case, it would require Sirtex to successfully execute on all initiatives, a number of aspects of which are outside its control.

If the Proposed Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Sirtex's business and general market risks

In the event the Proposed Scheme does not proceed, Sirtex will continue to pursue a number of initiatives which carry execution risks caused by internal (time for implementation, requirement for additional capital, etc) and external (regulatory/reimbursement, demand risk, increased competition and new technologies) factors. In addition, Sirtex will remain a listed entity which will expose Shareholders to general investment risks such as market volatility, general economic conditions and the demand for listed securities. Such risks can be higher for single product focus companies like Sirtex. There is also

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the risk that the securities class actions are not resolved which is likely to create additional volatility in the share price.

The Proposed Scheme eliminates these risks for Shareholders by allowing them to exit their investment in Sirtex at a significant premium.

The Proposed Scheme does not allow you to maintain your current investment profile and participate in the future upside of the Sirtex business

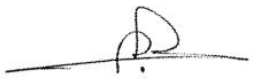
Implementation of the Proposed Scheme is disadvantageous to those who wish to maintain their current investment profile, as these Shareholders may find it difficult to find an alternative investment with a similar profile to that of Sirtex (which, in the Australian market, is limited), let alone the transaction costs that they may incur in acquiring such investment.

Opinion

In our opinion, the Proposed Scheme is fair and reasonable, and therefore in the best interests of Shareholders. An individual shareholder's decision in relation to the Proposed Scheme may be influenced by his or her particular circumstances. If in doubt, the shareholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully



Tapan Parekh
Authorised Representative
AR Number: 461009

Robin Polson
Authorised Representative
AR Number: 461010

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Glossary

Reference	Definition
Announcement Date	Date on which the Proposed Scheme was announced, 30 January 2018
APAC	Asia Pacific
ASIC	The Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollars
b	Billion
Board	Board of directors of Sirtex
CAGR	Compound annual growth rate
Consideration	AUD 28.00 per share to be paid to the Shareholders if the Proposed Scheme is approved
Corporations Act	Corporations Act 2001 (Cth)
CY	Calendar year
Deloitte	Deloitte Touche Tohmatsu
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
Directors	Directors of Sirtex
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EMEA	Europe, Middle East, Africa
EPS	Earnings per share
EUR	Euro
EV	Enterprise value
FDA	Food and Drug Administration
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FY	Financial year
HBV	Hepatitis B virus
HCV	Hepatitis C virus
HCC	Hepatocellular Carcinoma
Healthcare Index	S&P/ASX 200 Healthcare Index
LHS	Left hand side
LATAM	Latin America
LTM	Last twelve months
m	Million
mCRC	Metastatic colorectal cancer
n/a	Not available
n/d	Not disclosed
n/m	Not meaningful

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Reference	Definition
NPAT	Net profit after tax
Part 3	Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cth)
pcp	Prior corresponding period
Performance Rights	Performance rights issued by Sirtex
Proposed Scheme	Proposal under which Varian (through a wholly owned subsidiary) will acquire 100% of the issued shares in Sirtex via a scheme of arrangement
R&D	Research and development
Report, our	Independent expert's report in connection with the proposed scheme of arrangement between Sirtex and Varian
RHS	Right hand side
S&P	Standard & Poor's
Scheme Booklet	A scheme booklet prepared by the board of Sirtex, containing the detailed terms of the Proposed Scheme
Section 411	Section 411 of the Corporations Act 2001
Section 640	Section 640 of the Corporations Act 2001
Shareholders	Existing holders of Sirtex
SIR Spheres/the Product	SIR-Spheres®
SIRT	Selective Internal Radiation Therapy
Sirtex/the Company	Sirtex Medical Limited
TACE	Transcatheter arterial chemoembolisation
UK	United Kingdom
US	United States
USD	United States Dollars
Varian	Varian Medical Systems, Inc.
VWAP	Volume weighted average price
Y-90	Yttrium-90

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1 Overview of the Proposed Scheme

1.1 Background to the Proposed Scheme

On 30 January 2018, the Directors of Sirtex and Varian announced a proposal under which Varian (through a wholly owned subsidiary) would acquire 100% of the shares in Sirtex by way of a scheme of arrangement for cash consideration of AUD 28.00 per share.

Sirtex's decision to enter into the Scheme Implementation Deed followed a process which commenced in late 2017 when it received a number of unsolicited, non-binding acquisition proposals. The Board elected to engage with these parties to explore the potential for an offer that could be in the best interests of shareholders. In conjunction with this, Sirtex's advisers contacted a number of additional parties to test interest in submitting alternative proposals to acquire Sirtex.

A number of parties were provided with access to due diligence information and Sirtex senior management to facilitate proposals that took appropriate account of the long term potential of Sirtex and the synergies that might be available to potential acquirers.

On completion of this process, the Board of Sirtex received a number of proposals. The Board concluded that the Proposed Scheme with Varian was in the best interests of Shareholders on the basis of the price offered, the certainty of the consideration and having regard to the potential prospects and risks associated with an investment in Sirtex.

1.2 Background to Varian

Based in Palo Alto, California, Varian develops, sells and services cancer care solutions globally. It is listed on the New York Stock Exchange (NYSE:VAR) and had a market capitalisation of US Dollar (USD) 11.8b as at 29 January 2018. The company employs approximately 6,500 staff across 70 offices globally.

Varian considers Sirtex as a strategic fit for its business given its existing solutions for cancer treatments. Its subsequent announcement on 5 February 2018 of its acquisition of Mobius Medical Systems (provider of radiation oncology quality assurance technology) combines with Sirtex to increase Varian's global presence while also broadening its cancer care portfolio and servicing the needs of radio oncologists.

1.3 Key conditions of the Proposed Scheme

The Proposed Scheme is subject to various conditions, including:

- regulatory approvals, including Foreign Investment Review Board (FIRB) and certain competition authorities
- court approval in accordance with section 411(4)(b) of the Corporations Act
- no prescribed occurrences as defined under the Scheme Implementation Deed
- a majority of Directors not changing their recommendation that Shareholders vote in favour of the Proposed Scheme
- no 'material adverse change' in relation to Sirtex as defined in the Scheme Implementation Deed, broadly comprising:
    - a diminution in net assets of Sirtex of at least AUD 25m
    - a permanent and recurring diminution in EBITDA of at least AUD 10m
- Shareholder approval at the scheme meeting by the requisite majorities.

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Under the Scheme Implementation Deed, Sirtex and Varian will be subject to a six-month exclusivity period, with a break fee (1% of equity value) payable to the other party in customary circumstances particularly including, in the case of Sirtex, the emergence and completion of a competing proposal (as defined under the Scheme Implementation Deed) or a majority of the Sirtex Directors changing their recommendation or voting intentions in relation to the Proposed Scheme and, in the case of Varian, a failure to obtain relevant regulatory approvals.

Full details of the Proposed Scheme are provided in Section 4 of the Scheme Booklet.

2 Basis of evaluation

2.1 Guidance

In undertaking the work associated with this report, we have had regard to ASIC Regulatory Guide 111 in relation to the content of expert's report and ASIC Regulatory Guide 112 in respect of the independence of experts.

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a Chapter 6 takeover bid. The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

Section 640 of the Corporations Act 2001 (Section 640) requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid, however, the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the company'. Accordingly, if an expert were to conclude that a proposal was 'reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposed scheme is in the best interests of the members of the company.

ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of s611, a selective capital reduction or selective buy back under Chapter 2J.

In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the shares subject to the proposed scheme. The comparison must be made assuming 100% ownership of the target company.
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should accept the offer under the proposed scheme, in the absence of any higher bids before the close of the offer.

To assess whether the Proposed Scheme is in the best interests of Shareholders, we have adopted the tests of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

2.2 Fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of the target company.

Accordingly, we have assessed whether the Proposed Scheme is fair by comparing the Consideration offered with the value of a share in Sirtex on a control basis.

The Sirtex shares have been valued at market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller, neither of whom is under any compulsion to buy or sell.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business

combinations, which could only be enjoyed by the special purchaser. Our valuation of a Sirtex share has not been premised on the existence of a special purchaser.

We have assessed whether the Proposed Scheme is fair by comparing the value of a Sirtex share to the value of the Consideration to be received from Varian. We have assessed the value of each Sirtex share by estimating the current value of Sirtex on a control basis and dividing this value by the number of shares on issue.

2.3 Reasonableness

ASIC Regulatory Guide 111 considers an offer in respect of a control transaction, to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

To assess the reasonableness of the Proposed Scheme we considered the following significant factors in addition to determining whether the Proposed Scheme is fair:

- the extent to which Shareholders are receiving a premium for control
- the likely price of Sirtex shares in the absence of the Proposed Scheme
- the fact that the Proposed Scheme allows shareholders to realise their investment in Sirtex
- the value to an alternative bidder and the likelihood of an alternative offer being made
- other implications associated with Sirtex shareholders rejecting the Proposed Scheme.

2.4 Limitations

This report should be read in conjunction with Appendix 6.

3 Profile of Sirtex

3.1 Introduction and company history

Sirtex is primarily engaged in the design, manufacture and distribution of a specific form of liver cancer treatment called Selective Internal Radiation Therapy (SIRT) across approved markets in Asia-Pacific, Europe, Middle East, Africa, North America and South America. The Company is headquartered in North Sydney, Australia and has been listed on the ASX since August 2000.

Key milestones in the Company's history are outlined in the figure below.

Figure 2: Key events in corporate history

1997	Formation of the company in Australia, to acquire and commercialise a portfolio of three technologies developed by Dr. Bruce Gray and the Cancer Research Institute Inc. (CRI)
1998	First commercial sale of SIR-Spheres in Australia
2000	Listed on ASX on 24 August 2000, with an initial market capitalisation of AUD 15m
2002	Sales and marketing office for Americas was established in Illinois Gained US Food and Drug Administration (FDA) and European CE Mark approval for pre-market approval application for SIR-Spheres
2003	Sales and marketing office for Europe was established in Germany
2008	Manufacturing facility in Wilmington, Massachusetts received FDA approval for production
2011	Manufacturing facility in Singapore established
2015	Results of SIRFLOX study announced
2017	Manufacturing facility in Frankfurt established Results of SARAH, SIR*v*eNIB and combined SIRFLOX/ FOXFIRE/FOXFIRE Global studies announced

Source: Sirtex Annual Reports

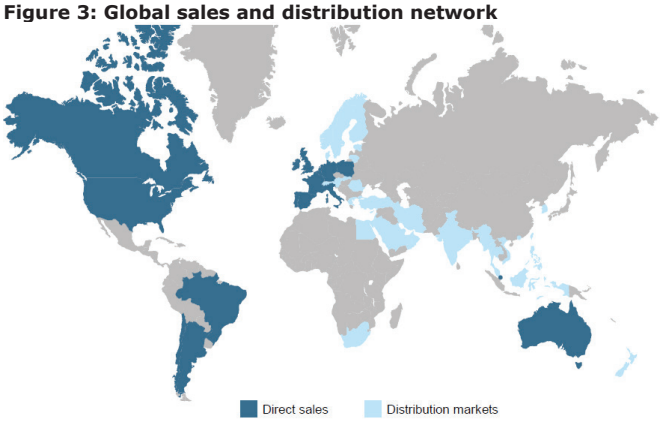
3.2 Products, markets and operations

3.2.1 Overview of the business

The Company's core product, SIR-Spheres, provides high dose radiation directly to a tumour, minimising damage to surrounding normal cells. It is a treatment that forms part of the interventional oncology sector. Further information on this sector is provided in Appendix 1. The Product is currently provided to salvage patients (patients with inoperable cancers who are intolerant to, or where their disease has progressed on, chemotherapy treatments) with primary liver cancer (hepatocellular carcinoma (HCC)) and secondary liver cancer (metastatic colorectal cancer (mCRC)) at over 1,160 treatment centres in over 40 countries.

Although Sirtex originated in Australia, it has expanded via the establishment of manufacturing capabilities in Singapore, US and Germany. The Company has a mix of direct and indirect sales distribution models servicing numerous countries globally, as outlined in the figure below.

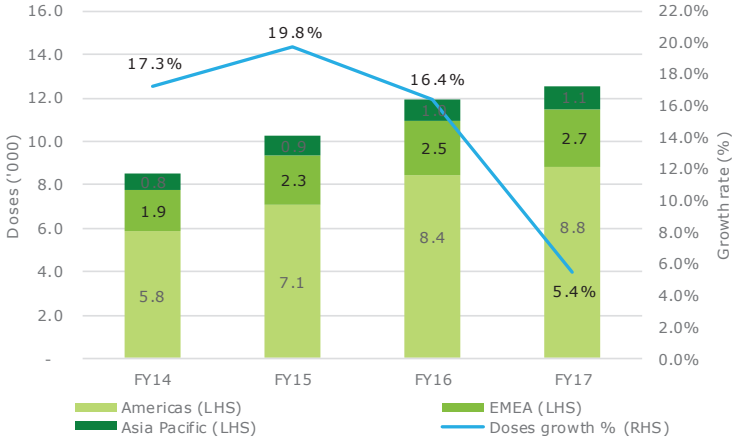
Figure 3: Global sales and distribution network



Source: Sirtex

For reporting and management purposes, these markets are classified in three segments namely Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific. The Americas segment is the most developed and generates approximately 70% of total dosage volumes and 80% of total revenue of the Company.

Figure 4: Geographical segmentation of volume and revenue



Note:
LHS = left hand side
RHS = right hand side
Source: Sirtex Annual Report

Sirtex markets the product and related technology by educating medical practitioners and reimbursement institutions, including government healthcare institutions and private insurance providers.

3.2.2 Core product

SIR-Spheres are small resin microspheres bound with the tumour killing radioisotope, Yttrium-90 (Y-90). They are administered to patients using minimally invasive techniques and are lodged into the blood vessels supplying the tumour with the aim of destroying it. The anti-cancer spheres concentrate within the tumour, minimising the effect on surrounding tissue hence reducing side effects to the patient. SIR-Spheres is the only therapy to achieve a Pre-Market Approval (PMA) by the US FDA for mCRC[2].

SIRT is a relatively new therapy alternative when compared to conventional liver cancer treatments such as surgery, transplantation, ablation and chemotherapy. However, it is most commonly used as a

[2] The competing Therasphere has humanitarian device exemption (HDE) with the FDA

salvage level treatment. Salvage level treatments are typically only used when all other treatment options (referred to as first and second line) have been exhausted or are not capable of being used on the patient. This factor coupled with the very low survival rates for liver cancer reduce the addressable market for SIRT.

In recent years, Sirtex undertook a series of clinical studies to validate the effectiveness of SIR-Spheres as a first or second line liver cancer treatment option and thereby increase its addressable market. This included the SIRFLOX/FOXFIRE/FOXFIRE Global studies on patients with mCRC, and SARAH and SIR*ve*NIB studies on the patients with HCC. The results of the SIRFLOX study were announced (on a preliminary basis) in March 2015 whereas the results of other studies were released in 2017. They are summarised below:

- mCRC related studies did not indicate any statistically significant variance in:
    - overall survival – between (i) combined use of SIR-Spheres and Chemotherapy and (ii) Chemotherapy alone;
    - overall progression free survival - between (i) combined use of SIR-Spheres and Chemotherapy and (ii) Chemotherapy alone; and
    - Overall survival – between liver-only and liver dominant disease sub-groups.

  These studies did not reach their primary endpoint and therefore failed to show a statistically significant OS benefit. Whilst, there were indications of a statistically significant survival benefit for patients with a right sided primary colon cancer, the incidence of this form of colon cancer is approximately 25% and much harder to treat
- HCC related studies also did not indicate any statistically significant variance in overall survival when compared to patients receiving Sorafenib medication. However, on a positive note, the results of:
    - SARAH study indicated improvement in the quality of life of patients treated with SIR-Spheres; and
    - SIR*ve*NIB study indicated better tumour response rates, with patients treated with SIR-Spheres facing significantly fewer and less severe adverse effects

  These studies also did not reach their primary endpoint and therefore did not provide sufficient supporting evidence for SIR-Spheres to be used as the primary treatment. However, the Company is planning to utilise the findings of the SARAH and SIR*ve*NIB studies for filing an FDA approval for the treatment of patients with HCC in 2018 and has also commenced sales and marketing efforts in EMEA and Asia-Pacific to promote the benefits of SIR-Spheres. The FDA approval is likely to take a few years.

3.2.3 Operations

Sirtex currently has manufacturing facilities in the US (Wilmington), Singapore and Germany (Frankfurt). The facilities have a total manufacturing capacity of 72,000 doses per annum, with current average capacity utilisation of approximately 20% to 40%.

As the radioactive element Y-90 has a short half-life of 64.1 hours, Sirtex has invested significantly to optimise distribution logistics. Partnerships with reliable third party logistics coupled with manufacturing facilities being located close to large airfreight hubs and integrated software, help to ensure timely delivery.

Product pricing varies across regions and is largely dependent upon the reimbursements made available to the patient under either government operated healthcare systems or from private insurance providers. Sirtex has a designated Global Pricing, Reimbursement and Market Access team which works with these institutions to obtain reimbursement for the cost of the treatment.

To drive increased dosage sales, Sirtex has been able to increase the number of treatment centres which administer SIR-Spheres to patients. The following table shows the increase in the number of treatment centres in each region since FY14.

Table 3: SIR-Spheres treatment centres

	FY14	FY15	FY16	FY17
Americas	419	493	564	639
EMEA	261	291	306	308
Asia Pacific	115	135	133	146
Total treatment centres	**795**	**919**	**1,003**	**1,093**

Source: Sirtex Investor Presentations

The Americas has seen the greatest increase in the number of treatment centres with 220 new centres at a CAGR of 15.1% from FY14 to FY17. EMEA and Asia Pacific treatment centres increased at lower CAGR rates (5.7% and 8.3% CAGR respectively), resulting in the total number of treatment centres increasing by 298 centres at a CAGR of 11.2% from FY14 to FY17. SIR-Spheres are currently administered to patients at over 1,160 treatment centres.

3.2.4 Regulatory approvals and reimbursement

SIR-Spheres have regulatory approval for treatment of inoperable liver cancer with the Therapeutic Goods Administration (TGA) in Australia and the CE Mark in the European Union. In the US, they have FDA approval for mCRC (but not HCC, which Sirtex intends to seek regulatory approval for soon).

Outlined in the table below is a summary of the reimbursement coverage held by Sirtex.

Table 4: Reimbursement coverage in key markets

Country	Reimbursement
US	Medicare, Medicaid and Commercial Insurance programs (mCRC only)
UK	Local funding and private insurers (mCRC, HCC and intrahepatic cholangiocarcinoma) only
Australia	Product Specific Temporary MBS code for mCRC
France	Ministry of Health for Sirtex Brand Specific for mCRC
Singapore	Public reimbursement approved by Ministry of Health
Germany	National Generic Y-90 for pan liver licence
Belgium	National reimbursement for pan liver
Spain	National reimbursement for Sirtex Brand for mCRC
Italy	Local funding
Canada	Local funding

Source: Sirtex Investor Presentations, reimbursement body websites

3.2.5 Non-core clinical research

The Company is in the early stages of exploring the possibility of using the technology for the treatment of cancers in other organs in collaboration with various academic and research institutions and has also been undertaking a number of research and development programs. Some of these programs have however, been discontinued as part of the strategy reset announced in June 2017.

3.3 Capital structure and shareholders

3.3.1 Equity shareholders

As at the Announcement Date, Sirtex had 55.8m ordinary shares on issue.

The following table summarises the substantial shareholders and their shareholding interest in the Company as at 8 February 2018.

Table 5: Sirtex's substantial shareholders as at 8 February 2018

Investor	Number of shares (m)	% of shares issued
Allan Gray Investment Management	3.3	5.9%
Other shareholders	52.5	94.1%
Total share capital	**55.8**	**100.0%**

Source: Orient Capital - Sirtex Medical Limited Top 100 Share Register Analysis

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The current Directors of Sirtex collectively own 35,777 ordinary shares of Sirtex, representing 0.06% of the total shares on issue.

As at the Announcement Date, Sirtex also had 825,954 Performance Rights on issue across three tranches as outlined below.

Table 6: Performance rights

Tranche	Vesting date	Number on issue as at Announcement Date
Rights issued in CY15	20 June 2018	129,744
Rights issued in CY16	20 June 2019	206,686
Rights issued in CY17	20 June 2020	489,524
Total		**825,954**

Source: Sirtex

In the event of a change in control of Sirtex, vested Performance Rights may be exercised and, unless the Sirtex Board determines in its discretion that a larger number will vest, a proportion of unvested Performance Rights may be exercised by the holder (with that proportion calculated based on the movement in Sirtex's share price (based on 10 day VWAP) since the beginning of the measurement period or at the discretion of the Sirtex Board, as stipulated). In the event the Proposed Scheme becomes effective, the Sirtex Board intends to exercise its discretion and allow all outstanding Performance Rights to vest.

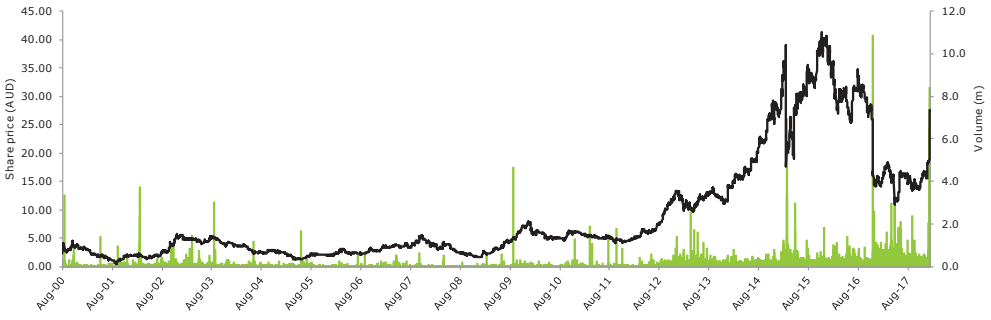
3.3.2 Debt

Sirtex currently has no debt and had AUD 92.8m cash on hand as at 31 December 2017.

3.4 Share price performance

In August 2000, Sirtex listed on the ASX with approximately 15 million ordinary shares, at an offer price of AUD 1.00 per share.

Figure 5: Share price performance

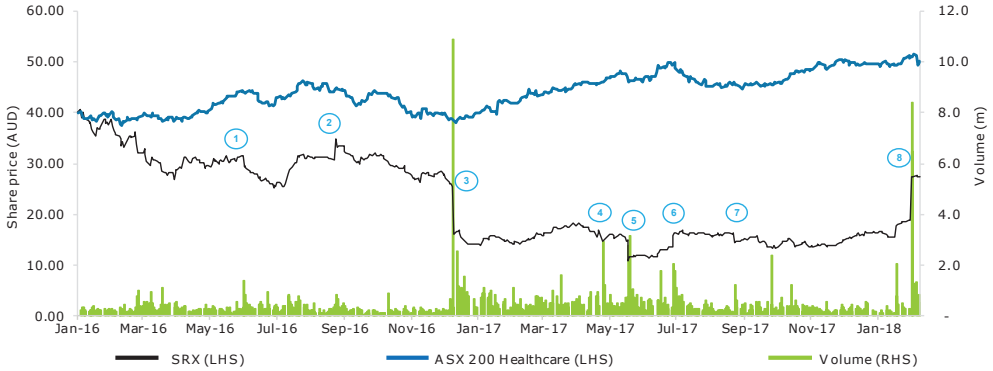


Source: CapitalIQ

After listing, the share price of Sirtex fluctuated between AUD 0.47 and AUD 7.99 until October 2012 when the Singapore manufacturing facility became operational. The annual volume of doses sold grew from approximately 6,000 doses in 2012 to over 10,000 doses in 2015 driving a significant uplift in the Sirtex share price over the same period. In March 2015, the share price then fell 44% due to the announcement of the SIRFLOX trial results, which did not indicate any statistically significant improvement in overall progression free survival.

Sirtex's daily share price history, trading volumes and performance against the S&P/ASX 200 Healthcare Index since 1 January 2016 are presented in the chart below, along with potentially price-sensitive ASX announcements and other events over the period.

Figure 6: Sirtex share price relative to ASX 200 Healthcare Index



Note:
The line representing ASX 200 Healthcare Index has been rebased to the share price of Sirtex as at 1 January 2016
Source: CapitalIQ

From January 2016, the share price of Sirtex fell from AUD 40.05 to a low of AUD 10.75 in May 2017 before trading within the range of AUD 11.54 to AUD 27.65 prior to the announcement of the Proposed Scheme.

In January 2016, Sirtex's share price was trading at all-time highs of approximately AUD 40.00 per share. This was possibly a reflection of:

- Sirtex's dose sales growth over the last five years to 30 June 2015 at a CAGR of 19.7%
- market perception of the clinical trials around the adoption of SIR-Spheres in earlier stages of liver cancer
- research being undertaken for use of SIR-Spheres in other indications.

The key price movements in Sirtex's share price and trading volumes, as identified by the numbers in the figure above, can be attributed to the following events and announcements.

Table 7: Key events/announcements

Reference	Date	Comments
1	01-Jun-16	The number of orders in Asia Pacific and EMEA were expected to fall due to temporary supply disruptions in Asia and tighter funding environments in Europe
2	24-Aug-16	Announcement of strong growth in FY16 and guidance of double digit dose sales growth for FY17
3	09-Dec-16	Expected dosage growth in FY17 reduced to between 5% to 11% in light of year–to-date performance
4	24-April-17	Announcement of results of SARAH clinical study which did not meet its primary endpoint
5	18-May-17	Announcement of the combined results of SIRFLOX /FOXFIRE /FOXFIRE Global studies which also do not meet primary endpoint, resulting in 28% share price decrease
6	28-June-17	Announcement of cost base restructuring with 15% cut in workforce
7	23-Aug-17	The share price decreases by 10% on release of the FY17 Annual Report
8	31-Jan-18	46% share price increase as the market aligns to the offer price under the Proposed Scheme

Source: ASX announcements, other public disclosures, Deloitte Corporate Finance analysis

Sirtex has traded at an average discount of 48% to the S&P/ASX 200 Healthcare Index (Healthcare Index) since January 2016. This discount appears to be largely driven by the announcement of the SIRFLOX study in early 2016, which produced unfavourable results, and the downgrade in expected dosage growth rates in December 2016.

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3.5 Financial performance

Recent reported financial performance of Sirtex for the financial years ended 30 June 2014 to 30 June 2017, and the six months ended 31 December 2017, is summarised below.

Table 8: Historical financial performance

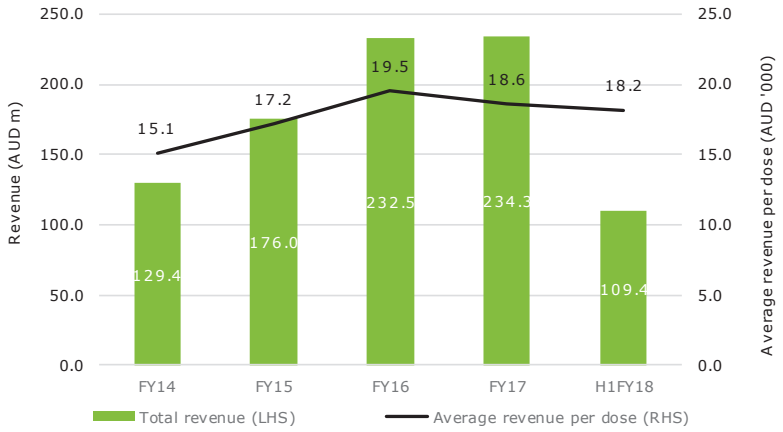
AUD m	Audited FY14	Audited FY15	Audited FY16	Audited FY17	Reviewed H1FY18[1]
Sales revenue	129.4	176.1	232.5	234.3	109.4
Cost of Sales	(20.4)	(27.7)	(35.3)	(36.2)	(17.7)
Gross profit	**109.0**	**148.4**	**197.2**	**198.1**	**91.7**
Other income	0.1	2.1	2.1	0.2	0.3
Operating expenses	(78.2)	(97.3)	(125.0)	(144.4)	(57.8)
EBITDA	**30.8**	**53.3**	**74.3**	**53.9**	**34.1**
EBIT	29.2	50.9	67.8	46.9	32.5
Impairment of intangible assets	-	-	-	(90.5)	-
Net finance income	1.9	1.9	2.2	2.6	0.8
Tax paid	(7.2)	(12.4)	(16.4)	14.7	(9.6)
NPAT	**23.9**	**40.3**	**53.6**	**(26.3)**	**23.6**
Dosage volumes (number)	8,561	10,252	11,931	12,578	6,023
Revenue per dose (AUD'000)	15.1	17.2	19.5	18.6	18.2
Treatment centres (number)	795	919	1,003	1,093	n/d
Dosage per treatment centre (number)	11.3	12.0	12.4	12.0	n/a
Revenue growth	*33.7%*	*36.1%*	*32.0%*	*0.8%*	*n/a*
Cost of sales (% of revenue)	*15.7%*	*15.7%*	*15.2%*	*15.4%*	*16.2%*
Gross profit margin	*84.3%*	*84.3%*	*84.8%*	*84.6%*	*83.8%*
Operating costs (% of revenue)	*60.5%*	*55.2%*	*53.8%*	*61.6%*	*52.5%*
EBITDA margin	*23.8%*	*30.2%*	*32.0%*	*23.0%*	*31.3%*
NPAT margin	*18.5%*	*22.9%*	*23.1%*	*(11.2)%*	*21.5%*

Note:
1. Cost of sales, gross profit and operating expenses (along with related metrics) may not be entirely comparable to prior periods due to the reclassification of quality assurance expenses from operating expenses to cost of sales.

EBIT = earnings before interest and tax
n/d = not disclosed
n/a = not available
NPAT = net profit after tax
Source: Sirtex Annual Reports and half year report, other press releases, Deloitte Corporate Finance analysis

Revenue increased at a compound annual growth rate (CAGR) of 34% between FY14 and FY16. This was driven by a 18% CAGR in dosage sales underpinned by an 18% growth in treatment centres using the product in the Americas during FY15, and a 14% CAGR in revenue per dosage as the number of government health institutions and private insurers offering reimbursements grew across the approved territories. The pace of growth slowed in FY17 with only a 5% increase in dosage volumes driven by increased challenges from competing therapies (US) and funding restrictions amongst reimbursement in certain countries (Germany and UK). This is also indicated by the number of doses per treatment centre dropping in FY17. This trend continued in H1FY18 with dosage volumes declining in comparison to the prior corresponding period (pcp) by 0.4%, with the impact on revenue (3.0% decrease over pcp) being further impacted by currency headwinds in the US and increased weighting towards lower priced markets across APAC.

Figure 7: Revenue and average revenue per dose



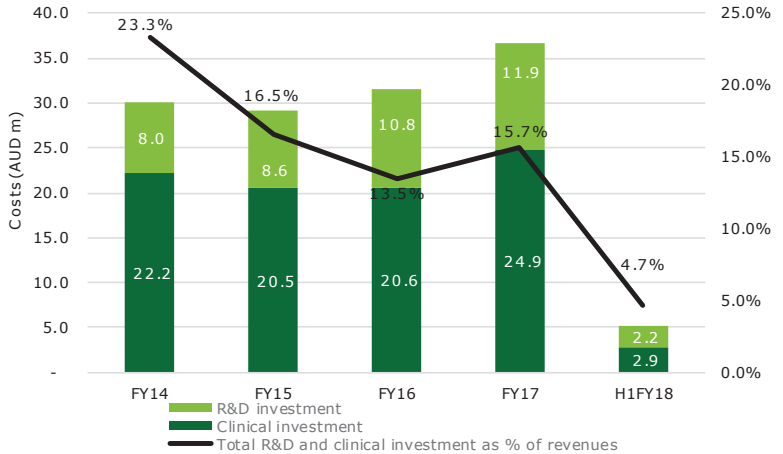
Source: Sirtex Annual Report

Gross margins have remained relatively stable over the observed period as costs to manufacture SIR-Spheres have not changed significantly over the period.

EBITDA margin improved to 32% in FY16 due to efficiencies from increased scale, however declined in FY17 as the lower than expected dosage sales and revenues were insufficient relative to the investment in the cost base made to drive growth on the anticipation of favourable clinical results. The improvement in EBITDA margins in H1FY18 was driven by reduced costs achieved under the restructure announced in June 2017.

R&D is a significant cash outflow for Sirtex, with certain development costs being capitalised whilst research and clinical trials costs are expensed. The following graph illustrates total research and development expenditure, and as a percentage of revenue from FY14 to H1FY18.

Figure 8: R&D expenditure (including clinical trials)



Note:
Research related expenses include costs related to clinical trials, along with research expenses
Source: Sirtex Annual Report

Research related expenses increased considerably in FY16 and FY17 as additional focus was placed on identifying new revenue streams on the expectation of successful clinical trials. However, the results of the major clinical studies did not support the extensive usage of SIR-Spheres Y-90 micro sphere resins as an alternative to other therapies, which resulted in the decision to not only impair the entire carrying value of those related development expenditures (AUD 90.5m in FY17), but significantly reduce R&D expenditure as part of the business reset.

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As noted above, Sirtex's reported financial performance includes a number of costs that are considered to be non-recurring and need to be adjusted from Sirtex's reported earnings in order to calculate a normalised EBITDA. These adjustments are summarised in the table below.

Table 9: Adjusted historical financial performance

AUD m	Audited FY14	Audited FY15	Audited FY16	Audited FY17	Reviewed H1FY18
Reported EBITDA	**30.8**	**53.3**	**74.3**	**53.9**	**34.1**
Adjustments					
Write-off of receivable				3.6	0.4
Restructuring costs				4.1	
Legal settlement			1.4		
Class action costs				0.8	1.0
Adjusted EBITDA	**30.8**	**53.3**	**75.7**	**62.3**	**35.5**
Adjusted EBITDA margin	*23.8%*	*30.2%*	*32.6%*	*26.6%*	*32.4%*

Source: Sirtex Annual Reports, Deloitte Corporate Finance analysis

These normalisation adjustments comprise:

- write-off of receivable: relates to an EMEA distributor and a US hospital entering bankruptcy in FY17
- restructuring costs: relate to employee redundancy payments associated with the reduction in the global workforce in FY17, predominately in the clinical, R&D and global marketing functions of the business
- legal settlement: litigation relating to a dispute with a distributor whose agreement had been terminated. This reflected management's best estimate of the liability at 30 June 2016 relating this dispute which arose in FY15
- class action costs: legal fees associated with responding to two class actions raised against the Company in 2017. Further information on these class actions is provided in Section 3.6.

In addition, FY17 EBITDA as indicated through lower margins was also impacted by the higher sales and marketing costs as an investment for future growth.

3.6 Financial position

Sirtex's financial position as at 30 June 2014, 30 June 2015, 30 June 2016, 30 June 2017 and 31 December 2017 is set out below.

Table 10: Historical financial position

AUD m	Audited 30-Jun-14	Audited 30-Jun-15	Audited 30-Jun-16	Audited 30-Jun-17	Reviewed 31-Dec-17
Cash and cash equivalents	22.5	21.9	21.0	50.3	42.8
Other short-term deposits	30.0	52.0	86.0	68.0	50.0
Total cash	**52.5**	**73.9**	**107.0**	**118.3**	**92.8**
Trade and other receivables	25.7	35.0	42.3	37.0	34.9
Other assets	3.9	4.4	5.9	5.2	5.1
Inventories	1.7	1.8	1.9	2.0	2.4
Trade and other payables	(14.7)	(24.3)	(28.1)	(26.4)	(16.4)
Tax liabilities	-	(4.7)	(7.2)	(8.4)	(6.4)
Provisions	(10.9)	(7.8)	(8.2)	(8.9)	(10.3)
Net working capital	**5.7**	**4.5**	**6.6**	**0.4**	**9.3**
Property, plant and equipment	13.6	13.2	14.0	12.0	11.1
Intangible assets	47.4	68.0	82.8	9.4	9.1
Total non-current assets	**61.0**	**81.2**	**96.8**	**21.5**	**20.3**
Deferred tax assets	4.0	5.1	7.8	10.2	9.4
Deferred tax liabilities	(15.5)	(20.0)	(24.7)	(0.9)	(0.7)
Net tax assets/(liabilities)	**(11.5)**	**(14.9)**	**(16.9)**	**9.2**	**8.8**
Net assets	**107.6**	**144.6**	**193.5**	**149.5**	**131.1**

Source: Annual reports and half yearly report

Sirtex's tangible asset base largely comprises cash and liquid assets which is common in the industry given the nature of life science businesses, and the intangible nature of its core asset which is not conducive to debt financing. The reduction in the cash balance across H1FY18 was driven principally by the share buy-back and dividend payment.

Working capital is relatively limited and has remained stable over the historical period given the credit worthy nature of its counterparties (i.e. governments, private health providers, etc.), low workforce levels and the half-life of its main ingredient (which results in low inventory levels).

R&D is an important investment for the Company with development costs capitalised in accordance with relevant accounting standards. As highlighted in Section 3.5, the results of the major clinical studies in FY17 did not meet their primary endpoint and hence the intangible asset could no longer be supported, resulting in a AUD 90.5m impairment of the intangibles in FY17. Further, Sirtex has elected to no longer capitalise its R&D and clinical expenditure, resulting in no new internally generated intangibles assets during H1FY18.

The deferred tax liabilities for Sirtex arise from the capitalisation of the development expenditure, different tax treatment of certain fixed assets, tax losses on overseas entities and unrealised foreign currency gains. During FY17, the impairment of AUD 90.5m relating to intangible asset resulted in a net deferred tax asset balance.

The Company is a respondent to two class action proceedings in the Federal Court of Australia. The class actions largely overlap and relate to alleged breach of continuous disclosure obligations by Sirtex in the period prior to 9 December 2016, and misleading and deceptive statements made by Sirtex on 24 August 2016 and 25 October 2016.

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The first class action was filed on 13 February 2017 and is said to concern all persons who acquired ordinary shares in Sirtex on or after 24 August 2016 and where holders of any of those shares at the commencement of trading on 9 December 2016. It makes a number of allegations against Sirtex including misleading and deceptive conduct and breach of continuous disclosure obligations. The applicant group's total claim is in the range of approximately AUD 277m to AUD 283m.

The second class action largely overlaps the first class action and was filed on 19 December 2017. It concerns all persons who acquired ordinary shares in Sirtex during the period from 24 August 2016 to 16 December 2016. It also alleges misleading and deceptive conduct and breach of continuous disclosure obligations, among other allegations.

Sirtex continues to defend itself against these actions and believes that any liability potentially arising out of the proceedings cannot be reliably assessed or estimated. Consequently, no contingent liability has been recorded in the financial statements.

3.7 Outlook

In order to improve the dosage sales in the future, Sirtex management is focusing on:

- geographic expansion – into Latin America (LATAM), France and Spain. Improving awareness of the treatment in these densely populated countries is expected to offer significant increase in dose sales;
- maintaining and working with additional reimbursement providers to improve accessibility of the treatment to a wider patient base; and
- filing for additional approvals with FDA for utilisation of SIR-Spheres for treatment of diseases outside mCRC. This particularly includes treatments for HCC.

Sirtex has provided guidance for FY18 (on 17 January 2018 and reconfirmed in the H1FY18 interim results released on 21 February 2018), with EBITDA expected to be in the range of $75m to $85m.

Equity research analysts, or brokers, provide commentary on the financial and trading performance of Sirtex, and periodically release profit estimates as part of their research. Outlined in the following table are the median of broker estimates for FY18, FY19 and FY20 published prior to the Announcement Date.

Table 11: Broker consensus (median)

AUD m	FY18	FY19	FY20
Revenue	240	253	268
Revenue growth	*2.4%*	*5.5%*	*5.9%*
Gross profit	207	214	224
GP margin	*86.3%*	*84.6%*	*83.6%*
EBITDA	77	83	88
EBITDA margin	*31.9%*	*32.7%*	*32.9%*
NPAT	57	62	68
NPAT margin	*23.8%*	*24.4%*	*25.4%*
EPS (AUD)	1.0	1.1	1.2

Note:
FY20 excludes significant outlier data
EPS = earnings per share
Source: Broker reports, Deloitte Corporate Finance analysis

The broker consensus is for Sirtex to generate minimal revenue growth in FY18 (reflecting low dose growth) before increasing in FY19 and FY20, albeit at lower rates relative to prior years. The brokers consider an expansion into the HCC in the US, following FDA approval, may have significant positive impact on sales.

In consideration of management's cost out plans, brokers also expect slight improvements in EBITDA margins for Sirtex, which in turn is expected to result in higher net profit after tax and EPS.

4 Valuation of Sirtex

4.1 Valuation summary

Deloitte Corporate Finance has estimated the current market value of the equity in Sirtex (on a control basis) to be in the range of AUD 1,325.0m to AUD 1,665.0m. This implies a value per share of AUD 23.41 to AUD 29.42 on a control basis.

We have valued Sirtex by applying the EBITDA multiple approach, as set out in the table below.

Table 12: Summary of our valuation of Sirtex

	Section	Unit	Low	High
Maintainable EBITDA	4.3.1	AUD m	80.0	90.0
EBITDA multiple	4.3.4	times	15.0	17.0
Enterprise value		**AUD m**	**1,200.0**	**1,530.0**
Add: net cash	4.3.5	AUD m	120.0	125.0
Add: surplus assets	4.3.6	AUD m	5.0	10.0
Equity value		**AUD m**	**1,325.0**	**1,665.0**
Number of shares on issue	4.3.8	AUD m	56.6	56.6
Value per share		**AUD**	**23.41**	**29.42**

Source: Deloitte Corporate Finance analysis

Our valuation has not had explicit regard to any potential compensation payable by Sirtex as a result of the various securities class actions given the significant uncertainty in the outcome and the difficulty in reliably quantifying such amount. Further details of this are provided in Section 4.3.7.

Details of the analysis underpinning the valuation parameters adopted are set out in the following sections.

4.2 Selection of valuation approach and other considerations

For the purpose of our opinion, current market value is defined as the amount at which the shares would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length. We have not considered special value in this assessment.

We have assessed the equity value of Sirtex using the capitalisation of earnings method before adding/subtracting the value of surplus assets and liabilities and deducting net debt.

Refer to Appendix 2 for a detailed discussion on the various valuation methodologies which can be adopted in valuing corporate entities and businesses.

The capitalisation of earnings method is typically applied to businesses which generate a stable level of earnings growth. This method involves applying a multiple to a proxy of maintainable earnings. In this regard, we note:

- earnings growth is stable
    - dosage volumes have flatlined and therefore the business has reached a mature level of earnings
    - although capital, R&D and marketing expenditure is important to Sirtex, there is no current or projected requirement for the Company to incur significant or unusual capital, R&D and marketing expenditure, which would result in significant volatility in the underlying earnings of the business

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- there is an adequate number of publicly listed companies and global transactions involving companies with operations and growth sufficiently comparable to Sirtex from which a meaningful comparison can be undertaken and an appropriate multiple can be applied.

Future maintainable earnings represent the level of maintainable earnings that the existing operations could reasonably be expected to generate. We have selected EBITDA as an appropriate measure of earnings because earnings multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on EBIT or NPAT. This allows a better comparison with earnings multiples of other companies.

As a cross-check to our valuation derived under our primary methodology, we undertook a high level discounted cash flow analysis (under the Income approach) having regard to the current five-year business plan developed by Sirtex management. More details on the valuation methodologies is set out in Appendix 2.

Whilst revenue is predominately generated overseas in foreign currency, these earnings are ultimately converted back into AUD for reporting purposes with dividends paid to shareholders also in Australian dollars. Further, our selection of earnings has had regard to more recent earnings performance and the impact of currency fluctuations.

Our valuation of Sirtex has been undertaken on a control basis, consistent with the requirements of ASIC RG111.

4.3 Application of EBITDA multiple approach

4.3.1 EBITDA assessment

In selecting a maintainable EBITDA for Sirtex, we considered the following:

- the recent restructure of the business which implies greater relevance to a forward estimate (i.e. FY18) as compared to a historical earnings measure
- management guidance for FY18 of reported EBITDA between AUD 75.0m to AUD 85.0m. Given the reported EBITDA for the first half was AUD 34.1m, the full year guidance implies an expected EBITDA performance of between AUD 40.9m and AUD 50.9m for H2FY18. Since H1FY18 was impacted by one-off costs, we consider H2FY18 to be a better basis from which to assess EBITDA. This suggests an annualised EBITDA of approximately AUD 80m to AUD 100m. However, the top end of this range could be viewed as carrying risk given the dosage growth required through H2FY18 to achieve it
- an assessment of the normalised EBITDA of Sirtex as outlined in Section 3.5. Normalised EBITDA was 75.7m for FY16, 62.3m for FY17 and 35.5 for H1FY18 based on adjusting reported EBITDA for the impact of one-off expenses such as write-off of receivables due to bad debt, restructuring costs, legal settlement costs and class action costs. Further, costs relating to clinical trials, sales and marketing, and research and administrative expenses are not expected to be incurred at the same level going forward, as the business has been reset to align with the current outlook implied by the unfavourable clinical trial results and refocus of the business on core activities
- consensus broker estimates of AUD 77m for FY18 and AUD 83m for FY19 as outlined in Section 3.7.

Based on the considerations outlined above, we have adopted EBITDA based on FY18 to be in the range of AUD 80m to AUD 90m for the purpose of our analysis. Whilst the top end of our selected range is higher than Sirtex management's guidance, we do not consider this unreasonable noting Sirtex management's estimate includes a degree of restructuring and other one-off costs along with costs of being a listed entity.

4.3.2 Selection of EBITDA multiple

In selecting an earnings multiple for Sirtex we have considered earnings multiples derived from share market prices of listed companies with comparable operations to its businesses and the implied earnings multiples paid to acquire companies with operations comparable to its operations.

Earnings multiples derived from share market trading (which we refer to as 'listed company multiples' in this section) do not reflect the market value for control of a company as they are based on portfolio holdings in the subject companies. The difference between the market value of a controlling interest and a minority interest is referred to as the premium for control.

The owner of a controlling interest has the ability to do many things that the owner of a minority interest does not. These include:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for directors and managers
- determine and change the strategy and policies of the company
- make acquisitions, restructure the business or divest operations
- control the composition of the board of directors.

Australian studies indicate the premiums required to obtain control of companies range between 20% and 40% of the portfolio holding values. Further details of control premiums are provided in Appendix 5.

In comparison, the acquisition price achieved in mergers or acquisitions of companies (particularly which control is transferred) represents the market value of a controlling interest in that company.

4.3.3 Selection of comparable companies and transactions

We have conducted a global search for companies comparable to Sirtex. As most of the comparable companies have diversified operations and manufacture a wide variety of medical products, there is a limited number of companies directly comparable to Sirtex on a standalone basis. We have therefore categorised the comparable companies into two groups, being those operating in the interventional oncology device market and high growth ASX-listed healthcare companies (refer to Appendix 3).

With respect to comparable transactions, we referred to the acquisition of businesses involved in radioactive microspheres oncology treatments, and oncology and cancer treatments (refer to Appendix 4). We have only considered transactions that occurred over the past five years given the more recent transactions are more likely to reflect the relative values being paid in the current business and market environment.

Transaction multiples are calculated with reference to historical earnings and, as a result, all things being equal, we would expect the transaction multiples (particularly where control is transferred) to be higher than the unadjusted current or forecast trading multiples observed for listed comparable companies.

Market trading multiples

Outlined in the table below are the implied EBITDA multiples and relevant metrics of the comparable companies.

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Table 13: Summarised comparable companies' financial and valuation metrics

Company	LTM EBITDA (AUD m)	EBITDA margin (current)	Revenue growth[1]	EBITDA growth[1]	EBITDA times (current)
Interventional oncology device market					
Medtronic	11,982	31.8%	0.7%	5.1%	13.1x
Boston Scientific	3,287	28.2%	5.9%	9.0%	15.4x
Terumo Corporation	1,559	24.8%	6.4%	11.3%	14.1x
BTG	262	26.4%	5.9%	13.6%	14.4x
Merit Medical Systems	156	17.5%	8.0%	13.0%	18.0x
AngioDynamics	56	15.5%	0.2%	n/a	11.8x
High growth ASX-listed healthcare companies					
CSL	2,958	32.6%	5.0%	7.4%	21.8x
ResMed	804	29.4%	8.8%	12.8%	19.3x
Cochlear	335	28.2%	12.0%	20.4%	25.3x

Note:
1. CAGR implied by revenue and EBITDA forecasts for the year ending 30 June 2019 compared to the LTM reported revenue and EBITDA.

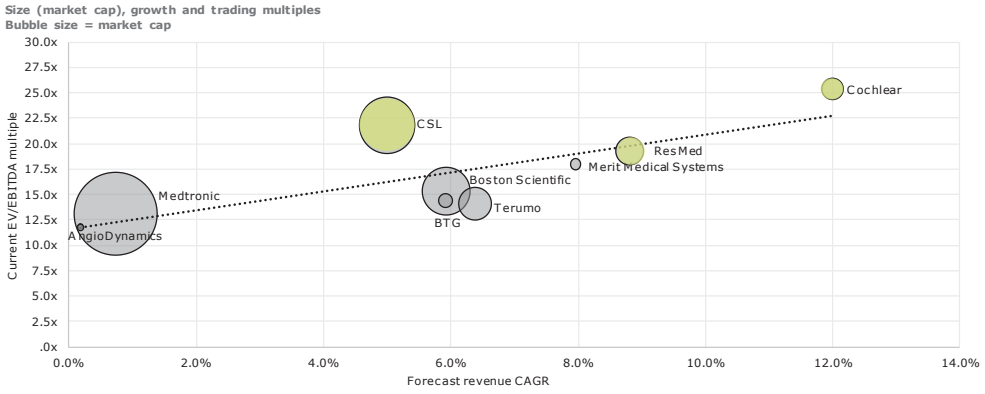
LTM = last twelve months
Source: CapitalIQ, Annual Reports, Company Announcements, Deloitte Corporate Finance analysis

A full list containing the description and details of the comparable companies considered in our analysis is provided in Appendix 3. In assessing the comparability of these companies, we have had regard to the following key factors:

- **Business model:** whilst there are no comparable companies solely focused on SIRT treatments, a number of these companies have operations in the interventional oncology market covering ablation and/or SIRT based treatments. We also had regard to its industry peer group that are locally listed as these companies provide a guide on investor sentiment impacting the sector

- **Growth prospects:** companies with higher growth outlook generally trade at higher multiples than those with lower growth prospects. We have observed that the comparable multiples are particularly correlated with revenue growth as this is reflective of the expectation of increased product demand, increased market share and a development pipeline. Other drivers of growth include cost reduction which leads to earnings growth

Figure 9: Correlation of EBITDA multiple to forecast revenue CAGR



Source: CapitalIQ, Annual Reports, Company Announcements, Deloitte Corporate Finance analysis

- **Diversification and scale:** Companies with greater product/geographic diversification tend to be larger and trade on higher multiples than their smaller peers. Medical and healthcare companies can gain a significant advantage from scale and diversification, as it enables

companies to better utilise the capacity of their manufacturing facilities and distribution processes, reduce earnings volatility and the risk of exposure to single changes in regulatory approvals/reimbursement, unfavourable clinical trials, and gain greater influence and terms of trade from their supply chain partners and financiers

- **EBITDA margin:** companies with higher margins tend to trade at higher multiples as such companies tend to offer products with pricing power in the market, and/or have greater capacity to absorb higher costs which may be imposed on the business. We note that the companies focusing on specialised oncology treatments such as ablation or radioembolisation generally generate a higher EBITDA margin than those companies which also sell lower-margin general healthcare supplies such as needles, syringes or catheters.

Of the comparable companies identified, we consider Medtronic and BTG to be most comparable to Sirtex as they offer interventional oncology treatments such as ablation or SIRT. More specifically:

- Medtronic is one of the largest players in the ablation device market and trades on a FY18 EBITDA multiple of 13.1 times. Ablation-based treatments are currently a more preferred treatment than SIRT. Medtronic is significantly larger than Sirtex with LTM revenues of AUD 38.8b compared to Sirtex LTM which is AUD 230.9m, and has exposure to higher growth regions such as China, which Sirtex has yet to penetrate. Although Medtronic has a more diverse product offering, it has lower growth prospects (forecast revenue CAGR of 0.7% and forecast EBITDA CAGR of 5.1%), which reflects competitive pressures on cardiac rhythm management and potential loss of market share to competitors such as Boston Scientific. Its EBITDA margins are similar to Sirtex (c. 32%)

- BTG is a key player in the SIRT treatment market and produces the competing TheraSphere product. BTG trades on a FY18 EBITDA multiple of 14.4 times. BTG has a much more diverse product offering than Sirtex, as it has operations in the pharmaceuticals sector and other income streams such as royalties from licensing agreements. These other business units are likely to be valued at lower multiples (and as such BTG's interventional oncology business would be valued at higher multiples). A significant portion (c. 90%) of its revenues are geographically concentrated in the US. BTG is significantly larger than Sirtex with LTM revenues of AUD 1.0b. BTG has similar growth prospects (forecast revenue CAGR of 5.9% and EBITDA CAGR of 13.6%) to Sirtex, although at a slightly lower EBITDA margin (c. 25%).

On balance, we consider the multiples of Medtronic and BTG to be indicative of an appropriate multiple for Sirtex, before adjusting for a control premium.

The other identified companies in the interventional oncology device market (Boston Scientific, Terumo, Merit Medical Systems and AngioDynamics) have either a different or significantly more diversified product mix than Sirtex. On this basis, we have observed but placed less reliance on their implied multiples in our assessment of an appropriate earnings multiple for Sirtex. In particular, we note:

- Boston Scientific (15.4 times), Terumo (14.1 times) and Merit Medical Systems (18.0 times) are significantly larger and have higher revenue growth expectations than Sirtex. We expect these larger companies to generally trade at higher earnings multiples than Sirtex, all else being equal

- on the other hand, AngioDynamics (11.8 times) has lower growth expectations, lower margins and is smaller than Sirtex, suggesting Sirtex's multiple should be higher, all else being equal.

We also had regard to its industry peer group whom are locally listed as these companies provide a guide on investor sentiment impacting the sector. CSL (21.8 times), ResMed (19.3 times) and Cochlear (25.3 times) are market leaders in their respective segments, and are much larger and have higher growth expectations than Sirtex. They also have a strong track record of delivering growth, are leaders in their market and operate globally. This suggests the multiple for Sirtex should be materially lower.

Comparable transaction multiples

Outlined in the table below are the implied EBITDA multiples and relevant metrics of the comparable transactions. More detail is outlined in Appendix 4.

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Table 14: Summarised comparable transaction financial and valuation metrics

Transaction announcement date	Target	Acquirer	Currency	Implied EV (m)	Implied EV/EBITDA
Radioactive microspheres oncology treatment					
23-May-13	Nordion Inc (Targeted Therapies Division i.e. TheraSphere)	BTG	USD	200.0	14.2x
Oncology and cancer treatment					
22-Aug-16	Medivation	Pfizer	USD	14,003.7	29.3
4-Mar-15	Pharmacyclics	AbbVie	USD	19,883.4	176.3
19-Nov-13	EOS	Clovis Oncology	EUR	144.3	n/m
5-Sep-13	Astex Pharmaceuticals	Otsuka Pharmaceutical	USD	673.5	n/m

Notes:
n/m = not meaningful
Source: Mergermarket, CapitalIQ, Annual Reports, Company Announcements, Deloitte Corporate Finance analysis

We make the following observations in relation to the selected comparable transactions:

- the acquisition price of a company represents the market value of a controlling interest in that company
- we consider BTG's acquisition of the Targeted Therapies Division of Nordion to be the most comparable transaction to Sirtex, having regard to the product offering (radioactive microspheres for SIRT) and underlying target market (patients with inoperable liver cancer). BTG was acquired at a 14.2 times historical EBITDA multiple, with an implied enterprise value of USD 200.0m. However, this transaction occurred almost five years ago and at that time Therasphere was still immature
- large players in the market, such as AbbVie and Pfizer, have been strengthening their portfolio of branded medicines and treatments in specialty subsectors, including oncology. Some of their transactions occurred at very high multiples especially for those companies with promising treatments in the pipeline, or newly approved products at the beginning of their growth cycle.

On the basis of the above, we consider the implied multiple of BTG's acquisition of Targeted Therapies Division of Nordion to be the most relevant transaction multiple reference point for our assessment of an appropriate multiple for Sirtex but note that this is quite dated.

4.3.4 Selected multiple

Based on our analysis of the comparable companies and transactions outlined in Section 4.3.3 above, we have adopted an FY18 EBITDA multiple (on a control basis) in the range of 15.0 times to 17.0 times to be appropriate to apply to the FY18F normalised EBITDA of Sirtex for the following reasons:

- Sirtex is a leader in an oligoply market targeting demand for salvage treatments of advanced liver cancers. Despite the unfavourable clinical trial results, there are opportunities to expand into other geographies, other incidence applications and streamlining of dosage logistics to grow base earnings for some time
- the business generates strong margins, which combined with the reduction in R&D and associated capital expenditure, and low working capital requirements results in high cash conversion
- notwithstanding the above, Sirtex is a single product company, where that product focuses on a particular type of cancer and has regulatory approval in certain markets and only as a salvage

treatment. In addition, the threat of substitutes is strong with a number of alternative treatments in the process of being researched by competitors.

4.3.5 Net cash

Our EBITDA multiples approach results in the determination of the enterprise value of Sirtex. To derive the equity value, we have adjusted this enterprise value for the net debt/cash position of Sirtex expected at the time of the shareholder vote of the Proposed Scheme.

Management have advised that they expect the net cash position of Sirtex to be in the range of AUD 120.0m to 125.0m. This represents the value of cash, cash equivalents and short term deposits that are not restricted.

4.3.6 Surplus assets

Sirtex holds a number of assets not captured by our valuation under the multiples method. These comprise:

- an AUD 4.0m R&D tax incentive, which is expected to be utilised in FY18
- tax losses of AUD 2.0m
- R&D slated for sale.

We have attributed a value of AUD 5.0m to AUD 10.0m to these other assets for the purposes of our analysis.

4.3.7 Class actions

As discussed in Section 3.6, the range of possible outcomes of the class actions is expected to range between nil and AUD 283.0m depending on the methodology adopted. Applying the same methodology as adopted in court precedents in the US and the Supreme Court in NSW suggest the liability will be at the lower end of the range if it proceeded to trial.

Whilst the Board and management of Sirtex have indicated that they will vigourously defend the Company against these actions, evidence suggests that such class actions which proceed to trial tend to settle prior to the trial commencing. Such settlements do not necessarily indicate an admission of guilt but rather an effort to avoid the complications, confidentiality risk and costs associated with going to court.

Despite this, there is significant uncertainty in the outcome of any compensation. On this basis, we do not consider the liability associated with the class actions can be reliably quantified. Should any compensation become payable by Sirtex, this would reduce the value of Sirtex and therefore improve the fairness of the Proposed Scheme.

4.3.8 Shares outstanding

As noted in Section 3.3.1, Sirtex has 55.8 million fully paid ordinary shares on issue.

As at the Announcement Date, Sirtex also had 825,954 Performance Rights on issue. The Directors have exercised their discretion and have deemed these rights to vest in the event the proposed Scheme is approved. On this basis, we have included these rights in the number of ordinary shares on issue for the purposes of the valuation.

Table 15: Shares outstanding

m	Number of shares
Fully paid ordinary shares on issue	55.8
Performance rights on issue	0.8
Shares outstanding (as at 31 December 2017)	**56.6**

Source: Sirtex, Deloitte Corporate Finance analysis

4.4 Cross-check: discounted cash flow analysis

We undertook a high level discounted cash flow analysis as a cross-check to our primary valuation under the EBITDA multiple approach. Whilst Sirtex management acknowledges the uncertainty concerning the preparation of cash flow projections beyond FY18, we note the market value of Sirtex is primarily driven by their ability to drive dosage sales growth, the timeframe in which the growth is able to be achieved and execution of cost out initiatives.

As such, we have prepared future cash flow projections based on forecasts provided by Sirtex management prepared as part of their five-year plan. These projections are a function of the key variables outlined above which have been sensitised to assess the net present value of Sirtex's future growth potential.

The key assumptions adopted in our high level discounted cash flow analysis are summarised below:

- based on Sirtex managements' forecasts we developed a long term cash flow model assuming a 10 year forecast period which we considered sufficient to capture the high confidence, new strategic initiatives identified by Sirtex management over the next five years followed by a reversion to a long term growth rate in the subsequent five year period
- pricing projections and cash flows have been developed in local currency and then converted to AUD at the current exchange rate which is also viewed as the expected rate over the long term
- we have created separate forecast cash flow profiles for the base business and each strategic initiative:
    - base case: the base case reflects the expected growth profile of the Company prior to the implementation of a number of new growth initiatives identified by Sirtex management

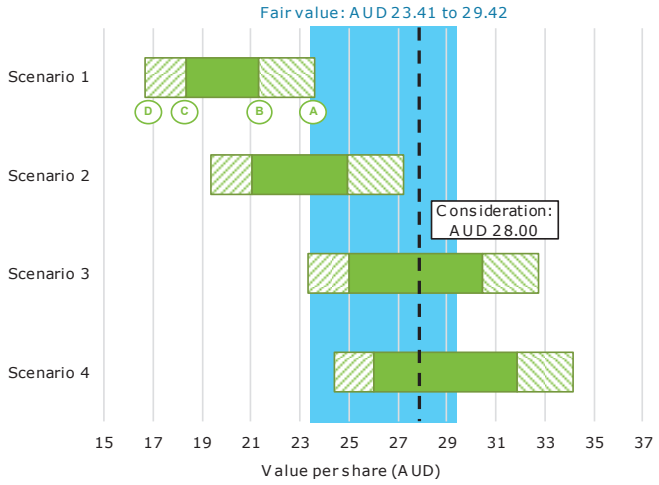
      Under the base case, Sirtex management forecasted dosage volumes for each segment (Asia Pacific, EMEA and the Americas) using a bottom-up approach having regard to incidence rates and the hierarchy of treatments, resulting in a slight increase in market penetration in those markets. We sensitised dosage sales growth by adjusting Sirtex management's forecasts post FY19 to be more consistent with recent history
    - new services: new services refer to initiatives focused on improving sales via dosage optimisation, ordering and marketing of current treatment indications in existing geographies. Such initiatives are expected to improve market share in existing markets
    - geographic expansion: includes initiatives to increase global footprint via increasing the number of treatment centres in current markets and expanding into new markets particularly in Asia and LATAM where medical delivery is improving, combined with growing affluence and increased health spend. We have sensitised these assumptions by adjusting the commencement and quantum of forecast dosage sales in certain jurisdictions having regard to the work undertaken to date, views on regulatory approval timeframes and third party reports on size of markets
    - indication expansion: includes initiatives to expand the application of SIR-Spheres for HCC incidences in certain jurisdictions. Similar to geographic expansion, we have sensitised this initiative by adjusting the commencement and quantum of forecast dosage sales assumed, again having regard to work undertaken to date, views on regulatory approval timeframes and third party reports on size of markets
- we have assumed minimal real growth in pricing of SIR-Spheres in recognition of payor funding constraints, the threat of substitutes, and the margin improvements achieved from economies of scale over time which allow the business to absorb minimal growth in pricing
- the restructure of Sirtex is designed to reset the business on a more sustainable cost base to align with its refocus back towards its core product. In light of the economies of scale achievable as volumes grow over time, and the business reset, EBITDA margins are expected to improve over the forecast period. As a sensitivity, we have tapered the EBITDA margin expansion to

reflect the possibility that the Company may not be able to operate as lean as Sirtex management expects

- other cash flow considerations:
    - no capital expenditure was assumed on the basis that Sirtex's manufacturing facilities are currently under-utilised (20-40% capacity) with sufficient capacity to manufacture the forecasted volumes without need for additional capital expenditure
    - we have assumed an effective tax rate of 25%, which is consistent with historical effective tax rate and aligns with the long term corporate tax rate in the US, its largest market
- we have estimated a terminal value at the end of the forecast period using the Gordon Growth model. A long term growth rate of 2.0% p.a. has been adopted having regard to long term inflation rates in Sirtex' key operating regions, the impact of increased competition and substitutes in the medical device/interventional oncology industry, and the obsolescence risk particularly for a single product business in the life science sector
- we adopted a base discount rate for Sirtex of 11.5% (nominal ungeared weighted average cost of capital), having regard to the Capital Asset Pricing Model (CAPM). Additional premiums of up to 4.0% have been applied to the cash flows of the different initiatives in recognition of the state of development of each initiative, the risk of execution and uncertainty of market timing.

The results of this analysis are illustrated in the figure below.

Figure 10: Indicative discounted cash flow valuation cross-check



Source: Deloitte Corporate Finance analysis

The value ranges outlined above reflect:

- Scenario 1 – base case
- Scenario 2 – Scenario 1 plus new initiatives
- Scenario 3 – Scenario 2 plus geographic expansion
- Scenario 4 – Scenario 3 plus indication expansion.

Points along the valuation range for each scenario are defined by four sensitivities:

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- A – management's revenue and cost assumptions
- B – Deloitte Corporate Finance's revenue sensitivity
- C – Deloitte Corporate Finance's cost sensitivity
- D - Deloitte Corporate Finance's revenue and cost sensitivity.

When considering the value ranges presented above, we note the limitations in considering certain assumption changes in isolation or collectively. Further, the business is vulnerable to various risks that could severely affect its long term operations and resultant value, such as:

- Sirtex's core product, SIR-Spheres, faces increased competition and technological obsolescence caused by repositioning of existing competitors' products or development of new cancer treatments which may affect volumes and margins
- availability and extent of reimbursement of patients' medical expenses by third party payor organisations including government agencies, private healthcare insurers and other healthcare payors. A reduction in reimbursement would significantly lower demand for SIR-Spheres as customers turn to cheaper alternative treatments
- potential product quality issues affecting brand reputation and brand equity resulting in the removal of regulatory approvals or a weakening in relationships with regulatory bodies
- adverse movements in foreign exchange rates considering the majority of Sirtex's revenues and inputs are denominated in foreign currency and there being no hedging in place.

Whilst we consider the above risks to be reflected in the discount rate we have selected, we note that any one of the risks identified could materially decrease the value of Sirtex. It may be the case that a trade purchaser is capable of realising the initiatives captured in scenarios 2 to 4 with greater confidence and lower risk (relative to our assessed risk premiums implied in the discount rate).

Having regard to the above, we consider the discounted cash flow analysis is supportive of our valuation derived under the EBITDA multiples approach but also suggests that the Consideration being paid includes synergies capable of being extracted by trade purchasers.

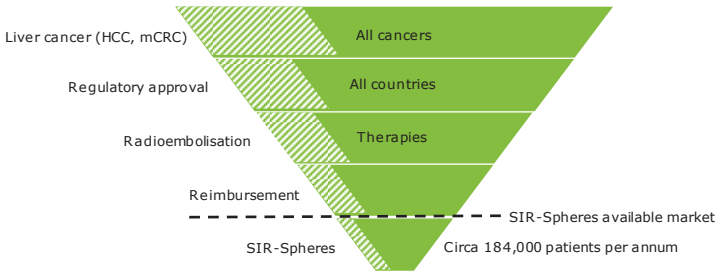
Appendix 1: Global Interventional Oncology industry

Overview

Sirtex provides a radioembolisation treatment which is a form of interventional oncology, involving the use of minimally invasive procedures to treat patients with cancer, other comorbidities and inoperable patients. Interventional oncology is one of the fastest growing forms of cancer treatments compared to the more traditional approaches of cancer care such as conventional surgery, radiotherapy and chemotherapy.

The addressable market of Sirtex is a function of a number of factors as illustrated in the figure below.

Figure 11: Key drivers of SIR-Spheres addressable market



Source: Deloitte Corporate Finance analysis

Essentially, the addressable market for SIR-Spheres is a function of the proportion of all cancers that are liver cancers for which Sirtex has regulatory approval to undertake radioembolisation as the preferred treatment which is reimbursable by either public or private subsidy.

More discussion on these drivers is provided below. At the end of this section, we outline the expected growth rates for liver cancer procedures in the global interventional oncology sector.

Instances of liver cancer

Cancer can be broadly classified into two types, primary and secondary.

HCC is the most common type of primary liver cancer which is the sixth most common cancer overall and the second most common cause of cancer death globally. Whilst the majority of HCC cases occur in developing countries in the Asia–Pacific region, it results in approximately 800,000 deaths globally per annum[3].

In the US alone, around 42,220 new cases of liver cancer are expected to be diagnosed in 2018, out of which approximately three quarters are expected to be HCC. It is estimated that around 30,200 deaths will occur in 2018 in the US due to liver cancer[4].

Common causes of HCC include Hepatitis B virus (HBV) and Hepatitis C virus (HCV). Incidences from HBV are expected to reduce due to the introduction of a HBV vaccine. In Taiwan, a country wide vaccination program was undertaken over a 10-year period which reduced the incidence of HCC from 0.70 to 0.36 per 100,000 children[5]. Incidences of HCC from HCV are also expected to reduce as newer

[3] Global Burden of Disease Liver Cancer Collaboration. The Burden of Primary Liver Cancer and Underlying Etiologies from 1990 to 2015 at the Global, Regional, and National Level: Results From the Global Burden of Disease Study 2015. JAMA Oncol 2017; 3:1683

[4] American Cancer Society, Cancer Facts & Figures 2018

[5] Hepatocellular Carcinoma: From diagnosis to treatment by Abhijeet Waghray, Arvind R Murali, and KV Narayanan Menon

antiviral treatments are developed. Despite this, liver cancer is expected to rise over the long term due to increased obesity levels and its metabolic complications.

mCRC is the most common type of secondary liver cancer and generally originates in the colon or the rectum. In the US alone, around 140,250 new cases of colon and rectum cancer are expected to be diagnosed in 2018 and it is estimated that will lead to approximately 50,630 deaths[6]. Approximately 50% of patients will be diagnosed with liver metastases[7].

Over a 10 year period in the US from 2005 to 2014, overall mCRC incidence declined largely as a consequence of better screening processes, with an annual decline of 3.8% (colon cancer) and 3.5% (rectal cancer) amongst adults older than 55 years of age offsetting the annual increases of 1.5% (colon cancer) and 2.4% (rectal cancer) which occurred to their younger cohort[8].

Availability of alternate therapies (regulatory)

There are a number of categories of treatments to liver cancer which can be classified as one of the following options: surgery, liver transplant, ablation, transcatheter arterial chemoembolisation (TACE), chemotherapy, targeted therapy, radio therapy, radioembolisation (also called as SIRT), and immunotherapy (also called biologic therapy).

Different treatments are used after considering the type of liver cancer, stage, associated diseases, etc. Surgery is a preferred option since it is likely to be the most successful treatment, however it can only be used in the very early stages where there is only a single tumour which has not spread to other blood cells and the liver is healthy.

Treatments like ablation, transplant or TACE are used in early or intermediate stages. Ablation uses heat to destroy a tumour. Liver transplant involves removing a patient's liver and replacing it with a healthy liver. TACE is a combination of chemotherapy and embolisation. It is usually used in cases where patients cannot have surgery.

In the later intermediate or advanced stage, palliative or targeted therapies are used. In chemotherapy, drugs are used to slow the growth, kill or shrink the tumour. Targeted therapies provide drugs which stops or slow down the growth of tumours or reduce their size by targeting specific molecules in the cancer cells. X-rays, electron beams, protons or gamma cells are used in radiotherapy to kill or stop the growth of cancer cells. Radioembolisation uses doses of radiotherapy which is placed in radioactive beads to target cancer in the liver. Immunotherapy activates certain parts of a person's immune system, or prevents its inhibition by the tumour, to fight cancer cells.

In comparison with traditional technologies, interventional oncology provides for a minimally invasive, targeted treatment of cancer. Interventional radiologists treat cancerous tumours without affecting other parts of the body by using image guidance techniques. As a result, interventional oncology is becoming more popular due to its shorter procedure time and hence shorter recovery times, and lower complications and chance of infection. Interventional oncology is also a good alternative for patients who cannot tolerate chemotherapy, while it is also being increasingly used in combination with other treatments such as ablation or chemotherapy. Sirtex's recent clinical trials have possibly improved outcomes through the use of chemotherapy treatment combined with SIR-Spheres. Unfortunately, the clinical evidence did not meet the primary endpoints and therefore there is limited evidence of success.

As technology has improved there has been an introduction of many new products and innovations which may affect the use of interventional oncology. Microwave ablation is an emerging technology in the ablation space, and is being increasingly adopted due to its efficacy and faster procedure times as compared to traditional ablation techniques. Opdivo® (nivulumab, Bristol-Myers Squibb) is a chemotherapy drug which has recently received regulatory approval in the US for use on HCC. Further clinical trials are also being undertaken on Keytruda® (pembrolizumab, Merck & Co) which is another chemotherapy drug used to treat HCC. Opdivo® and Keytruda® are known as immune checkpoint inhibitors and are emerging as alternative treatment options for many cancers. The radiopharmaceutical

[6] American Cancer Society, Cancer Facts & Figures 2018

[7] Van Cutsem E, et al. On behalf of the ESMO Guidelines Working Group. Advanced colorectal cancer: ESMO Clinical Practice Guidelines for treatment. Ann Oncol 21(Suppl 5):v93-v97, 2010

[8] American Cancer Society, Cancer Facts & Figures 2018

product, Lutathera® (lutetium Lu-177 dotate, Advanced Accelerator Applications) was approved in Europe in 2017 and in the US in January 2018[9].

The introduction of these new technologies, procedures and drugs which are potentially less invasive or more beneficial for the patient, may adversely impact the demand for interventional oncology. In the near term, these new substitutes may lead to a delay in the use of SIR-Sphere's on HCC in the US because they will likely be trialed first. In addition, SIRT techniques are currently only approved as a salvage treatment. However, there is potential for combination treatment of SIR-Spheres and checkpoint inhibitors. Salvage level treatments generally can only be used when all other treatment options have been exhausted or other treatment options are not capable of being used on the patient. As a result, the global addressable market for SIR-Spheres is even further reduced to approximately 184,000 patients per annum in existing markets[10].

Health payor funding

Increased government or health insurance assistance helps reduce the cost of interventional oncology procedures making it more attractive for patients (and also more likely to be recommended by clinicians). Regulatory approvals from bodies such as the FDA do not guarantee approval for reimbursements. There are a number of factors that governments consider when determining the amount of reimbursement for a particular drug or treatment, such as the relative effectiveness of the treatment, actual results, the cost of the treatment, the impact on budget and reference pricing (what are the other countries doing and how much they are reimbursing). The process of getting reimbursement approval is unique to each market and payors within market and can take up to 3 years (if reimbursement approval is granted).

Competitive landscape

Sirtex Medical and BTG dominate the radioembolisation sphere segment by revenue in the US with a market share in 2015 of around 59% and 37%, respectively[11]. Due to high costs compared to other segments of interventional oncology, radioembolisation accounts for a large proportion of overall interventional oncology revenue. Sirtex and BTG accounted for approximately 40% of the revenue of the interventional oncology market in the US in 2015.

Major leaders in the interventional oncology market such as Sirtex, BTG, Medtronic and NeuWave Medical have been traditionally focused on either ablation devices or embolisation particles. However, due to increasing focus on combination therapies, companies that offer ablation devices as well as embolisation are expected to be well-positioned. Further, companies which are dependent on one single product will be vulnerable to any technological changes or any negative clinical opinion for their procedures.

It should also be noted that newer treatments modalities, particularly immunotherapies such as checkpoint inhibitors and chimaeric antigen receptor-T (CAR-T), are showing considerable benefit in treating many cancers, including advanced CRC and HCC, and potentially compete with embolisation technologies or, as discussed, may find improved efficacy when used in combination with radioembolisation.

[9] We note that this is not currently a treatment for HCC

[10] Sirtex FY17 Investor Presentation

[11] Medtech 360 Interventional Oncology Devices, Market Analysis US 2016

Alternative uses

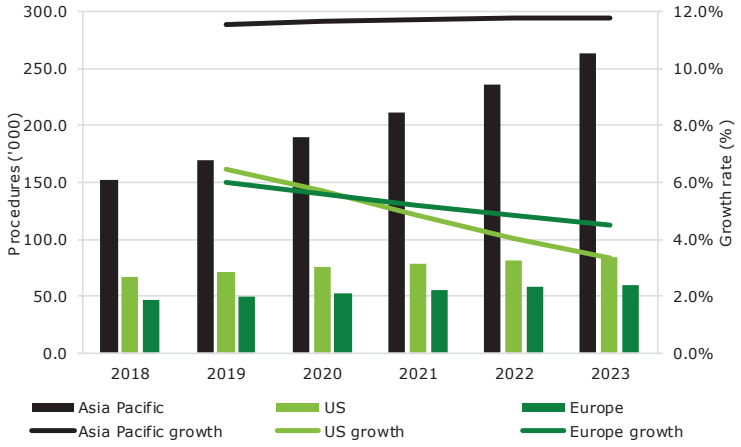
Whilst interventional oncology has been traditionally focused on liver cancer, investigations are being undertaken to determine its application for other cancers such as kidney, lung, bone, breast and pancreatic cancer. The growing incidence of kidney cancer has led to increased interest in clinical trials for embolisation treatments. There has also been interest in using interventional oncology on lung cancer, however, further innovation is required due to the lung's small blood cells making it difficult to undertake embolisation procedures.

Growth prospects for the interventional oncology sector

The global radioembolisation industry is currently USD 300m in size[12] (Sirtex's market share is approximately 60%) and is expected to grow at approximately 5% to 8% per annum[13], while the global interventional oncology market is forecast to grow at a CAGR of 11.7% from 2017 to 2021[14] to become a USD 1,000m industry by 2022[15].

Considering the industry drivers outlined above, the number of interventional oncology procedures for liver cancer globally is expected to grow at a CAGR of 9.1% from FY18 to FY23, as outlined in the figure below.

Figure 12: Forecast interventional oncology growth



Source: Medtech 360 Interventional Oncology Devices, Market Analysis US 2016, Asia Pacific 2015 and Europe 2015

The growth is largely attributable to the APAC region given the prevalence of HBV and HCV.

[12] J.P. Morgan, Varian Medical Broker Report 30 January 2018

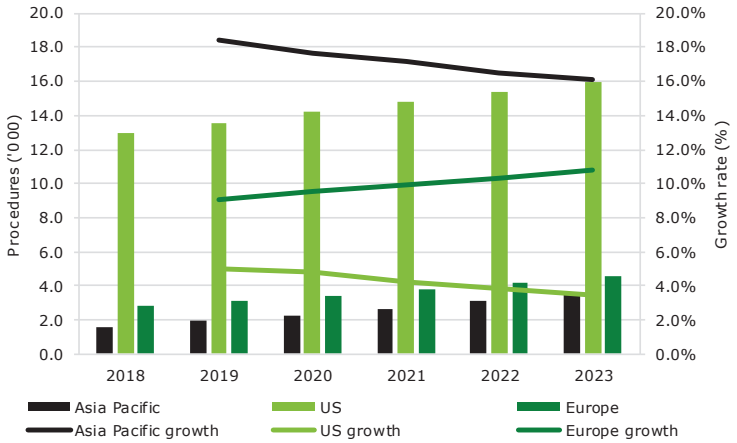
[13] J.P. Morgan, Varian Medical Broker Report 30 January 2018

[14] BusinessWire, Global Interventional Oncology Market to Grow at a CAGR of 11.17% by 2021 <https://www.businesswire.com/news/home/20170331005487/en/Global-Interventional-Oncology-Market-Grow-CAGR-11.17>

[15] J.P. Morgan, Varian Medical Broker Report 30 January 2018

This also translates to similar global growth rates for radioembolisation procedures (6.7% CAGR) as illustrated below.

Figure 13: Forecast radioembolisation growth



Source: Medtech 360 Interventional Oncology Devices, Market Analysis US 2016, Asia Pacific 2015 and Europe 2015

Appendix 2: Valuation methodologies

To estimate the market value of Sirtex's shares we have considered common market practice and the valuation methodologies recommended by ASIC Regulatory Guide 111, which provides guidance in respect of the content of independent expert's reports. These are discussed below.

Market based methods

Market based methods estimate an entity's fair market value by considering the market price of transactions in its shares or the fair market value of comparable companies. Market based methods include:

- market multiples
- analysis of an entity's recent share trading history
- industry specific methods.

The market multiples approach estimates fair market value based on an entity's financial measure (such as revenue, EBITDA, NPAT, dividends or net tangible assets) and an appropriate multiple (or capitalisation rate/yield). An appropriate multiple is derived from market transactions involving comparable companies.

The most recent share trading history provides evidence of the fair market value of the shares in an entity where they are publicly traded in an informed and liquid market. However, it may not always reflect the control value of a company.

Industry specific methods estimate market value using rules of thumb for a particular industry. General rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Income based methods

Income based methods such as the discounted cash flow approach estimate market value by discounting an entity's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value businesses experiencing or expected to experience substantial growth in cash flows such as early stage companies or projects with a finite life.

Cost based methods

Cost based methods estimate the market value of an entity's shares based on the cost of recreation or replication of the assets. Such methods include:

- orderly realisation of assets
- liquidation of assets
- historical cost (going concern).

The orderly realisation of assets approach estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation approach is similar to the orderly realisation of assets approach except the liquidation approach assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate.

Historical cost based approach considers the cost of recreating or replicating the individual assets of the business enterprise on a going concern basis. Such approaches work on the principle that a buyer of the business enterprise in question would consider what it would cost to build the enterprise as opposed to buying the enterprise. Such approaches, whilst considered reasonable for businesses with substantial tangible assets, are usually not considered appropriate for businesses with substantial intangible assets as quantification of the value associated with recreating or replicating intangible assets can be fraught with issues. In addition, consideration should be given to cost associated with operating the assets on a going concern basis.

Appendix 3: Comparable entities

The following table outlines the listed companies we consider comparable.

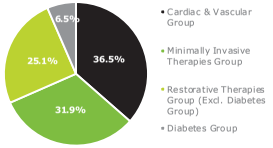
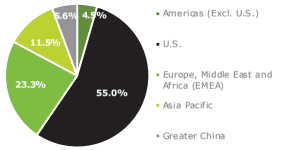
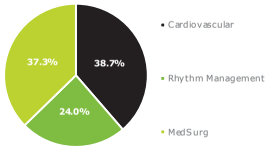
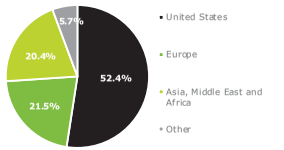
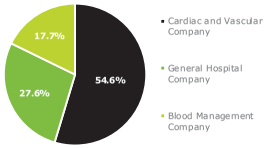
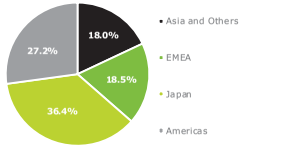
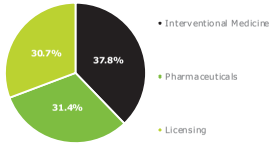
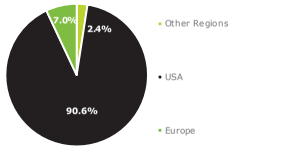
Table 16: Comparable companies' financial and valuation metrics

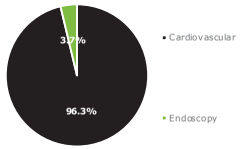
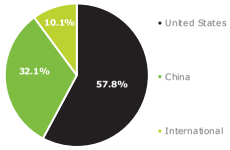
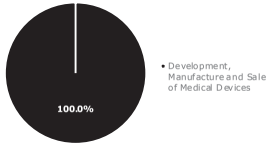
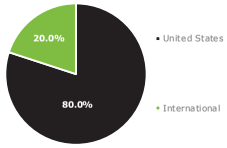
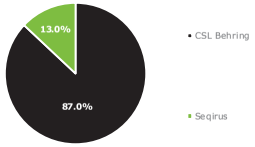
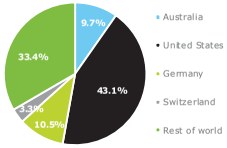
	Revenue multiples			EBITDA multiples			EBITDA margin (%)			Revenue growth[4]	EBITDA growth[4]
Company Name	LTM[1]	Current[3]	Forward[3]	LTM[1,2]	Current[3]	Forward[3]	LTM[1,2]	Current[3]	Forward[3]		
Interventional oncology device market											
Medtronic plc	4.1x	4.2x	4.0x	13.2x	13.1x	12.2x	30.9%	31.8%	33.1%	0.7%	5.1%
Boston Scientific Corporation	4.5x	4.3x	4.1x	16.0x	15.4x	14.1x	27.9%	28.2%	29.1%	5.9%	9.0%
Terumo Corporation	3.6x	3.5x	3.3x	15.6x	14.1x	13.3x	23.3%	24.8%	24.9%	6.4%	11.3%
BTG plc	4.0x	3.8x	3.6x	15.9x	14.4x	12.7x	25.1%	26.4%	28.4%	5.9%	13.6%
Merit Medical Systems, Inc.	3.2x	3.1x	2.9x	19.6x	18.0x	16.3x	16.5%	17.5%	17.6%	8.0%	13.0%
AngioDynamics, Inc.	1.8x	1.8x	1.8x	14.5x	11.8x	n/a	12.4%	15.5%	n/a	0.2%	n/a
High growth ASX-listed healthcare companies											
CSL Limited	7.1x	7.1x	6.6x	23.0x	21.8x	19.3x	32.9%	32.6%	34.1%	5.0%	7.4%
ResMed Inc.	5.9x	5.7x	5.2x	21.0x	19.3x	17.5x	28.1%	29.4%	29.6%	8.8%	12.8%
Cochlear Limited	7.7x	7.1x	6.5x	29.6x	25.3x	22.4x	25.9%	28.2%	28.8%	12.0%	20.4%

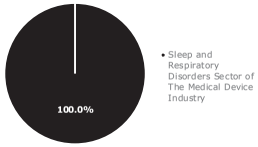
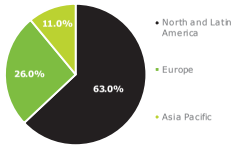
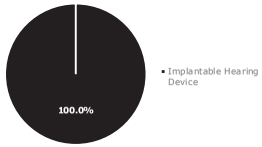
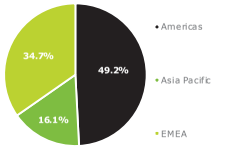
Notes:
1. Historical revenue and EBITDA multiples are based on the last twelve months reported revenue and EBITDA, respectively, based on the most recent quarterly or half yearly reports available
2. For comparability purposes, historical EBITDA has been adjusted to include development costs which may have otherwise be capitalised according to relevant accounting standards
3. Current and forecast revenue and EBITDA multiples based on a year end of 30 June 2018 and 30 June 2019, respectively. In calculating the current and forecast multiples for the comparable companies with financial year end different to that of 30 June, we have adjusted the revenue and EBITDA forecasts on a pro-rata basis, deriving last twelve months' revenue and EBITDA as at 30 June
4. CAGR implied by revenue and EBITDA forecasts for the year ending 30 June 2019 compared to the LTM reported revenue and EBITDA.

Source: CapitalIQ, Annual Reports, Company Announcements, Deloitte Corporate Finance analysis

Table 17: Description of comparable companies

Company Name	Historical revenue (AUD m)	Historical EBITDA (AUD m)	Business segments	Geographical segments	Business description
Interventional oncology device market					
Medtronic plc	38,804.3	11,982.1			Medtronic manufactures and sells device-based medical therapy products. The minimally invasive therapies segment includes ablation system products utilising thermal, microwave and radiofrequency ablation technologies used in interventional oncology.
Boston Scientific Corporation	11,798.8	3,287.4			Boston Scientific develops, manufactures and markets medical devices and a range of interventional medicine products across cardiovascular, cardio rhythm management and MedSurg (endoscopy, urology and pelvic health, neuromodulation).
Terumo Corporation	6,704.8	1,559.0			Terumo manufactures and sells products for use in cardiothoracic surgery, interventional procedure, and medicine transfusion. Within the cardiac and vascular company segment, Terumo focuses on coronary, peripheral and neurovascular interventions, and interventional oncology in the form of chemo-embolisation of liver cancer.
BTG plc	1,040.8	261.5			BTG acquires, develops and manufactures a portfolio of interventional medicine products designed to advance the treatment of cancer, vascular conditions and severe emphysema. Its interventional medicine product portfolio includes beads and TheraSphere® yttrium-90 glass microspheres for the treatment of liver cancer, which is the main competitor product of Sirtex.

Company Name	Historical revenue (AUD m)	Historical EBITDA (AUD m)	Business segments	Geographical segments	Business description
Merit Medical Systems, Inc.	949.1	156.3			Merit Medical Systems designs, manufactures and markets interventional and diagnostic products across cardiac intervention, peripheral intervention and interventional oncology segments. Its primary products include inflation devices, diagnostic and hydrophilic products, thrombolytic catheter and fluid dispensing systems, and embolotherapeutic products for the treatment of uterine fibroids, hypervascularised tumours and arteriovenous malformations. The interventional oncology segment produces the HepaSphere and QuadraSphere microspheres for treatment of hepatic oncology, and Embosphere and EmboGold microspheres to treat arteriovenous malformations and hypervascular tumours.
AngioDynamics, Inc.	450.7	56.0			AngioDynamics designs, manufactures and sells various medical, surgical and diagnostic devices for the treatment of peripheral vascular disease, vascular access and for use in oncology and surgical settings in the US and globally. It owns a diverse product line including radiofrequency ablation and products for dialysis, angioplasty, drainage, thrombolytic therapy, embolisation, venous and targeted renal therapies.
High growth ASX-listed healthcare companies					
CSL Limited	9,640.5	3,172.3			CSL is an Australian company which operates in two main segments being CSL Behring which manufactures, markets and develops plasma therapies for the treatment of bleeding disorders, and Seqirus which manufactures and distributes non-plasma biotherapeutic products and develops influenza related products.

Company Name	Historical revenue (AUD m)	Historical EBITDA (AUD m)	Business segments	Geographical segments	Business description
ResMed Inc.	2,863.4	804.4			Resmed develops, manufactures and distributes medical devices and cloud-based applications that diagnose, treat and manage respiratory disorders comprising sleep disordered breathing, chronic obstructive pulmonary disease, neuromuscular disease and other chronic diseases. The company is dual-listed on stock exchanges in US and Australia.
Cochlear Limited	1,294.2	335.0			Cochlear develops and produces implantable hearing solutions to treat hearing loss. The company's product portfolio includes cochlear implants, middle-ear implants, Baha bone conduction implants, electro-acoustic implants, as well as other sound processors and wireless accessories.

Appendix 4: Comparable transactions

The following table outlines acquisitions of companies we consider comparable.

Table 18: Comparable transactions

Transaction announcement date	Target	Acquirer	Currency	Implied EV (m)	Revenue (m)	Implied EV/ Revenue	EBITDA (m)	Implied EV/ EBITDA
Radioactive microspheres oncology treatment								
23-May-13	Nordion, Inc (Targeted Therapies Division i.e. TheraSphere)	BTG plc	USD	200.0	48.0	4.2x	14.1	14.2x
Oncology and cancer treatment								
22-Aug-16	Medivation, Inc.	Pfizer Inc	USD	14,003.7	1,027.1	13.6x	477.7	29.3x
4-Mar-15	Pharmacyclics LLC	AbbVie Inc	USD	19,883.4	816.1	24.4x	112.8	n/m
19-Nov-13	EOS (Ethical Oncology Science) S.p.A.	Clovis Oncology Inc.	EUR	144.3[3]	3.0[1]	47.5x[1]	(2.6)[1]	n/m[1]
5-Sep-13	Astex Pharmaceuticals, Inc.	Otsuka Pharmaceutical Co., Ltd.	USD	673.5	80.0[2]	8.4x[2]	(0.5)[2]	n/m[2]

Notes:
1. Based on normalised EBITDA for last 12 months to 30 September 2013. The normalised EBITDA for the last financial year prior to transaction (year ended 31 December 2012) was EUR 24.1m, which would imply an EV/EBITDA multiple of 6.0x. Revenue for the last financial year was EUR 46.1m, which implies an EV/revenue multiple of 3.1x
2. Based on normalised EBITDA for last 12 months to 30 June 2013. The normalised EBITDA for the last financial year prior to transaction (year ended 31 December 2012) was USD 9.6m, which would imply an EV/EBITDA multiple of 70.5x. Revenue for the last financial year was USD 80.0m, which implies an EV/revenue multiple of 8.1x
3. Excluding earnouts.

Source: Mergermarket, CapitalIQ, Annual Reports, Company Announcements, Deloitte Corporate Finance analysis

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Table 19: Description of comparable transactions

Target name	Target description
Radioactive microspheres oncology treatment	
Nordion, Inc (Targeted Therapies Division i.e. TheraSphere)	Nordion's Targeted Therapies Division consists of a sole product, TheraSphere. TheraSphere is a targeted liver cancer therapy consisting of millions of small glass beads (microspheres) containing a radioactive yttrium-90 radioisotope. TheraSphere was approved by the US FDA in 2000 as a humanitarian use device for patients with a unresectable HCC condition.
Oncology and cancer treatment	
Medivation, Inc.	Medivation is a US-based biopharmaceutical company focused on the rapid development of novel therapies to treat serious diseases for which there are limited treatment options. At the time of acquisition, Medivation's products included Xtandi, the leading prostate cancer drug, and two experimental drugs in later-stage development. Xtandi is an oral prescription medicine and helps slow cancer cell growth by interfering with androgen or hormone receptors. Xtandi received FDA approval in August 2012. The two experimental drugs included Talazoparib, a poly ADP ribose polymerase inhibitor which disrupts enzymatic activity for the treatment of breast cancer, and Pidilizumab which is a monoclonal antibody for blood cancer lymphoma.
Pharmacyclics LLC	Pharmacyclics is a company that develops and commercialises novel therapies for the treatment of cancer and immune-mediated diseases in the US. Pharmacyclics' product portfolio included a leading hematological oncology drug, Imbruvica, the Bruton's tyrosine kinase inhibitor which received FDA approval to treat mantle cell lymphoma (2013), chromic lymphocytic leukaemia (2014) and Waldenstom's Macroglobulinemia (2015), and approved in more than 40 countries.
EOS (Ethical Oncology Science) S.p.A.	Ethical Oncology Science is a privately held Italian biopharmaceutical company developing lucitanib, an oral, dual-selective inhibitor of tyrosine kinase enzyme activity. Lucitanib is a targeted therapy for tumours in patients with certain types of cancer, notably breast cancer, and was involved in an ongoing clinical study since 2010.
Astex Pharmaceuticals, Inc.	Astex Pharmaceuticals is a company specialising in the development of oncology drugs, including Dacogen, which treats myelodysplastic syndromes and elderly acute myeloid leukaemia. Dacogen received FDA approval in 2006. The company also owns the fragment-based drug discovery platform and technology, PYRAMID, which enables the more rapid discovery and development of compounds for target proteins.

Source: Company websites, Mergermarket, CapitalIQ and other announcements

Appendix 5: Control Premium Studies

Set out in this appendix are a number of studies and analyses that we have identified in order to inform our assessment of the appropriate range of control premiums to apply. In particular, this includes our own database of transactions in the Australian market of which we maintain on a regular basis.

Deloitte database of Australian public company M&A activity

We conducted a study of premiums paid in Australian transactions completed between 1 January 2000 and 31 December 2017. Our merger and acquisition data was sourced from Mergermarket, CapitalIQ and Thomson Reuters along with publicly available news and information sources. This identified 615 transactions that were completed during the period under review16.

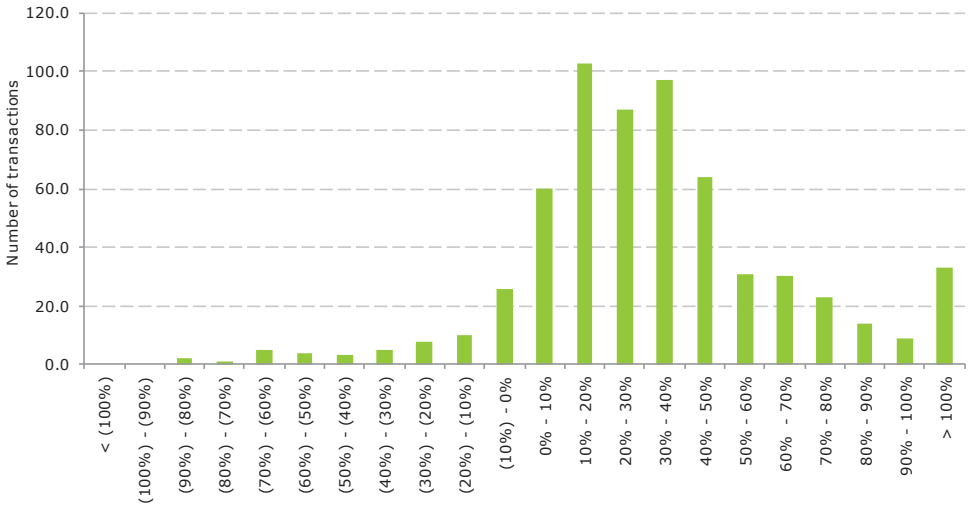
Our data set consisted of transactions where an acquiring company increased its shareholding in a target company from a minority interest to a majority stake or acquired a majority stake in the target company.

We assessed the premiums by comparing the offer price to the closing trading price of the target company one month prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, we used the closing share price of the acquiring company on the day prior to the date of the offer.

Summary of findings

As the following figure shows, premiums paid in Australian transactions between 1 January 2000 and 31 December 2017 are widely distributed with a long 'tail' of transactions with high premiums.

Figure 14: Control premium analysis - distribution of transactions



Source: Deloitte Corporate Finance analysis

[16] Excluding transactions where inadequate data was available.

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The following table details our findings.

Table 20: Control premium analysis – overall market findings

	Control premium
Upper quartile	47%
Average	35%
Median	30%
Lower quartile	13%

Source: Deloitte Corporate Finance analysis

Set out in the table below are the control premiums for transactions in the Health and Life Sciences sector:

Table 21: Control premium analysis – Health and Life Sciences sector findings

	Control premium
Upper quartile	49%
Average	35%
Median	36%
Lower quartile	23%

Source: Deloitte Corporate Finance analysis

Many of the observed control premiums below 20% are likely to have been instances where the market has either been provided with information or anticipated a takeover offer in advance of the offer being announced. Accordingly, the pre-bid share trading price may already reflect some price appreciation in advance of a bid being received, which creates a downward bias on some of the observed control premiums in our study.

Many of the observed control premiums above 40% are likely to have been influenced by the following factors which create an upward bias on some of the observed control premiums in our study:

- some acquirers are prepared to pay above market value to realise 'special purchaser' value which is typically only available to very few buyers. Such 'special purchaser' value would include the ability to access very high levels of synergistic benefits in the form of cost and revenue synergies or the ability to gain a significant strategic benefit
- abnormally high control premiums are often paid in contested takeovers where there are multiple bidders for a target company. In such cases, bidders may be prepared to pay away a greater proportion of their synergy benefits from a transaction than in a non-contested situation
- some of the observations of very high premiums are for relatively small listed companies where there is typically less trading liquidity in their shares and they are not closely followed by major broking analysts. In these situations, the traded price is more likely to trade at a deeper discount to market value on a control basis.

Accordingly, the observed control premiums to share trading prices for such stocks will tend to be higher.

Other studies

In addition to our own analysis as set out above, we have also had regard to the following:

- a study conducted by S.Rossi and P.Volpin of London Business School dated September 2003, 'Cross Country Determinants of Mergers and Acquisitions', on acquisitions of a control block of shares for listed companies in Australia announced and completed from 1990 to 2002. This study included 212 transactions over this period and indicated a mean control premium of 29.5% using the bid price of the target four weeks prior to the announcement

- 'Valuation of Businesses, Shares and Equity' (4th edition, 2003) by W.Lonergan states at pages 55-56 that: "Experience indicates that the minimum premium that has to be paid to mount a successful takeover bid was generally in the order of at least 25 to 40 per cent above the market price prior to the announcement of an offer in the 1980s and early 1990s. Since then, takeover premiums appear to have fallen slightly."

- a study conducted by P.Brown and R.da Silva dated 1997, 'Takeovers: Who wins?', JASSA: The Journal of the Securities Institute of Australia, v4 (Summer):2-5. The study found that the average control premium paid in Australian takeovers was 29.7% between the period January 1974 and June 1985. For the ten year period to November 1995, the study found the average control premium declined to 19.7% (however, we note that during this period, the Australian economy went through a period of unusually weak economic growth, including a recession)

- a study conducted by A. Gilmore, G. Yates and I. Douglas of RSM dated 2017, 'Control Premium Study 2017 – Insights into market dynamics, financial dynamics and other factors', on successful takeovers and schemes of arrangement completed between 1 July 2005 and 30 June 2016 for companies listed on the Australian Stock Exchange. The study included 463 transactions (for which meaningful data was available) and indicated an average implied control premium at 20 days pre-bid of 34.5% and a median implied control premium of 27.0%.

Appendix 6: Context to the report

Individual circumstances

We have evaluated the Proposed Scheme for Shareholders as a whole and have not considered the effect of the Proposed Scheme on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Scheme from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Scheme is fair and reasonable and therefore in the best interests of Shareholders. If in doubt, investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations, qualifications, declarations and consents

This report has been prepared at the request of the Directors of Sirtex and is to be included in the Scheme Booklet to be given to Shareholders to assist them in deciding whether to approve the Proposed Scheme. Accordingly, it has been prepared only for the benefit of the Directors and those persons entitled to receive the Scheme Booklet in their assessment of the Proposed Scheme and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Shareholders and Sirtex, in respect of this report, including any errors or omissions however caused. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Proposed Scheme.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Scheme is in the best interests of the Shareholders as a whole.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by Sirtex and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us.

In recognition that Deloitte Corporate Finance may rely on information provided by Sirtex and its officers, employees, agents or advisors, Sirtex has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which Sirtex may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by Sirtex and its officers, employees, agents or advisors or the failure by Sirtex and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Scheme.

Drafts of our report were issued to Sirtex management for confirmation of factual accuracy. We may not have become aware of all information that may be relevant to our work and opinion.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of Sirtex personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board (AUASB) or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte considers that there are reasonable grounds to believe that the prospective financial information for Sirtex included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of Sirtex referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the

assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte Corporate Finance principally involved in the preparation of this report were Tapan Parekh, Partner, M.Com, B.Bus, F.Fin, CA (BV Specialist) and Robin Polson, Partner, B.Com, G. Dip. App Fin, FINSIA. Each have many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 225 George Street, Sydney, NSW, 2000 acknowledges that:

- Sirtex proposes to issue a disclosure document in respect of the Proposed Scheme between the Shareholders and Varian (the Scheme Booklet)
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet for review
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report as Annexure A.

On the basis that the Scheme Booklet is consistent in all material respects with the draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report as Annexure A of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included as Annexure A.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- the Scheme Implementation Deed between Sirtex Medical Limited and Varian Medical Systems, Inc. dated 30 January 2018
- audited financial statements of Sirtex for the years ending 30 June 2015 to 30 June 2017
- Sirtex annual reports and investor presentations for the years ending 30 June 2015 to 30 June 2017 and the half year report for the period ending 31 December 2017
- management presentations and company strategy documents, including documents prepared for prospective bidders
- legal advice provided by Watson Mangioni
- minutes of the meetings of the board of Directors
- Sirtex company website
- publicly available information on comparable companies and market transactions published by ASIC, CapitalIQ, Thomson Research, Thomson Reuters Financial markets and Mergermarket
- industry reports other publicly available information, media releases and brokers reports on Sirtex and the global interventional oncology industry.

In addition, we have had discussions and correspondence with certain directors and executives of Sirtex, along with advisors to Sirtex, including:

- Andrew McLean, Chief Executive Officer
- Darren Smith, Chief Financial Officer
- Dr John Eady, Interim Chairman
- Dr Katherine Woodthorpe, Non-executive Director

ANNEXURE A INDEPENDENT EXPERT'S REPORT

- Neville Mitchell, Non-Executive Director
- Grant Boyce, Non-Executive Director
- Helen Kurincic, Non-Executive Director
- Watson Mangioni, legal advisors to Sirtex
- UBS AG – Australian Branch, financial advisors to Sirtex.

ANNEXURE A INDEPENDENT EXPERT'S REPORT

Deloitte.

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SIRTeX

Annexure Scheme Implementation Deed

B

ANNEXURE B SCHEME IMPLEMENTATION DEED

WATSON MANGIONI

Scheme Implementation Deed

Sirtex Medical Limited
(ABN 35 078 166 122)

Varian Medical Systems, Inc.

Watson Mangioni Lawyers Pty Limited
Corporate and Commercial Lawyers
Level 23, 85 Castlereagh Street
SYDNEY NSW 2000
Tel: (02) 9262 6666
Fax: (02) 9262 2626
Email: mail@wmlaw.com.au
Ref: CSC 217 7345

ANNEXURE B SCHEME IMPLEMENTATION DEED

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ANNEXURE B SCHEME IMPLEMENTATION DEED

This Scheme Implementation Deed is made on 30 January 2018.

Parties:

1. **Sirtex Medical Limited** (ABN 35 078 166 122) of Level 33, 101 Miller Street, North Sydney NSW 2060, Australia (**Sirtex**);

2. **Varian Medical Systems, Inc.** of 3100 Hansen Way, Palo Alto, CA 94304-1038, United States (**Bidder**).

Recitals:

A. Sirtex and the Bidder have agreed to propose and implement a scheme of arrangement under Part 5.1 of the Corporations Act between Sirtex and its shareholders.

B. At the request of the Bidder, Sirtex has agreed to propose the Scheme and issue the Scheme Booklet.

1. Definitions and Interpretation

1.1. Definitions

In this deed:

Adviser means, in relation to an entity:

(a) a financier to the entity in connection with the Transaction; or

(b) a financial, corporate, legal, technical or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Transaction by the entity.

AIFRS means the International Financial Reporting Standards as adopted in Australia.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of the ASX.

Bidder Group means the Bidder and each of its subsidiaries (excluding, at any time, Sirtex and its subsidiaries to the extent that Sirtex and its subsidiaries are subsidiaries of the Bidder at that time) and a reference to a **member of the Bidder Group** is to the Bidder or any such subsidiary.

Bidder Information means information about the Bidder Group provided or approved by the Bidder or any of its Advisers for inclusion in the Scheme Booklet.

Bidder Nominee means any wholly-owned subsidiary of the Bidder nominated by the Bidder to acquire Scheme Shares under the Scheme in accordance with clause 2.2.

Bidder Parties means the members of the Bidder Group and their respective officers, employees and Advisers.

Bidder Representations and Warranties means the representations and warranties set out in Schedule 1.

Board means the board of directors of Sirtex.

ANNEXURE B SCHEME IMPLEMENTATION DEED

Business Day means a business day as defined in the ASX Listing Rules.

Claim includes, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Class Actions means the following proceedings:

(a) Todd Hayward v Sirtex Medical Limited (File number: VID91/2017) filed in the Victorian Registry of the Federal Court of Australia on 9 February 2017; and

(b) Pawel Kuterba v Sirtex Medical Limited (ACN 78 166 122) (File number: VID1375/2017) filed in the Victorian Registry of the Federal Court of Australia on 15 December 2017,

and any other proceedings in any way related to those proceedings or their subject matter.

Competing Proposal means any proposal or transaction (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities or joint venture) which, if completed, would mean a Third Party, whether alone or together with any associate, would:

(a) (other than as custodian, nominee or bare trustee) acquire an interest in, or a relevant interest in, 20% or more of the Sirtex Shares or the shares of any material subsidiary of Sirtex other than pursuant to the exception in item 9 of section 611 of the Corporations Act;

(b) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in assets of the Sirtex Group with an aggregate book value representing 20% or more of the total assets of the Sirtex Group as set out in Sirtex's consolidated balance sheet as at 30 June 2017;

(c) acquire control of Sirtex or any material subsidiary of Sirtex; or

(d) otherwise acquire or merge or amalgamate with Sirtex or any material subsidiary of Sirtex,

whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction or share buy-back, sale or purchase of shares, securities or assets, global assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), or other transaction or arrangement. For the purposes of paragraphs (a) and (c) above, a subsidiary of Sirtex will be a material subsidiary if:

(1) the business or property of the subsidiary contributes more than 20% of the consolidated net profit after tax of Sirtex; or

(2) the business or property of the subsidiary represents more than 20% of the total consolidated assets of the Sirtex.

Conditions Precedent means the conditions precedent set out in clause 3.1.

Confidentiality Deed means the confidentiality deed between Sirtex and the Bidder dated on or about 30 November 2017.

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

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

Court means the Federal Court of Australia (NSW registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing between the parties.

Deed Poll means a deed poll in favour of all Scheme Shareholders in the form of Annexure C (or such other form agreed to in writing between the parties).

ANNEXURE B SCHEME IMPLEMENTATION DEED

Disclosed means fairly disclosed:

(a) in the Disclosure Materials; or

(b) in any announcement made by Sirtex on ASX in the 2 years before entry into this deed.

Disclosure Materials means:

(a) the documents and information contained in the Ansarada online data room to which the Bidder and its Representatives were given access before entry into this deed; and

(b) any written answers to requests for further information made by Bidder and its Representatives as contained in that online data room before entry into this deed.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 31 July 2018 or such other date as is agreed in writing between the parties.

Exclusivity Period means the period from and including the date of this deed to the earlier of:

(a) the termination of this deed; and

(b) the End Date.

FATA means the *Foreign Acquisitions and Takeovers Act* 1975 (Cth).

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Government Agency means any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia, the United States of America or elsewhere, including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.

Implementation Date means the fifth Business Day after the Record Date or such other date as agreed in writing between the parties.

Incoming Directors means the persons nominated in writing to Sirtex by the Bidder no later than 5 Business Days before the Implementation Date.

Independent Expert means the independent expert in respect of the Scheme appointed by Sirtex.

Independent Expert's Report means the report (including any updates to such report) of the Independent Expert stating whether or not in its opinion the Scheme is in the best interests of Sirtex Shareholders.

Insolvency Event means, in the case of any entity:

(a) it ceases, suspends, or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of all or a substantial part of its assets;

(b) it stops or suspends or threatens to stop or suspend payment of all or a class of its debts;

(c) it is, or under legislation is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute);

ANNEXURE B SCHEME IMPLEMENTATION DEED

(d) it has an administrator, controller or similar officer appointed, or any step preliminary to the appointment of such an officer is taken;

(e) an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken for:

(i) its winding up, dissolution or administration; or

(ii) it entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them,

(other than frivolous or vexatious applications, orders, proceedings, notices or steps);

(f) any of:

(i) a receiver, receiver and manager, administrative receiver or similar officer is appointed to;

(ii) a security interest becomes enforceable or is enforced over; or

(iii) a distress, attachment or other execution is levied or enforced or applied for over,

all or a substantial part of its assets; or

(g) anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any foreign law.

Material Adverse Change means any event, occurrence or matter that occurs after the date of this deed that individually or when aggregated with all such events, occurrences or matters has, has had or would be reasonably likely to have the effect of:

(a) a diminution in the consolidated net assets of the Sirtex Group (calculated on the basis of AIFRS as at the date of this deed) of at least $25 million compared to the consolidated net assets of the Sirtex Group as at 31 December 2017; or

(b) a permanent and recurring diminution in the annual consolidated earnings before interest expense, tax, depreciation and amortisation and significant and non-recurring items of the Sirtex Group of at least $10 million,

other than events, occurrences or matters:

(c) required or permitted by this deed or the Scheme (including those comprising, or undertaken pursuant to, the settlement of any Class Action in compliance with clause 5.3(a)(x));

(d) which do not relate specifically to the Sirtex Group and which are beyond the control of the Sirtex Group, including those that arise from:

(i) changes in exchange rates or interest rates;

(ii) general economic, political, regulatory or business conditions in Australia or elsewhere; or

(iii) changes to accounting standards or laws in Australia or elsewhere,

but excluding any such event, change, circumstance, occurrence, matter or thing which has a materially disproportionate effect on the Sirtex Group, taken as a whole, as compared to the equivalent operations of other participants in the industry or industries in which the Sirtex Group operates;

(e) to the extent Disclosed (including the Class Actions and potential damages payable under them and the costs to be incurred by Sirtex in relation to the Transaction); or

(f) to the extent any losses or liabilities arising from such event, occurrence or matter are covered by insurance which Sirtex's insurers have agreed to pay.

Outgoing Directors means the directors of Sirtex advised in writing to Sirtex by the Bidder no later than 5 Business Days before the Implementation Date.

Prescribed Occurrence means any of the occurrences set out in Schedule 3.

Record Date means 7pm on the fifth Business Day following the Effective Date or such other date as Sirtex and the Bidder agree.

Regulator's Draft means the draft of the Scheme Booklet in a form acceptable to Sirtex and the Bidder which is provided to ASIC for its review pursuant to section 411(2) of the Corporations Act.

Regulatory Approvals means:

(a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority or exemption from, by or with a Government Agency; or

(b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without notification.

Regulatory Review Period means the period from the date on which the Regulator's Draft is submitted to ASIC to the date on which ASIC confirms that it does not intend to make any submissions at the Court hearing on the First Court Date or otherwise object to the Scheme.

Reimbursement Fee means the amount equal to 1% of the total Scheme Consideration payable for all the Scheme Shares under the Scheme.

Representative means, in relation to the Bidder or Sirtex:

(a) each other member of the Bidder Group or the Sirtex Group (as applicable);

(b) an officer of a member of the Bidder Group or the Sirtex Group (as applicable); or

(c) an Adviser to a member of the Bidder Group or the Sirtex Group (as applicable).

RG 60 means Regulatory Guide 60 issued by ASIC.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Sirtex and the Scheme Shareholders in the form attached as Annexure B (or such other form agreed to in writing by the parties).

Scheme Booklet means the information described in clause 5.1(a) to be approved by the Court and despatched to the Sirtex Shareholders and which must include the Scheme, an explanatory statement (complying with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the ASX Listing Rules), the Independent Expert's Report, the notice of Scheme Meeting and a proxy form for the Scheme Meeting.

Scheme Consideration means the consideration per Scheme Share to be provided by the Bidder (or the Bidder Nominee) in consideration for the transfer of the Scheme Share to the Bidder (or the Bidder Nominee), being the cash amount of $28.00 per Scheme Share.

ANNEXURE B SCHEME IMPLEMENTATION DEED

Scheme Meeting means the meeting of Sirtex Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Share means a Sirtex Share held by a Scheme Shareholder.

Scheme Shareholders means Sirtex Shareholders as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Share Register means the register of members of Sirtex maintained in accordance with the Corporations Act.

Sirtex Group means Sirtex and each of its subsidiaries and a reference to a **Sirtex Group Member** or a **member of the Sirtex Group** is to Sirtex or any of its subsidiaries.

Sirtex Parties means members of the Sirtex Group and their respective officers, employees and Advisers.

Sirtex Right means a performance right or a contractual right to be granted a performance right, which performance right confers the right to acquire one unissued Sirtex Share pursuant to the Sirtex Rights Plan.

Sirtex Rights Plan means the Sirtex Executive Rights Plan approved by Sirtex Shareholders at the 2015 annual general meeting held on 27 October 2015 (as amended).

Sirtex Registry means Link Market Services Limited (ABN 54 083 214 537).

Sirtex Representations and Warranties means the representations and warranties of Sirtex set out in Schedule 2.

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

Sirtex Shareholder means each person who is registered in the Share Register as the holder of Sirtex Shares.

Superior Proposal means a bona fide Competing Proposal received after the date of this deed that the Board determines, acting in good faith and in order to satisfy what the Board considers to be its fiduciary or statutory duties (having taken advice from its external financial and legal advisers):

(a) is reasonably capable of being valued and implemented, taking into account all aspects of the Competing Proposal; and

(b) would, if completed substantially in accordance with its terms, be more favourable to Sirtex Shareholders (as a whole) than the Scheme, taking into account all terms and conditions of the Competing Proposal.

Third Party means a person other than the Bidder Parties and their associates.

Timetable means the indicative timetable for the implementation of the Transaction set out in Annexure A.

Transaction means the acquisition of Sirtex by the Bidder (or, if applicable, the Bidder Nominee) through implementation of the Scheme in accordance with the terms of this deed.

1.2. Interpretation

In this deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

(a) words importing the singular include the plural and vice versa;

(b) words importing a gender include any gender;

(c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;

(d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;

(e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this deed, and a reference to this deed includes any attachment, exhibit and schedule;

(f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(g) a reference to any document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;

(h) the word “includes” in any form is not a word of limitation;

(i) a reference to “$”, “A$” or “dollar” is to Australian currency;

(j) a reference to any time is, unless otherwise indicated, a reference to the time in Sydney, New South Wales, Australia;

(k) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;

(l) a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(m) a reference to “associate”, “control” (by an entity of another entity), “officer”, “related body corporate”, “subsidiary”, “relevant interest” or “voting power” is to that term as defined in the Corporations Act;

(n) a reference to the ASX Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.3. Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4. Listing requirements included as law

A listing rule or business rule of a securities exchange will be regarded as a ”law”, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.5. Statements on the basis of knowledge

Any statement made by Sirtex on the basis of its knowledge is made on the basis that its knowledge is limited to the knowledge which any of Andrew McLean, Darren Smith and any member of the Board

has or would have if they had made all reasonable enquiries of the officers and employees of any member of the Sirtex Group with responsibility for the matters to which the statement relates.

2. Agreement to Proceed with the Transaction

2.1. Sirtex to propose Scheme

Sirtex agrees to propose the Scheme on and subject to the terms of this deed.

2.2. Nomination of acquirer subsidiary

At any time prior to the Business Day before the First Court Date, the Bidder may nominate any wholly-owned subsidiary of the Bidder to acquire Scheme Shares under the Scheme by providing a written notice which sets out the details of Bidder Nominee to Sirtex. If the Bidder decides to nominate a Bidder Nominee to acquire Scheme Shares:

(a) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Bidder Nominee rather than the Bidder;

(b) the Bidder must procure that the Bidder Nominee complies with all of the relevant obligations of the Bidder under this deed and the Deed Poll; and

(c) any such nomination will not relieve the Bidder of its obligations under this deed, including the obligation to pay (or procure the payment by the Bidder Nominee of) the Scheme Consideration in accordance with the terms of the Scheme.

2.3. Agreement to implement the Scheme

The parties agree to implement the Scheme on and subject to the terms of this deed.

3. Conditions Precedent and Pre-implementation Steps

3.1. Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of the Bidder under clause 4.3 will not become binding, unless each of the following Conditions Precedent is satisfied or waived in accordance with clauses 3.2 and 3.5:

Conditions Precedent for benefit of all parties

(a) **Shareholder approval**: Sirtex Shareholders approve the Scheme by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act at the Scheme Meeting;

(b) **FIRB approval**: before 8am on the Second Court Date, the Treasurer of the Commonwealth of Australia (or his delegate) either:

  (i) gives the Bidder written advice, which is unconditional or subject only to conditions that are acceptable to the Bidder acting reasonably, that the Commonwealth Government does not object under FATA or its foreign investment policy to the Transaction; or

  (ii) is or, by passage of time, becomes precluded from making an order under FATA in respect of the Transaction, and remains so precluded until that time;

(c) **other Regulatory Approvals**:

  (i) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 expire or are otherwise terminated;

(ii) the German Federal Cartel Office confirms that does not object to, or does not propose to intervene in, the Transaction pursuant to the German Act Against Restraints of Competition (Gesetz gegen Wettbewerbsbeschränkungen);

(d) **ASIC or ASX consents**: before 8am on the Second Court Date, ASIC and ASX issue or provide such consents or approvals or have done such other acts which Sirtex and the Bidder agree are reasonably necessary or desirable to implement the transaction contemplated by clause 4;

(e) **restraints**: no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction in, or Government Agency of, Australia, the United States of America, Germany, Italy, Belgium, the United Kingdom or Ireland preventing or imposing any legal restraint on the Transaction (excluding any such order or injunction that is issued in relation to, or is otherwise connected with or related to, any of the Regulatory Approvals or Government Agencies referred to in clauses 3.1(b) and 3.1(c) or any other Government Agencies responsible for such Regulatory Approvals) is in effect in each case as at 8am on the Second Court Date;

(f) **Court approval**: the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;

Conditions Precedent for benefit of the Bidder only

(g) **no Material Adverse Change**: no Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to the Bidder between the date of this deed and 8am on the Second Court Date;

(h) **no Prescribed Occurrence**: no Prescribed Occurrence occurs between the date of this deed and 8am on the Second Court Date;

Conditions Precedent for benefit of Sirtex only

(i) **Independent Expert**: the Independent Expert issues a report which concludes that the Scheme is in the best interests of Sirtex Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert has not publicly withdrawn or qualified this conclusion before 8am on the Second Court Date; and

(j) **Bidder Insolvency Event**: the Bidder does not suffer an Insolvency Event between the date of this deed and 8am on the Second Court Date.

3.2. Reasonable endeavours

(a) The Bidder and Sirtex must:

(i) use reasonable endeavours to procure that the Conditions Precedent in clauses 3.1(a), 3.1(d), 3.1(e) and 3.1(f) are satisfied; and

(ii) provide reasonable assistance in satisfying the other Conditions Precedent and ensure that there is no occurrence within the control of a member of the Bidder Group or the Sirtex Group (as the context requires) that would prevent any Condition Precedent being satisfied.

(b) The Bidder must use reasonable endeavours to procure that the Conditions Precedent in clauses 3.1(b), 3.1(c) and 3.1(j) are satisfied.

(c) Sirtex must use reasonable endeavours to procure that the Conditions Precedent in clauses 3.1(g), 3.1(h) and 3.1(i) are satisfied.

(d) The Bidder and Sirtex must:

(i) consult and co-operate fully with the other party in relation to the satisfaction of the Conditions Precedent, including in relation to all material communications with Government Agencies in relation to Regulatory Approvals;

(ii) promptly provide to the other party all material communications with Government Agencies in relation to Regulatory Approvals;

(iii) promptly notify the other if it becomes aware that any Condition Precedent has been satisfied; and

(iv) promptly notify the other of any failure to satisfy a Condition Precedent or of any fact or circumstance that will result in a Condition Precedent becoming incapable of being satisfied or that may result in a Condition Precedent not being satisfied in accordance with its terms (having regard to the obligations of the parties under this clause).

(e) Without limiting this clause:

(i) Sirtex must provide the Bidder with all information reasonably requested in connection with the Bidder's applications for each Regulatory Approval referred to in clauses 3.1(b) and 3.1(c); and

(ii) the Bidder must consult with Sirtex, and Sirtex must consult with the Bidder, as applicable, in relation to the submission of and progress of obtaining each Regulatory Approval referred to in clauses 3.1(b) and 3.1(c).

(f) The Bidder and Sirtex must:

(i) give the Court on the Second Court Date a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions Precedent (other than the Condition Precedent in clause 3.1(f)) have been satisfied or waived; and

(ii) give the other a draft of its certificate by 5pm on the Business Day before the Second Court Date.

3.3. Regulatory matters

(a) Without limiting clause 3.2:

(i) the Bidder must promptly apply for all relevant Regulatory Approvals contemplated by the Conditions Precedent in clauses 3.1(b) and 3.1(c) and promptly provide a copy of all such applications and associated correspondence to Sirtex (provided that any commercially sensitive information may be redacted from the copies provided);

(ii) each party must take all steps it is responsible for as part of the applicable approval or consent process in respect of the relevant Regulatory Approvals, including responding to requests for information at the earliest practicable time;

(iii) each party acknowledges and agrees that the other party has the right to be represented and make submissions at any meeting with any Regulatory Authority relating to a Regulatory Approval;

(iv) each party must consult with the other party in advance in relation to all material communications (whether written or oral, and whether direct or via a Representative) with any Government Agency relating to any Regulatory Approval and, without limitation:

(A) provide the other party with drafts of any material written communications to be sent to a Government Agency and take any reasonable comments made by the other party into account in good faith when making any amendments; and

(B) provide copies of any material written communications sent to or received from a Government Agency to the other party promptly upon despatch or receipt (as the case may be),

in each case to the extent it is reasonable, and not in breach of any law or requirement of the relevant Government Agency, to do so; and

(v) subject to the terms of the applicable Condition Precedent, each party must promptly offer to the relevant Government Agency, and agree or accept, all undertakings, commitments and conditions reasonably necessary or appropriate in order to obtain the approval, confirmation or consent (as the case may be) as soon as possible, unless it would be unreasonable to do so and, without limiting this clause 3.3(a)(v), in relation to the confirmation referred to in clause 3.1(c)(ii), the Bidder must offer to the relevant Government Agency, and agree to accept, all undertakings, commitments and conditions reasonably necessary or appropriate in order to obtain the confirmation at phase 1 (or equivalent).

(b) The Bidder indemnifies Sirtex against, and must pay to Sirtex on demand the amount of, any reasonable third party cost or expense incurred by Sirtex arising out of or in connection with any action taken by Sirtex under:

(i) clause 3.3(a)(ii); and

(ii) clause 3.2(a),

in so far as it relates to the Conditions Precedent in clauses 3.1(b), 3.1(c) and 3.1(e).

3.4. FIRB conditions

The parties acknowledge that the standard tax conditions issued by the Foreign Investment Review Board from time to time are acceptable if included in the “no objections” notifications.

3.5. Waiver of Conditions Precedent

(a) The Conditions Precedent in clauses 3.1(a), 3.1(b) and 3.1(f) cannot be waived.

(b) The Conditions Precedent in clauses 3.1(c), 3.1(d) and 3.1(e) are for the benefit of the Bidder and Sirtex and may only be waived by both of them in writing.

(c) The Conditions Precedent in clauses 3.1(g) and 3.1(h) are for the benefit of the Bidder and may only be waived by the Bidder in writing.

(d) The Conditions Precedent in clauses 3.1(i) and 3.1(j) are for the benefit of Sirtex and may only be waived by Sirtex in writing.

(e) A party entitled to waive a Condition Precedent may do so conditionally or unconditionally in its absolute discretion.

(f) If a party waives the breach or non-fulfilment of any of the Conditions Precedent that waiver precludes that party from suing the other party for any breach of this deed arising as a result of the non-fulfilment of the Condition Precedent that was waived or arising from the same event which gave rise to the non-fulfilment of the Condition Precedent.

3.6. If a Condition Precedent is not fulfilled or waived

If a Condition Precedent cannot be fulfilled (or has not been fulfilled or waived) by the time or date specified in this deed for satisfaction of the Condition Precedent, or the Scheme has not become Effective by the End Date, Sirtex and the Bidder must consult in good faith to determine whether:

(a) the Scheme may proceed by way of alternative means or methods and, if so, agree on the terms of such alternative means or methods;

(b) to extend the relevant time for satisfaction of the Condition Precedent;

(c) to adjourn or change the date of the Scheme Meeting; or

(d) to extend the End Date.

Without limiting the foregoing, if a Condition Precedent is not satisfied by the date contemplated in the Timetable as the Second Court Date, Sirtex and the Bidder agree (unless there is no reasonable prospect that the Condition Precedent will be satisfied) that the Second Court Date be deferred until such date (not later than the Business Day before the End Date) as reasonably required to enable more time to satisfy the Condition Precedent.

3.7. Termination on failure of Condition Precedent

(a) If:

(i) the Scheme has not become Effective by the End Date; or

(ii) any event occurs which would, or in fact does, prevent a Condition Precedent being satisfied and that Condition Precedent is not waived by Sirtex or the Bidder or both (as applicable) in accordance with clause 3.5,

then, subject to clause 3.7(b), the Bidder or Sirtex may terminate this deed without any liability to the other party because of that termination (except for any obligation of a party to pay a Reimbursement Fee in accordance with clause 10).

(b) A party will not be entitled to terminate this deed pursuant to clause 3.7(a) if the relevant occurrence, or the failure of the satisfaction of a Condition Precedent, or of the Scheme becoming Effective, arises out of, or is caused by:

(i) a breach of this deed (including clause 3.2) by that party; or

(ii) a deliberate act or omission of that party.

(c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination of this deed, on termination of this deed no party will have any rights against or obligations to any other party under this deed except for those rights and obligations which accrued before termination.

4. Transaction Steps

4.1. Scheme

Sirtex must propose a scheme of arrangement under which:

(a) all of the Scheme Shares will be transferred to the Bidder (or, if applicable, the Bidder Nominee); and

(b) the Scheme Shareholders will be entitled to receive the Scheme Consideration.

4.2. Scheme Consideration

Subject to and in accordance with this deed and the Scheme, each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder.

4.3. Payment of Scheme Consideration

The Bidder undertakes to Sirtex (in its own right and as trustee on behalf of the Scheme Shareholders) that, in consideration for the transfer to the Bidder (or, if applicable, the Bidder Nominee) of each Scheme Share, on the Implementation Date it will:

(a) accept (or, if applicable, procure the Bidder Nominee to accept) that transfer; and

(b) before 12 noon, pay or procure the payment of the Scheme Consideration for each Scheme Share to or at the direction of Sirtex as trustee for the Scheme Shareholders for payment to Scheme Shareholders in accordance with the Scheme.

4.4. No amendment to the Scheme without consent

Sirtex must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Bidder (not to be unreasonably withheld or delayed in relation to procedural or administrative matters that do not relate to the value of the Scheme Consideration or the Scheme Shares).

5. Implementation

5.1. Sirtex's obligations

Sirtex must take all necessary steps to propose and implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and must consult with the Bidder on a regular basis about its progress in that regard), including by doing any acts it is authorised and able to do on behalf of Sirtex Shareholders and each of the following:

(a) **preparation of Scheme Booklet**: subject to clause 5.1(b), prepare the Scheme Booklet in accordance with all applicable laws and in particular with the Corporations Act, the Corporations Regulations, RG 60 and the ASX Listing Rules. The Scheme Booklet must include a statement that:

(i) other than the Bidder Information and the Independent Expert's Report, the Scheme Booklet has been prepared by Sirtex and is the responsibility of Sirtex, and that no Bidder Party assumes any responsibility for the accuracy or completeness of the Scheme Booklet (other than the Bidder Information); and

(ii) the Bidder Information has been provided by Bidder and is the responsibility of Bidder, and that no Sirtex Party assumes any responsibility for the accuracy or completeness of the Bidder Information.

The Scheme Booklet must also include the recommendation and statement required under clause 5.5;

(b) **consultation with Bidder**: consult with the Bidder as to the content and presentation of the Scheme Booklet including:

(i) providing to the Bidder successive drafts of the Scheme Booklet and allowing the Bidder a reasonable opportunity to review and comment on those draft documents before lodgement of the Scheme Booklet with ASIC;

(ii) considering in good faith all comments made by the Bidder and its Representatives for the purpose of amending the Scheme Booklet; and

(iii) obtaining the Bidder's consent to the inclusion of the Bidder Information (including in respect of the form and context in which the Bidder Information appears in the Scheme Booklet);

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(c) **information**: prepare and promptly provide to the Bidder any information regarding the Sirtex Group that the Bidder reasonably requires to prepare the Bidder Information for inclusion in the Scheme Booklet;

(d) **Independent Expert**: promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare the Independent Expert's Report as soon as practicable;

(e) **ASIC and ASX review**: during the Regulatory Review Period, promptly provide to the Bidder, and include in the Scheme Booklet, any new information not included in the Regulator's Draft which is required by the Corporations Act, Corporations Regulations, RG 60 or the ASX Listing Rules to be included and keep the Bidder informed of any material matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by the Bidder;

(f) **application for no appearance letter and section 411(17)(b) statement**: apply to ASIC for the production of:

(i) an indication of intent letter stating that it does not intend to make any submissions at the Court hearing on the First Court Date or otherwise object to the Scheme; and

(ii) a statement under section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme;

(g) **Court direction**: apply to the Court for orders pursuant to section 411(1) of the Corporations Act directing Sirtex to convene the Scheme Meeting and consult with the Bidder as to the content of all relevant originating process, affidavits, submissions and draft minutes of Court orders;

(h) **ASIC registration**: request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;

(i) **despatch Scheme Booklet:** send the Scheme Booklet to Sirtex Shareholders as soon as practicable after the Court orders Sirtex to convene the Scheme Meeting;

(j) **Sirtex Rights**: procure that all outstanding Sirtex Rights are vested or lapsed and the relevant resultant Sirtex Shares are issued or agreed to be issued before the Record Date;

(k) **update Scheme Booklet**: if it becomes aware of information after the Scheme Booklet has been sent to Sirtex Shareholders that is material for disclosure to Sirtex Shareholders in deciding whether to approve the Scheme or that is required to be disclosed to Sirtex Shareholders under any applicable law, inform Sirtex Shareholders of the information in an appropriate and timely manner, in accordance with applicable law, after consulting with the Bidder as to the content and presentation of that information;

(l) **Share Registry information**: provide all information, or procure that the Sirtex Registry provides all information, in each case in a form reasonably requested by the Bidder, about the Scheme, the Scheme Shareholders, the Sirtex Shareholders and the Share Register (including any sub register) to the Bidder and its Representatives which the Bidder reasonably requests in order to solicit votes at the Scheme Meeting and facilitate the provision by, or on behalf of, the Bidder (or, if applicable, the Bidder Nominee) of the Scheme Consideration;

(m) **Scheme Meeting**: convene the Scheme Meeting to agree to the Scheme in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act;

(n) **Court approval**: (subject to all Conditions Precedent in clause 3.1, other than the condition in clause 3.1(f) being satisfied or waived in accordance with this deed) apply to the Court for orders approving the Scheme and consult with the Bidder as to the content of all relevant affidavits, submissions and draft minutes of Court orders;

(o) **lodge copy of Court order**: lodge with ASIC an office copy of the Court order in accordance with section 411(10) of the Corporations Act approving the Scheme as soon as possible after the Court approves the Scheme, and in any event by 5.00pm on the first Business Day after the day on which the Court approves the Scheme;

(p) **Scheme Consideration**: close the Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme;

(q) **registration**: subject to the Bidder satisfying its obligations under clause 4.3, register all transfers of Sirtex Shares held by Scheme Shareholders to the Bidder (or, if applicable, the Bidder Nominee) on the Implementation Date; and

(r) **ASX listing**: take all reasonable steps to maintain Sirtex's listing on the ASX notwithstanding any suspension of the quotation of Sirtex Shares up to and including the Implementation Date, including making appropriate applications to ASX.

5.2. Bidder's obligations

The Bidder must take (or, if applicable, cause the Bidder Nominee to take) all necessary steps to implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and consult with Sirtex on a regular basis about its progress in that regard), including by doing each of the following:

(a) **Bidder Information**: prepare and promptly provide to Sirtex the Bidder Information for inclusion in the Scheme Booklet to comply with all applicable laws, including the Corporations Act, the Corporations Regulations, RG 60 and the ASX Listing Rules and consult with Sirtex as to the content and presentation of the Bidder Information in the Scheme Booklet, such consultation to include allowing Sirtex a reasonable opportunity to review and make comments on successive drafts of the Bidder Information before lodgement of the Scheme Booklet with ASIC;

(b) **review of Scheme Booklet**: review the drafts of the Scheme Booklet prepared by Sirtex and provide comments, if any, as soon as practicable;

(c) **confirmation of Bidder Information**: before the Scheme Booklet is provided to ASIC pursuant to section 411(2) of the Corporations Act, either:

(i) confirm in writing to Sirtex that the Bidder Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or

(ii) provide to Sirtex the changes required to ensure that the Bidder Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission;

(d) **assist Independent Expert**: provide all assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare the Independent Expert's Report as soon as practicable;

(e) **update Bidder Information**: if at anytime after the despatch of the Scheme Booklet, the Bidder becomes aware:

(i) of new information which, were it known at the time of despatch, should have been included in any Bidder Information provided previously to Sirtex; or

(ii) that any part of the Bidder Information provided previously to Sirtex is misleading or deceptive in any material respect (whether by omission or otherwise),

it must advise Sirtex so that Sirtex can determine whether supplementary disclosure to Sirtex Shareholders is required;

(f) **Deed Poll**: by not later than the Business Day prior to the First Court Date, enter into (and, if applicable, procure that the Bidder Nominee enters into) the Deed Poll in favour of the Scheme Shareholders to perform their obligations under the Scheme and deliver it to Sirtex;

(g) **Court representation**: procure that it is represented by counsel at the Court hearings referred to in clauses 5.1(g) and 5.1(n), at which, through its counsel, the Bidder will undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this deed and the Scheme;

(h) **Share transfer**: if the Scheme becomes Effective, accept (or, if applicable, procure the Bidder Nominee to accept) a transfer of the Sirtex Shares as contemplated by clause 4.3(a); and

(i) **Scheme Consideration**: if the Scheme becomes Effective, pay or procure the payment of the Scheme Consideration in the manner and amount contemplated by clause 4.3(b) and the terms of the Scheme.

5.3. Conduct of business pre-implementation

(a) From the date of this deed up until and including the Implementation Date, Sirtex must ensure that, except for any action which:

(i) is required or permitted by this deed or the Scheme;

(ii) has been Disclosed;

(iii) is required by law or a Government Agency;

(iv) has been consented to in writing by the Bidder (and the Bidder will consider in good faith, acting reasonably, any request for consent from Sirtex where Sirtex has provided reasonable details of the matter (including any material terms) in writing to the Bidder and must not unreasonably withhold or delay its consent to any such request); or

Sirtex and the other members of the Sirtex Group:

(v) conduct their businesses in the ordinary course consistent with business plans and budgets Disclosed and otherwise in a manner generally consistent with the manner in which such businesses have been conducted in the 12 months prior to the date of this deed;

(vi) use all reasonable endeavours to maintain and preserve their relationships with customers, suppliers, Government Agencies, landlords, licensors, licensees and others having business dealings with them, including by using reasonable endeavours to obtain their consent to the Transaction to the extent required under any material agreement with such third parties; and

(vii) do not enter any lines of business or other activities in which members of the Sirtex Group are not engaged at the date of this deed;

(viii) conduct their businesses and operations substantially in accordance with all applicable laws and regulations;

(ix) where reasonably requested, consult with the Bidder and provide updates as to the progress of their business and operations;

(x) do not settle the Class Actions, or any part of them, or take any other step that compromises the members of the Sirtex Group's rights in respect of the Class Actions;

(xi) do not incur any additional financial indebtedness by way of borrowings and other financial facilities including operating and finance leases (except for draw-downs on

existing banking facilities or utilisation of existing securitisation programs) or guarantee or indemnify the obligations of any person other than a member of the Sirtex Group, other than in the usual and ordinary course of business and consistent with past practice; and

(xii) do not make any material change to the terms of employment of any director, executive or senior manager (except as required by law, publicly disclosed prior to the date of this deed or as provided in an existing contract in place as at the date of this deed).

(b) From the date of this deed up until and including the Implementation Date, Sirtex must not declare or pay a dividend.

(c) For the avoidance of doubt, nothing in this clause 5.3 restricts the ability of Sirtex to respond to a Competing Proposal in accordance with clause 9.

5.4. Appointment and resignation of directors

On the Implementation Date, but subject to the Bidder having paid the Scheme Consideration in accordance with clause 4.3(b) and receipt by Sirtex of signed consents to act, Sirtex must use its reasonable endeavours to:

(a) cause the appointment of each Incoming Director to the Board; and

(b) procure that each of the Outgoing Directors retires from the Board and provides written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against Sirtex (provided that nothing in this clause 5.4 requires any Outgoing Director to forego any rights they may have under any deed of access and indemnity or policy of insurance),

in each case, in accordance with Sirtex's constitution, the Corporations Act and the ASX Listing Rules.

5.5. Board recommendation

(a) Subject to clause 5.5(b), Sirtex must use its reasonable endeavours to procure that:

(i) the Board unanimously recommends (including in the Scheme Booklet) that, in the absence of a superior proposal and subject to the Independent Expert concluding that the Transaction is in the best interests of Sirtex Shareholders, Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting; and

(ii) the Scheme Booklet will include a statement by the Board to that effect and to the effect that each director of Sirtex will, in the absence of a superior proposal and subject to the Independent Expert concluding that the Transaction is in the best interests of Sirtex Shareholders, vote (or procure the voting) of all Sirtex Shares held or controlled by them in favour of the Scheme at the Scheme Meeting.

(b) Sirtex must use its reasonable endeavours to procure that no director of Sirtex changes, withdraws or modifies their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting or their statement that they will vote (or procure the voting) of all Sirtex Shares held or controlled by them in favour of the Scheme at the Scheme Meeting or make a recommendation or statement that is inconsistent with such recommendation or statement, unless:

(i) the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Sirtex Shareholders, or adversely changes its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Sirtex Shareholders;

(ii) Sirtex receives a Competing Proposal and the Board, acting in good faith, determines (after consultation with its financial advisers) that the Competing Proposal constitutes a Superior Proposal; or

(iii) that director, acting in good faith, determines (after taking written advice from Sirtex's or their own external financial and legal advisers) that a failure by them or the Board to change, withdraw or modify such recommendation or make a recommendation or statement that is inconsistent with it would be reasonably likely to constitute a breach of their fiduciary or statutory obligations.

5.6. Promotion of Scheme

During the Exclusivity Period, provided that the Board has not changed its recommendation in accordance with clause 5.5, Sirtex must use reasonable endeavours to procure that the senior executives of the Sirtex Group participate in efforts to promote the merits of the Scheme, including (as determined by Sirtex):

(a) meeting with key Sirtex Shareholders;

(b) communicating with Sirtex Group employees, customers, and suppliers; and

(c) communicating with the public to promote the merits of the Scheme.

5.7. Conduct of Court proceedings

(a) Sirtex and the Bidder (or, if applicable, the Bidder Nominee) are entitled to separate representation at all Court proceedings affecting the Transaction.

(b) This deed does not give:

(i) Sirtex any right or power to give undertakings to the Court for or on behalf of the Bidder (or, if applicable, the Bidder Nominee); or

(ii) the Bidder (or, if applicable, the Bidder Nominee) any right or power to give undertakings to the Court for or on behalf of Sirtex,

in each case, without the relevant party's written consent.

6. Representations and Warranties

6.1. Bidder representations

The Bidder represents and warrants to Sirtex (in its own right and separately as trustee or nominee for each of the other Sirtex Parties) that each of the Bidder Representations and Warranties is true and correct.

6.2. Sirtex's representations

(a) Subject to clause 6.2(b), Sirtex represents and warrants to the Bidder (in its own right and separately as trustee or nominee for each of the other Bidder Parties) that each of the Sirtex Representations and Warranties is true and correct.

(b) Each Sirtex Representation and Warranty is subject to matters that:

(i) are required to be done under this deed or the Scheme;

(ii) took place with the prior written consent of the Bidder;

(iii) have been Disclosed; or

(iv) as at the date of this deed are within the actual knowledge of Bidder or the Bidder's Representatives.

(c) The Bidder acknowledges that prior to the execution of this deed it conducted due diligence investigations in relation to the Sirtex Group and that as at the date of this deed it is not aware, as a consequence of having conducted those due diligence investigations, of any information or matter that would give it a right to terminate this deed or would constitute a breach of any Sirtex Representation and Warranty.

6.3. Timing of representations and warranties

Unless expressed to be given at a particular time (in which case it is given at that time), each Bidder Representation and Warranty and each Sirtex Representation and Warranty is given:

(a) at the date of this deed; and

(b) at all times up until 8am on the Second Court Date.

6.4. Survival of representations and warranties

Each Bidder Representation and Warranty and Sirtex Representation and Warranty:

(a) is severable; and

(b) survives the termination of this deed (but does not survive, and will be taken to have no further force or effect following, implementation of the Scheme).

7. Releases

7.1. Sirtex Parties

(a) The Bidder releases, and shall procure that each member of the Bidder Group releases, its rights against, and agrees with Sirtex that it will not make a Claim against, any Sirtex Party (other than Sirtex) in connection with:

(i) any breach of any representation, covenant or warranty of Sirtex in this deed;

(ii) any disclosure made by any Sirtex Party that contains any statement which is false or misleading whether in content or by omission,

except to the extent that the relevant Sirtex Party has not acted in good faith or has engaged in wilful misconduct.

(b) Clause 7.1(a) is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.

(c) Sirtex receives and holds the benefit of this clause 7.1 as agent and trustee on behalf of each other Sirtex Party.

7.2. Bidder Parties

(a) Sirtex releases, and shall procure that each member of the Sirtex Group releases, its rights against, and agrees with the Bidder that it will not make a Claim against, any Bidder Party (other than the Bidder and the Bidder Nominee (if any)) in connection with:

(i) any breach of any representation, covenant or warranty of the Bidder in this deed;

(ii) any disclosure made by any Bidder Party that contains any statement which is false or misleading whether in content or by omission,

except to the extent that the relevant Bidder Party has not acted in good faith or has engaged in wilful misconduct.

(b) Clause 7.2(a) is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.

(c) The Bidder receives and holds the benefit of this clause 7.2 as agent and trustee on behalf of each other Bidder Party.

7.3. Deeds of indemnity and insurance

(a) Subject to the Scheme becoming Effective, the Bidder undertakes in favour of Sirtex and each other person who is a Sirtex Party that it will:

(i) for a period of not less than 7 years from the Implementation Date, ensure that the constitutions of Sirtex and each other member of the Sirtex Group continue to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its current and former directors and officers against any liability incurred by that person in their capacity as a director or officer of the company to any person other than a member of the Sirtex Group; and

(ii) procure that Sirtex and each other member of the Sirtex Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and, without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for those directors and officers is maintained (with the same level of cover, and on the same terms, as maintained by the Sirtex Group at the date of this deed or with a higher level of cover or on terms more favourable to those directors and officers) for a period of not less than 7 years from the retirement date of each director and officer.

(b) The undertakings contained in clause 7.3(a) are subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.

(c) Sirtex receives and holds the benefit of clause 7.3(a) to the extent it relates to each director and officer of a member of the Sirtex Group as agent and trustee on behalf of each of them.

(d) The Bidder acknowledges that, notwithstanding any other provision of this deed, Sirtex may, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for up to 7 years after the Implementation Date, and that any actions to facilitate that insurance or in connection therewith will not be a Prescribed Occurrence or breach any provision of this deed.

8. Public Announcements

8.1. Announcement of the Transaction

Immediately after the execution of this deed, Sirtex and the Bidder must issue public announcements in a form previously agreed to in writing between them. The Sirtex announcement must include:

(a) a unanimous recommendation by the directors of Sirtex to Sirtex Shareholders consistent with that set out in clause 5.5(a)(i); and

(b) a statement consistent with that set out in clause 5.5(a)(ii).

8.2. Other public announcements

Subject to clause 8.3, any further public announcement or disclosure of or in relation to the Transaction or any other transaction the subject of this deed or the Scheme may only be made with the approval by writing by each party (each party acting reasonably and in good faith) to the timing, form and content of

that announcement or disclosure. Subject to any applicable law or rules of a relevant stock exchange, the parties agree to make all public announcements in relation to the Transaction outside the trading hours of ASX.

8.3. Required disclosure

Where a party is required by applicable law or the ASX Listing Rules to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this deed or the Scheme, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party to the fullest extent possible before making the relevant disclosure and must give the other party as much notice as reasonably practical.

8.4. Statements on termination

The parties must act in good faith and use all reasonable endeavours to issue agreed statements in respect of any termination of this deed and, to that end but without limitation, clauses 8.2 and 8.3 apply to any such statements or disclosures.

9. Exclusivity

9.1. Termination of existing discussions

(a) Sirtex warrants that, as at the time of execution of this deed, it is not, and must ensure that none of its Representatives are, in any negotiations or discussions, and that it has, and its Representatives have, ceased any existing negotiations or discussions, in respect of any Competing Proposal (or which may reasonably be expected to lead to a Competing Proposal) with any person.

(b) Sirtex agrees that if, in the six months before the date of this deed, it has provided any confidential information to a Third Party (or to any current or former adviser to Sirtex or a Third Party, other than Sirtex's advisers in relation to the Transaction) in relation to a possible Competing Proposal, Sirtex has requested or will promptly request in writing the immediate return or destruction by the Third Party (and any relevant adviser) of such confidential information.

9.2. No shop restriction

During the Exclusivity Period, except with the prior written consent of the Bidder, Sirtex must ensure that neither it nor any of its Representatives directly or indirectly solicits, invites, encourages or initiates any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.

9.3. No talk restriction

During the Exclusivity Period, except with the prior written consent of the Bidder, Sirtex must ensure that neither it nor any of its Representatives directly or indirectly enters into, continues or participates in negotiations or discussions with, or enters into any agreement or understanding with, any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, even if:

(a) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Sirtex; or

(b) the Competing Proposal has been publicly announced.

9.4. No due diligence

Without limiting the general nature of clause 9.3, during the Exclusivity Period Sirtex must ensure that neither it nor any of its Representatives make available to any Third Party, or permit any Third Party, to

receive any non public information relating to any member of the Sirtex Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

9.5. Exceptions

Clause 9.3 and 9.4 do not apply to the extent that they restrict Sirtex or the Board from taking or refusing to take any action with respect to a genuine Competing Proposal (which was not solicited, invited, encouraged or initiated by Sirtex or its Representatives in contravention of clause 9.2) if the Board, acting in good faith, determines:

(a) after consultation with its financial advisers, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal having regard to the steps which the Board proposes to take; and

(b) after receiving written advice from its legal advisers, that failing to respond to that Competing Proposal would be reasonably likely to constitute a breach of the Board's fiduciary or statutory obligations.

9.6. Normal provision of information

Nothing in this deed prevents Sirtex from:

(a) providing information to its Representatives;

(b) providing information to any Government Agency;

(c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;

(d) providing information required to be provided by law, including to satisfy its obligations of disclosure under the ASX Listing Rules or to any Government Agency; or

(e) making presentations to, and to responding to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Scheme or its business generally.

9.7. Notice of unsolicited approach

During the Exclusivity Period, Sirtex must inform the Bidder if:

(a) it is approached, directly or indirectly, by any Third Party to take any action of a kind referred to in clauses 9.3 or 9.4, and must disclose to the Bidder:

(i) the fact that such an approach has been made;

(ii) the identity of the Third Party who has made the approach, and the identity of the person making or proposing any Competing Proposal; and

(iii) all material terms of any Competing Proposal (to the extent known by Sirtex),

as soon as reasonably practicable, and in any event by no later than 24 hours after such approach was received; or

(b) it proposes to take any action of a kind referred to in clauses 9.3 or 9.4 (for the avoidance of doubt, such notice being given before the taking of the relevant action).

9.8. Matching right

Without limiting clauses 9.2 and 9.3, during the Exclusivity Period, Sirtex:

(a) must not enter into any legally binding agreement, arrangement or understanding pursuant to which a Third Party, Sirtex or both proposes or propose to undertake or give effect to a Competing Proposal; and

(b) must use its reasonable endeavours to procure that none of its directors changes, withdraws or modifies their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting or otherwise makes a public statement to endorse or recommend a Competing Proposal,

unless:

(c) the Competing Proposal is a Superior Proposal;

(d) Sirtex has provided the Bidder with the material terms and conditions of the Competing Proposal;

(e) Sirtex has given the Bidder at least 5 Business Days after the date of the provision of the information referred to in clause 9.8(d) to provide a matching or superior proposal to the terms of the Competing Proposal; and

(f) the Bidder has not provided a matching or superior proposal to the terms of the Competing Proposal to the Board by the expiry of the 5 Business Day period referred to in clause 9.8(e).

Sirtex acknowledges and agrees that each successive modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the requirements under clause 9.8 and accordingly Sirtex must comply with clauses 9.8(a) and 9.8(b) in respect of any new Competing Proposal unless clauses 9.8(c) to 9.8(f) (inclusive) apply.

9.9. Bidder counterproposal

If the Bidder proposes to Sirtex, or announces amendments to the Scheme or a new proposal that constitute a matching or superior proposal to the terms of the Competing Proposal (**Bidder Counterproposal**) by the expiry of the 5 Business Day period referred to in clause 9.8(e), Sirtex must procure that the Board considers the Bidder Counterproposal and if the Board, acting in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for Sirtex Shareholders as a whole compared with the Competing Proposal, taking into account the material terms and conditions of the Bidder Counterproposal, then:

(a) Sirtex and the Bidder must use their reasonable endeavours to agree the amendments to this deed and, if applicable, the Scheme and Deed Poll that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable; and

(b) Sirtex must use its reasonable endeavours to procure that each of the directors of Sirtex recommends the Scheme (as modified by the Bidder Counterproposal) to Sirtex Shareholders in the absence of a superior proposal.

9.10. Legal advice

Sirtex and the Bidder acknowledge that they each have received legal advice on this deed and the operation of this clause 9.

10. Reimbursement Fees

10.1. Background

This clause has been agreed in circumstances where:

(a) the Bidder and Sirtex believe that the Scheme will provide significant benefits to the Bidder, Sirtex and their respective shareholders, and the Bidder and Sirtex acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, the Bidder will incur significant costs, including those set out in clause 10.6;

(b) the Bidder and Sirtex have each requested that provision be made for the Reimbursement Fee to be payable to it, without which neither the Bidder nor Sirtex would not have entered into this deed;

(c) the boards of both parties believe that it is appropriate for both parties to agree to the payments referred to in this clause to secure the other party's entry into this deed and participation in the Scheme; and

(d) both parties have received legal advice on this deed and the operation of this clause.

10.2. Payments by Sirtex to the Bidder

Subject to clauses 10.4, 10.5, 10.7 and 10.8, Sirtex agrees to pay the Reimbursement Fee to the Bidder without withholding or set off if the Scheme does not proceed because:

(a) **Competing Proposal**: during the Exclusivity Period a Competing Proposal is announced by a Third Party and, within 12 months of such announcement, the Third Party or an associate of the Third Party:

(i) completes in all material respects a transaction of the kind referred to in paragraph (b), (c) or (d) of the definition of Competing Proposal; or

(ii) without limiting clause 10.2(a)(i) above, has a relevant interest in at least 50% of Sirtex Shares,

except where the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Sirtex Shareholders, or adversely changes its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Sirtex Shareholders (except in circumstances where the Independent Expert reaches that conclusion or makes that change as a result of a Competing Proposal having been announced or made public);

(b) **change of recommendation**: at any time on or before the Scheme Meeting:

(i) a majority of the members of the Board make a public statement withdrawing or adversely changing or modifying their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting or their statement that they will vote (or procure the voting) of all Sirtex Shares held or controlled by them in favour of the Scheme at the Scheme Meeting (including by attaching qualifications to such recommendation or statement) or make a recommendation or statement that is inconsistent with such recommendation or statement; or

(ii) without limiting the foregoing, a majority of members of the Board make a public statement indicating that they no longer support the Scheme or that they support a Competing Proposal,

excluding any member of the Board who withdraws their recommendation:

(iii) due to the Independent Expert concluding in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Sirtex Shareholders, or adversely changing its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Sirtex Shareholders (except in circumstances where the Independent

Expert reaches that conclusion or makes that change as a result of a Competing Proposal having been announced or made public); or

(iv) in circumstances where Sirtex is entitled to terminate this deed in accordance with clause 11.1(a) or clause 11.1(b);

(c) **Independent Expert**: Sirtex validly terminates this deed in accordance with clause 11.1(f) due to the Independent Expert concluding in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Sirtex Shareholders, or adversely changing its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Sirtex Shareholders, where the reason for that conclusion or change is a Competing Proposal; or

(d) **termination by the Bidder**: the Bidder validly terminates this deed in accordance with clause 11.1(a) or clause 11.1(c).

10.3. Payment by the Bidder to Sirtex

Subject to clauses 10.4, 10.5, 10.7 and 10.8, the Bidder agrees to pay the Reimbursement Fee to Sirtex without withholding or set off if the Scheme does not proceed because:

(a) **failure to achieve Regulatory Approvals or restraint applying**: this deed is terminated in accordance with clause 3.7(a) as a result of any of the Conditions Precedent in clause 3.1(b) or 3.1(c) not being satisfied or waived in accordance with clause 3.5 (or as a result of the Condition Precedent in clause 3.1(f) not being satisfied as a result of the failure to satisfy or waive any of the Conditions Precedent in clause 3.1(b) or 3.1(c)); or

(b) **termination by Sirtex**: Sirtex validly terminates this deed in accordance with clause 11.1(a) or clause 11.1(b).

10.4. No amount payable if Scheme becomes Effective

(a) Notwithstanding the occurrence of any event in clause 10.2 or clause 10.3, if the Scheme becomes Effective:

(i) no amount is payable by any party under those clause; and

(ii) if any amount has already been paid under those clauses it must be refunded by the recipient within 20 Business Days after the Scheme becomes Effective.

(b) A party can only ever be liable to pay the Reimbursement Fee once.

10.5. Timing of payment

If the Reimbursement Fee is payable under clause 10.2 or clause 10.3, Sirtex or the Bidder (as applicable) must pay the Reimbursement Fee without withholding or set off within 20 Business Days of receipt of a demand for payment from the other party.

10.6. Nature of payment

The amount payable by a party to the other party under clauses 10.2 and 10.3 is an amount to compensate the other party for:

(a) advisory costs;

(b) costs of management and directors' time;

(c) out-of-pocket expenses;

(d) the distraction of the other party's management from conducting that party's business as usual caused by pursuing the Scheme;

(e) reasonable opportunity costs incurred in pursuing the Transaction or in not pursuing alternative acquisitions or strategic initiatives which could have developed to further the other party's business and objectives; and

(f) damage to the other party's reputation associated with a failed transaction and the implications of that damage to the other party's business.

The parties agree that the costs incurred are of a nature that they cannot be accurately quantified and that a genuine pre-estimate of the costs would equal or exceed the amount payable under clause 10.2 or clause 10.3 (as applicable).

10.7. Limitation of liability

(a) Notwithstanding any other provision of this deed but subject to clauses 10.7(b) and 10.8:

(i) the maximum liability of a party to the other party under or in connection with this deed including in respect of any breach of this deed will be the Reimbursement Fee and in no event will the aggregate liability of a party under or in connection with a breach of this deed exceed an amount equal to the Reimbursement Fee; and

(ii) the payment by a party to the other party of the Reimbursement Fee represents the sole and absolute amount of liability of that party to the other party under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by that party to the other party in connection with this deed.

(b) Nothing in clause 10.7(a) in any way:

(i) prevents a party (in its own right or as agent or trustee on behalf of any person contemplated by this deed) from seeking orders from a court of competent jurisdiction for the specific performance by the other party of any obligations under this deed; or

(ii) extinguishes or limits the liability of a party for any breach of this deed arising from criminal acts or fraud by the other party or a Representative of the other party.

10.8. Compliance with law

(a) If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the amount payable under clause 10.2:

(i) is unlawful or would if performed be, unlawful;

(ii) involves a breach of the duties of the Board; or

(iii) constitutes unacceptable circumstances within the meaning of the Corporations Act,

then Sirtex's obligation to pay the applicable amount or part of the amount payable under clause 10.2 does not apply and if the Bidder has received any such part of the payment due under clause 10.2 it must refund it within 20 Business Days of such final determination.

(b) The parties must not make or cause or permit to be made any application to a court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in this clause 10.8.

11. Termination

11.1. Termination events

This deed may be terminated:

(a) **material breach of document**: by either Sirtex or the Bidder at any time prior to 8am on the Second Court Date, if the other is in material breach of a term of this deed (other than a breach of representation and warranty, which is dealt with in clause 11.1(c) or 11.1(b), as applicable), taken in the context of the Scheme as a whole, provided that Sirtex or the Bidder (as the case may be) has, if practicable, given notice to the other setting out the relevant circumstances and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8am on the Second Court Date) after the time such notice is given;

(b) **material breach of Bidder Representations and Warranties**: by Sirtex if the Bidder Representations and Warranties are not true and accurate in all material respects, provided that:

(i) Sirtex has given written notice to the Bidder setting out the relevant circumstances and stating an intention to terminate this deed or to allow the Scheme to lapse;

(ii) the relevant breach or circumstances have not been remedied within 10 Business Days after such notice is given (or any shorter period ending at 8am on the Second Court Date); and

(iii) the relevant breach of the Bidder Representations and Warranties is material in the context of the scheme taken as a whole;

(c) **material breach of Sirtex Representations and Warranties**: by the Bidder if the Sirtex Representations and Warranties are not true and accurate in all material respects, provided that:

(i) the Bidder has given written notice to Sirtex setting out the relevant circumstances and stating an intention to terminate this deed or to allow the Scheme to lapse;

(ii) the relevant breach or circumstances have not been remedied within 10 Business Days after such notice is given (or any shorter period ending at 8am on the Second Court Date); and

(iii) the relevant breach of the Sirtex Representations and Warranties is material in the context of the Scheme taken as a whole;

(d) **change of recommendation of Board**: by the Bidder if a majority of the members of the Board have changed, withdrawn or modified their recommendation that Sirtex Shareholders vote in favour of the Scheme at the Scheme Meeting as permitted under clause 5.5;

(e) **recommendation of Competing Proposal**: by Sirtex if, at any time before 8am on the Second Court Date, a majority of the Board publicly recommends a Competing Proposal that is a Superior Proposal, and provided that the Competing Proposal was not connected with a breach of Sirtex's obligations in clause 9;

(f) **Independent Expert**: by Sirtex if the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of Sirtex Shareholders, or adversely changes its previously given opinion in the Independent Expert's Report (or any update or variation to that report) that the Scheme is in the best interests of Sirtex Shareholders;

(g) **failure of Conditions Precedent**: in accordance with and pursuant to clause 3.7(a); and

(h) **by agreement**: if agreed to in writing by Sirtex and the Bidder.

11.2. Termination

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this deed.

11.3. Effect of Termination

If this deed is terminated by either party, or if this deed otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this deed, other than the obligations set out in this clause and in clauses 7, 8, 10 and 12 to 16 (inclusive) will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in this clause releases any party from liability for any pre-termination breach of this deed.

12. Confidentiality

12.1. Confidentiality Deed

Sirtex and the Bidder acknowledge and agree that they continue to be bound by the Confidentiality Deed after the date of this deed.

12.2. Survival of obligations

The rights and obligations of the parties under the Confidentiality Deed survive termination of this deed.

13. GST

13.1. Definitions and interpretation

For the purposes of this clause:

(a) **GST Act** means the *A New Tax System (Goods and Services Tax) Act* 1999 (Cth);

(b) a term which has a defined meaning in the GST Act has the same meaning when used in this clause, unless the contrary intention appears; and

(c) each periodic or progressive component of a supply to which section 156-5(1) of the GST Act applies will be treated as if it were a separate supply.

13.2. GST exclusive

Unless this deed expressly states otherwise, all consideration to be provided under this deed is exclusive of GST.

13.3. Payment of GST

(a) If GST is payable, or notionally payable, on a supply in connection with this deed, the party providing the consideration for the supply agrees to pay to the supplier an additional amount equal to the amount of GST payable on that supply (**GST Amount**).

(b) Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time as the GST-exclusive consideration for the supply, or the first part of the GST-exclusive consideration for the supply (as the case may be), is payable or is to be provided.

(c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

13.4. Adjustment events

If an adjustment event arises for a supply made in connection with this deed, the GST Amount must be recalculated to reflect that adjustment. The supplier or the recipient (as the case may be) agrees to make any payments necessary to reflect the adjustment and the supplier agrees to issue an adjustment note.

13.5. Reimbursements

Any payment, indemnity, reimbursement or similar obligation that is required to be made in connection with this deed which is calculated by reference to an amount paid by another party must be reduced by the amount of any input tax credits which the other party (or the representative member of any GST group of which the other party is a member) is entitled. If the reduced payment is consideration for a taxable supply, clause 13.3 will apply to the reduced payment.

13.6. No merger

This clause 13 will not merge on termination of this deed.

14. Duty, Costs and Expenses

14.1. Stamp duty and registration fees

The Bidder:

(a) must pay all stamp duties, registration fees and similar taxes payable or assessed as being payable in connection with this deed or the Scheme or the steps to be taken under this deed or the Scheme (including any fees, fines, penalties and interest in connection with any of those amounts); and

(b) indemnifies Sirtex against any liability incurred by Sirtex arising from a failure to comply with clause 14.1(a).

14.2. Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

15. Notices

15.1. Form

(a) Unless this deed expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this deed must be in writing and signed by the sender (if an individual) or a person duly authorised by the sender.

(b) All communications (other than email communications) must also be marked for the attention of the person referred to in clause 15.3 (or, if the recipient has notified otherwise, then marked for attention in the way last notified).

(c) Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

15.2. Delivery

(a) Communications must be:

(i) delivered by hand to the address of the party referred to in clause 15.3;

(ii) sent by regular ordinary post (airmail if sent from one country to another) to the address of the party referred to in clause 15.3; or

(iii) sent by email to the email address of the party referred to in clause 15.3.

(b) If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

15.3. Notice details

The notice details of:

(a) Sirtex are:

Name:	Sirtex Medical Limited
Address:	Level 33, 101 Miller Street, North Sydney NSW 2060, Australia
Attention:	Andrew McLean
Email:	andrew.mclean@sirtex.com

With a copy to:

Name:	Watson Mangioni
Address:	Level 23, 85 Castlereagh Street, Sydney NSW 2000, Australia
Attention:	Chris Clarke
Email:	cclarke@wmlaw.com.au

(b) the Bidder are:

Name:	Varian Medical Systems, Inc.
Address:	3100 Hansen Way, Palo Alto, CA 94304-1038, United States
Attention:	Mike Dunn
Email:	Mike.Dunn@varian.com

With a copy to:

Name:	Norton Rose Fulbright
Address:	Level 18, Grosvenor Place, 225 George Street, Sydney NSW 2000
Attention:	Shaun Clyne / Jeremy Wickens
Email:	shaun.clyne@nortonrosefulbright.com / jeremy.wickens@nortonrosefulbright.com

or as specified to the sender by the other party by notice.

15.4. When effective

Communications take effect from the time they are received or taken to be received under clause 15.5 (whichever happens first) unless a later time is specified in the communication.

15.5. When taken to be received

Subject to clause 15.6, communications are taken to be received:

(a) if delivered by hand, when delivered;

(b) if sent by post, 5 Business Days after posting (if posted to an address in the same country) or 10 Business Days after posting (if posted to an address in a different country);

(c) if sent by email:

(i) when the sender receives an automated message confirming delivery; or

(ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

15.6. Receipt outside business hours

Despite anything else in this clause 15, if communications are received or taken to be received under clause 15.5 after 5pm on a working day or on a day that is not a working day, they are taken to be received at 9am on the next working day. For the purposes of this clause, "working day" means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

16. General

16.1. Variation

This deed may only be varied by a deed signed by or on behalf of each of the parties.

16.2. Assignment

Subject to clause 2.2, a party may not assign, novate, charge, encumber or otherwise transfer any of its rights or obligations under this deed without the prior written consent of the other party.

16.3. Entire agreement

This deed and the Confidentiality Deed contain the entire agreement between the parties with respect to their subject matter. They set out the only conduct relied on by the parties and supersede all earlier conduct and prior agreements and understandings between the parties in connection with their subject matter.

16.4. Counterparts

(a) This deed may consist of a number of copies, each signed by one or more parties to it. If so, the signed copies are treated as making up a single document and the date on which the last counterpart is executed is the date of the deed.

(b) This deed may be executed on the basis of an exchange of facsimile copies or electronic images (such as scanned copies or digital photos), and execution of this deed by such means is a valid and sufficient execution.

16.5. Further action

Each party will do all things and execute all further documents necessary to give full effect to this deed.

16.6. No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

16.7. Severability

If the whole or any part of a provision of this deed is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this deed or is contrary to public policy.

16.8. No third party beneficiary

This deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed, express or implied, is intended to or shall confer on any other person, other than the Bidder Parties and the Sirtex Parties (including, for the avoidance of doubt, each member of the Board), to the extent set forth in clause 6 and clause 7, any third party beneficiary rights.

16.9. Waivers

(a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.

(b) Any waiver or consent given by any party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.

(c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

16.10. Consents

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

16.11. No representation or reliance

(a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.

(b) Each party acknowledges that it has performed its own searches, enquiries, investigations and evaluations prior to entering into this deed and has formed its own views on the Transaction, with no targets, projections, forecasts or other forward looking statements having been relied on by that party.

(c) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.

16.12. Rules of construction

No term or condition of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or a provision of it.

16.13. Governing law and jurisdiction

(a) This deed is governed by the laws of New South Wales, Australia.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

16.14. Service of process

(a) Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under clause 15.

(b) The Bidder irrevocably appoints Norose Notices Australia Pty Ltd ACN 158 029 586 of Level 16, 'Grosvenor Place', 225 George Street, Sydney, NSW 2000 as its process agent to receive any document in any action in connection with this deed and agrees that failure by a process agent to notify the Bidder of any document in an action in connection with this deed does not invalidate the action concerned.

(c) If Norose Notices Australia Pty Ltd ceases to be able to act as such, the Bidder agrees to appoint a new process agent in Australia and deliver to Sirtex within 1 Business Day a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed. The Bidder must inform Sirtex in writing of any change in the address of its process agent within 1 Business Day of the change.

ANNEXURE B SCHEME IMPLEMENTATION DEED

Schedule 1

Bidder Representations and Warranties

(a) **status**: the Bidder and the Bidder Nominee (if any) has been incorporated or formed in accordance with the laws of its place of incorporation;

(b) **power**: the Bidder has power to enter into this deed, to comply with its obligations under it and exercise its rights under it;

(c) **corporate authorisations**: the Bidder has taken all necessary corporate action to authorise the entry into and the performance of this deed and to carry out the transactions contemplated by this deed;

(d) **no contravention**: the entry by the Bidder into, its compliance with its obligations and the exercise of its rights under, this deed do not and will not conflict with:

(i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or

(ii) any law binding on it;

(e) **authorisations**: the Bidder has in full force and effect each authorisation necessary for it to enter into this deed, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;

(f) **validity of obligations**: the obligations of the Bidder under this deed are valid and binding and are enforceable against it in accordance with its terms;

(g) **reliance**: the Bidder Information provided to Sirtex for inclusion in the Scheme Booklet will be provided in good faith and on the understanding that Sirtex and its directors will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the Corporations Act;

(h) **Bidder Information**: the Bidder Information provided in accordance with this deed and included in the Scheme Booklet, as at the date of the Scheme Booklet, will not contain any statement which is misleading or deceptive in any material respect nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC;

(i) **information provided to the Independent Expert**: all information provided by the Bidder to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purposes of preparing the Independent Expert's Report for inclusion in the Scheme Booklet;

(j) **opinions**: any statement of opinion or belief contained in the Bidder Information or provided by the Bidder to the Independent Expert is honestly held and there are reasonable grounds for holding the opinion or belief;

(k) **insolvency event**: no member of the Bidder Group is subject to, or has suffered, an Insolvency Event;

(l) **Sirtex Shareholding**: neither the Bidder nor any of its associates has a relevant interest in any Sirtex Shares;

(m) **no dealing with Sirtex Shareholders**: neither the Bidder nor any of its associates has any agreement, arrangement or understanding with any Sirtex Shareholder under which that Sirtex Shareholder (or an associate of that Sirtex Shareholder) would be entitled to receive consideration for their Sirtex Shares different from the Scheme Consideration or under which

the Sirtex Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal;

(n) **reasonable basis**: it has a reasonable basis to expect that it will, by the Implementation Date, have available to it sufficient cash amounts (whether from internal cash reserves or external funding arrangements, including equity and debt financing or a combination of both) to satisfy Bidder's obligations to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll;

(o) **regulatory approvals**: no regulatory approval is required to be obtained by Bidder in order for it to execute, deliver and perform this deed, other than those approvals set out in clause 3.1, and as at the date of this deed no regulatory action of any nature has been taken that would prevent or restrict its ability to fulfil its obligations under this deed; and

(p) **Bidder Nominee**: if the Bidder has nominated a Bidder Nominee, the Bidder Nominee is a wholly owned subsidiary of the Bidder.

ANNEXURE B SCHEME IMPLEMENTATION DEED

Schedule 2

Sirtex Representations and Warranties

(a) **status**: it has been incorporated or formed in accordance with the laws of its place of incorporation;

(b) **power**: it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;

(c) **corporate authorisations**: Sirtex has taken all necessary corporate action to authorise the entry into and the performance of this deed and to carry out the transactions contemplated by this deed;

(d) **no contravention**: the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:

(i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or

(ii) any law binding on it;

(e) **authorisations**: it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;

(f) **validity of obligations**: its obligations under this document are valid and binding and are enforceable against it in accordance with its terms;

(g) **reliance**: the Sirtex Information contained in the Scheme Booklet will be included in good faith and on the understanding that Bidder and its directors will rely on that information for the purposes of considering and approving the Bidder Information in the Scheme Booklet before it is despatched, approving the entry into the Deed Poll and implementing the Scheme;

(h) **Sirtex Information**: the Sirtex Information provided in accordance with this document and included in the Scheme Booklet as at the date of the Scheme Booklet will not contain any statement which is misleading or deceptive in any material respect nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC;

(i) **Information provided to the Independent Expert**: all information provided by Sirtex to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report for inclusion in the Scheme Booklet;

(j) **opinions**: any statement of opinion or belief contained in the Sirtex Information or provided by Sirtex to the Independent Expert is honestly held and there are reasonable grounds for holding the opinion or belief;

(k) **compliance**: the Sirtex Group has complied in all material respects with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign governmental agencies having jurisdiction over it and has all material licenses, permits and franchises necessary for it to conduct its businesses as presently being conducted;

(l) **insolvency event**: no member of the Sirtex Group is subject to, or has suffered, an Insolvency Event;

ANNEXURE B SCHEME IMPLEMENTATION DEED

(m) **capital structure**: Sirtex's capital structure (including all issued securities) as at the date of this deed is as set out in Schedule 4 and, as at the date of this deed, it has not issued or agreed to issue any other securities, options, performance rights or instruments which are still outstanding or which may convert into Sirtex Shares other than as set out in Schedule 4;

(n) **continuous disclosure**: Sirtex has complied in all material respects with its continuous disclosure obligations under ASX Listing Rule 3.1. There is no information that Sirtex is withholding pursuant to a carve-out under ASX Listing Rule 3.1 (other than the fact of its discussions with the Bidder in relation to the ownership of Sirtex) that has not been disclosed to the Bidder or its Representatives; and

(o) **disclosure**: the Disclosure Materials were prepared, compiled and made available to Bidder and its Representatives in good faith and to the best of Sirtex's knowledge the Disclosure Materials are not misleading or deceptive in any material respect (whether by way of omission or otherwise).

ANNEXURE B SCHEME IMPLEMENTATION DEED

Schedule 3

Prescribed Occurrences

(a) Sirtex converts all or any of its shares into a larger or smaller number of shares;

(b) a member of the Sirtex Group resolves to reduce its share capital in any way;

(c) a member of the Sirtex Group:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

(d) a member of the Sirtex Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option, other than the issue of up to 825,954 fully paid ordinary shares to the holders as at the date of this deed of Sirtex Rights in accordance with the terms of those Sirtex Rights (including as a result of an exercise of a discretion vested in Sirtex or the Board in those terms);

(e) a member of the Sirtex Group issues, or agrees to issue, convertible notes;

(f) a member of the Sirtex Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) a member of the Sirtex Group grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;

(h) a member of the Sirtex Group pays, or agrees to pay, any of its directors, officers, employees or contractors a termination or retention payment (other than in accordance with contractual arrangements in effect on the date of this deed which have been Disclosed);

(i) a member of the Sirtex Group resolves to be wound up;

(j) a liquidator or provisional liquidator of a member of a member of the Sirtex Group is appointed;

(k) a court makes an order for the winding up of a member of the Sirtex Group;

(l) an administrator of a member of the Sirtex Group is appointed under sections 436A, 436B or 436C of the Corporations Act;

(m) a member of the Sirtex Group executes a deed of company arrangement; or

(n) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of a member of the Sirtex Group.

Schedule 4

Sirtex Capital Structure

Security	Number on issue at date of this deed
Sirtex Shares	55,773,045
Sirtex Rights	825,954, comprising: • 129,744 Sirtex Rights issued in CY15 (with a vesting date of 30 June 2018); • 206,686 Sirtex Rights issued in CY16 (with a vesting date of 30 June 2019); and • 489,524 Sirtex Rights issued in CY17 (with a vesting date of 30 June 2020).

ANNEXURE B SCHEME IMPLEMENTATION DEED

EXECUTED by the parties as a deed:

SIGNED, SEALED & DELIVERED by)
Sirtex Medical Limited)
(ABN 35 078 166 122))
in accordance with section 127 of the)
Corporations Act:)

Director/~~Secretary~~

John A. Eady
Name (please print)

Director

ANDREW McLEAN.
Name (please print)

SIGNED, SEALED & DELIVERED by)
Varian Medical Systems, Inc.)
by its duly authorised representative in the)
presence of:)

Witness

Name (please print)

Authorised Representative

Name (please print)

ANNEXURE B SCHEME IMPLEMENTATION DEED

EXECUTED by the parties as a deed:

SIGNED, SEALED & DELIVERED by)
Sirtex Medical Limited)
(ABN 35 078 166 122))
in accordance with section 127 of the)
Corporations Act:)

Director/Secretary	Director
Name (please print)	Name (please print)

SIGNED, SEALED & DELIVERED by)
Varian Medical Systems, Inc.)
by its duly authorised representative in the)
presence of:)

Witness	Authorised Representative
Gary E. Bischoping	Dow R. Wilson
Name (please print)	Name (please print)

ANNEXURE B SCHEME IMPLEMENTATION DEED

Annexure A

Indicative Timetable

Event	Target date
Announcement	30 January 2018
First complete draft of Scheme Booklet (including expert's report)	5 March 2018
Scheme Booklet complete and provided to ASIC	12 March 2018
First Court hearing	29 March 2018
Mailing of Scheme Booklet complete	5 April 2018
Scheme Meeting	7 May 2018
Second Court hearing	9 May 2018
Effective Date	10 May 2018
Record Date	17 May 2018
Implementation Date	24 May 2018

ANNEXURE B SCHEME IMPLEMENTATION DEED

Annexure B

Scheme of Arrangement

Not reproduced here – see Annexure C of the Scheme Booklet

ANNEXURE B SCHEME IMPLEMENTATION DEED

Annexure C

Deed Poll

Not reproduced here – see Annexure D of the Scheme Booklet

SIRTeX

Annexure Scheme of Arrangement

C

ANNEXURE C SCHEME OF ARRANGEMENT

WATSON MANGIONI

Scheme of Arrangement

Dated

Sirtex Medical Limited
(ABN 35 078 166 122)

Scheme Shareholders

Watson Mangioni Lawyers Pty Limited
Corporate and Commercial Lawyers
Level 23, 85 Castlereagh Street
SYDNEY NSW 2000
Tel: (02) 9262 6666
Fax: (02) 9262 2626
Email: mail@wmlaw.com.au
Ref: CSC 217 7345

ANNEXURE C SCHEME OF ARRANGEMENT

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ANNEXURE C SCHEME OF ARRANGEMENT

Scheme of Arrangement under Part 5.1 of the *Corporations Act* 2001 (Cth).

Parties:

1. **Sirtex Medical Limited** (ABN 35 078 166 122) of Level 33, 101 Miller Street, North Sydney NSW 2060, Australia (**Sirtex**);

2. Each person registered as a holder of fully paid ordinary shares in Sirtex as at the Record Date (**Scheme Shareholders**).

1. Definitions and Interpretation

1.1. Definitions

In this Scheme:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of the ASX.

Bidder means Varian Medical Systems, Inc. of 3100 Hansen Way, Palo Alto, CA 94304-1038, United States.

Bidder Nominee means Varian Medical Systems Australasia Holdings Pty Ltd (ACN 625 038 048), a wholly-owned subsidiary of the Bidder.

Business Day means a business day as defined in the ASX Listing Rules.

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

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

Court means the Federal Court of Australia (NSW registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing between Sirtex and the Bidder.

Deed Poll means the deed poll dated 29 March 2018 executed by the Bidder and the Bidder Nominee substantially in the form of Annexure C of the Scheme Implementation Deed or as otherwise agreed by Sirtex and the Bidder under which the Bidder and the Bidder Nominee each covenants in favour of each Scheme Shareholder to perform its obligations under this Scheme.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to this Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means any security for payment of money or performance of obligations, including a mortgage, lien, charge, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the *Personal Property Securities Act* 2009 (Cth) or any agreement to create any of them or allow them to exist.

End Date means 31 July 2018 or such other date as is agreed in writing between Sirtex and the Bidder.

Government Agency means any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia, the United States of America or elsewhere, including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.

Implementation Date means the fifth Business Day after the Record Date or such other date as agreed in writing between Sirtex and the Bidder.

Record Date means 7pm on the fifth Business Day following the Effective Date or such other date as Sirtex and the Bidder agree.

Registered Address means, in relation to a Sirtex Shareholder, the address shown in the Share Register.

Scheme means this scheme of arrangement between Sirtex and the Scheme Shareholders under which all of the Scheme Shares will be transferred to the Bidder Nominee under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Sirtex, the Bidder and the Bidder Nominee in accordance with clause 9.2 of this Scheme.

Scheme Consideration means $28.00 cash per Scheme Share.

Scheme Implementation Deed means the scheme implementation deed dated 30 January 2018 between Sirtex and the Bidder under which, amongst other things, Sirtex has agreed to propose this Scheme to Sirtex Shareholders and each of the Bidder and Sirtex has agreed to take certain steps to give effect to this Scheme.

Scheme Meeting means the meeting of Sirtex Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act at which Sirtex Shareholders will vote on this Scheme.

Scheme Share means a Sirtex Share held by a Scheme Shareholder at the Record Date.

Scheme Share Transfer means, for each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Scheme Shareholders means Sirtex Shareholders at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Share Register means the register of members of Sirtex maintained in accordance with the Corporations Act.

Sirtex Registry means Link Market Services Limited (ABN 54 083 214 537).

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

Sirtex Shareholder means each person who is registered in the Share Register as the holder of Sirtex Shares.

Trust Account means the trust account operated by or on behalf of Sirtex to hold the Scheme Consideration on trust for the purpose of paying the Scheme Consideration to the Scheme Shareholders in accordance with clause 6.1 of this Scheme.

1.2. Interpretation

In this Scheme, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

(a) words importing the singular include the plural and vice versa;

(b) words importing a gender include any gender;

(c) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;

(d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;

(e) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this Scheme, and a reference to this Scheme includes any attachment, exhibit and schedule;

(f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(g) a reference to any document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;

(h) the word “includes” in any form is not a word of limitation;

(i) a reference to “$”, “A$” or “dollar” is to Australian currency;

(j) a reference to any time is, unless otherwise indicated, a reference to the time in Sydney, New South Wales, Australia;

(k) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;

(l) a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(m) a reference to “associate”, “control” (by an entity of another entity), “officer”, “related body corporate”, “subsidiary”, “relevant interest” or “voting power” is to that term as defined in the Corporations Act;

(n) a reference to the ASX Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.3. Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4. Listing requirements included as law

A listing rule or business rule of a securities exchange will be regarded as a "law", and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

2. Preliminary

2.1. Sirtex

(a) Sirtex is:

(i) a public company limited by shares;

(ii) incorporated in Australia and registered in Western Australia; and

(iii) admitted to the official list of the ASX and Sirtex Shares are officially quoted on the stock market conducted by ASX.

(b) As at [**date**] 2018, [**insert**] Sirtex Shares were on issue.

2.2. The Bidder

The Bidder is a company incorporated in Delaware, United States.

2.3. Bidder Nominee

(a) Pursuant to clause 2.2 of the Scheme Implementation Deed, the Bidder has nominated the Bidder Nominee to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with clause 5 of this Scheme.

(b) Clause 2.2 of the Scheme Implementation Deed provides that:

(i) the Bidder must procure that the Bidder Nominee complies with the Scheme Implementation Deed as if the Bidder Nominee were a party to it in place of the Bidder; and

(ii) any such nomination will not relieve the Bidder of its obligations under the Scheme Implementation Deed, including the obligation to pay (or procure the payment by Bidder Nominee of) the Scheme Consideration as contemplated by the terms of this Scheme.

2.4. If Scheme becomes Effective

If this Scheme becomes Effective:

(a) in consideration of the transfer of each Scheme Share to the Bidder Nominee, the Bidder Nominee will provide (or Bidder will provide on behalf of the Bidder Nominee) the Scheme Consideration to Sirtex on behalf of each Scheme Shareholder in accordance with the terms of this Scheme;

(b) all Scheme Shares will be transferred to the Bidder Nominee on the Implementation Date; and

(c) Sirtex will enter the name of the Bidder Nominee in the Share Register in respect of all Scheme Shares transferred to the Bidder Nominee in accordance with the terms of this Scheme.

2.5. Scheme Implementation Deed

Sirtex and the Bidder have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme.

2.6. Deed Poll

The Bidder and the Bidder Nominee have executed the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide (or procure the provision of) the Scheme Consideration.

3. Conditions Precedent

3.1. Conditions precedent to Scheme

This Scheme is conditional on, and will not become Effective until, the satisfaction of each of the following conditions precedent:

(a) as at 8am on the Second Court Date, neither the Deed Poll nor the Scheme Implementation Deed have been terminated in accordance with their terms;

(b) all of the conditions precedent in clause 3.1 of the Scheme Implementation Deed having been satisfied or waived (other than the condition precedent in clause 3.1(c) of this Scheme) in accordance with the terms of the Scheme Implementation Deed by 8am on the Second Court Date;

(c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Sirtex, the Bidder and the Bidder Nominee having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and

(d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

3.2. Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

3.3. Certificate in relation to conditions precedent

(a) Each of Sirtex and the Bidder must provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and clause 3.1(d) of this Scheme) have been satisfied or waived as at 8am on the Second Court Date.

(b) The certificates referred to in clause 3.3(a) will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8am on the Second Court Date.

4. Scheme

4.1. Effective Date

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2. Termination and End Date

Without limiting any rights under the Scheme Implementation Deed, if:

(a) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or

(b) the Effective Date does not occur on or before the End Date,

then each of the Bidder, the Bidder Nominee and Sirtex are released from any further obligation to take steps to implement the Scheme.

5. Implementation of Scheme

5.1. Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(d) of this Scheme) are satisfied, Sirtex must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5pm on the first Business Day after the day on which the Court approves this Scheme or such later time as the Bidder, the Bidder Nominee and Sirtex agree in writing.

5.2. Transfer and registration of Sirtex Shares

On the Implementation Date, but subject to the payment of the Scheme Consideration for the Scheme Shares into the Trust Account in accordance with clause 6.1(a) of this Scheme and the Bidder having provided Sirtex with written confirmation thereof:

(a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder Nominee without the need for any further act by any Scheme Shareholder (other than acts performed by Sirtex as attorney and agent for Scheme Shareholders under clause 9.1 of this Scheme) by:

    (i) Sirtex delivering to the Bidder Nominee a duly completed and executed Scheme Share Transfer executed on behalf of the Scheme Shareholders; and

    (ii) the Bidder Nominee duly executing the Scheme Share Transfer, attending to the stamping of the Scheme Share Transfer (if required) and delivering it to Sirtex for registration; and

(b) as soon as practicable after receipt of the duly executed Scheme Share Transfer, Sirtex must enter, or procure the entry of, the name of the Bidder Nominee in the Share Register in respect of all Scheme Shares transferred to the Bidder Nominee in accordance with the terms of this Scheme.

5.3. Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to the Bidder Nominee of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.

5.4. Title and rights in Sirtex Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, the Bidder Nominee will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Sirtex of the Bidder Nominee in the Share Register as the holder of the Scheme Shares.

5.5. Scheme Shareholders' agreements

Under this Scheme, each Scheme Shareholder agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, in accordance with the terms of this Scheme.

5.6. Warranty by Scheme Shareholders

Each Scheme Shareholder warrants to the Bidder Nominee, and is deemed to have authorised Sirtex to warrant to the Bidder Nominee as agent and attorney for the Scheme Shareholder by virtue of this clause 5.6, that:

(a) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) transferred to the Bidder Nominee under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and

(b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to the Bidder Nominee under the Scheme.

5.7. Transfer free of Encumbrances

To the extent permitted by law, all Sirtex Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to the Bidder Nominee under this Scheme will, at the date of the transfer of them to the Bidder Nominee, vest in the Bidder Nominee free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.8. Appointment of the Bidder Nominee as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6.1 of this Scheme, on and from the Implementation Date until Sirtex registers the Bidder Nominee as the holder of all of the Sirtex Shares in the Share Register, each Scheme Shareholder:

(a) irrevocably appoints Sirtex as attorney and agent (and directs Sirtex in such capacity) to appoint the Bidder Nominee and each of its directors from time to time (jointly and each of them individually) as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to Sirtex Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a));

(b) must take all other actions in the capacity of the registered holder of Sirtex Shares as the Bidder Nominee reasonably directs;

(c) acknowledges and agrees that in exercising the powers referred to in this clause 5.8(a), the Bidder Nominee and any director, officer or agent nominated under this clause 5.8(a) may act in the best interests of the Bidder Nominee as the intended registered holder of the Scheme Shares.

Sirtex undertakes in favour of each Scheme Shareholder that it will appoint the Bidder Nominee and each of its directors from time to time (jointly and each of them individually) as that Scheme

Shareholder's proxy or, where applicable, corporate representative in accordance with clause 5.8(a) of this Scheme.

6. Scheme Consideration

6.1. Payment of Scheme Consideration

(a) The Bidder and the Bidder Nominee must (pursuant to their respective obligations under the Deed Poll), by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders into the Trust Account.

(b) On the Implementation Date, subject to receipt of the Scheme Consideration from or on behalf of the Bidder (or the Bidder Nominee) in accordance with clause 6.1(a) of this Scheme, Sirtex must pay from the Trust Account to each Scheme Shareholder an amount equal to the Scheme Consideration for each Scheme Share transferred to the Bidder Nominee on the Implementation Date by that Scheme Shareholder, which obligation will be satisfied by Sirtex:

(i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the Share Register to receive dividend payments from Sirtex by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

(ii) whether or not a Scheme Shareholder has made an election referred to in clause 6.1(b)(i), dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount to the Scheme Shareholder by pre-paid ordinary post (or, if the address of the Scheme Shareholder in the Share Register is outside Australia, by pre-paid airmail post) to their Registered Address at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with clause 6.5).

(c) If there is any surplus in the amount held by Sirtex in the Trust Account, that surplus must be paid by Sirtex to the Bidder Nominee following the satisfaction of Sirtex's obligations under this clause.

6.2. Cancellation and re-issue of cheques

(a) Sirtex may cancel a cheque issued under clause 6.1 of this Scheme if the cheque:

(i) is returned to Sirtex; or

(ii) has not been presented for payment within 6 months after the date on which the cheque was sent.

(b) During the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder (which request may not be made until the date which is 5 Business Days after the Implementation Date), Sirtex must reissue a cheque that was previously cancelled under this clause 6.2.

(c) Sirtex must maintain appropriate records of all payments made in accordance with this clause 6 of this Scheme, including (amongst other things) the amounts paid (including the method of payment in accordance with clause 6.1(b)), the persons paid and any cancelled cheques pursuant to this clause 6.2.

6.3. Unclaimed monies

(a) The *Unclaimed Money Act* 1995 (NSW) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the *Unclaimed Money Act* 1995 (NSW)).

(b) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of the Bidder Nominee.

6.4. Orders of a court

In the case of notice having been given to Sirtex (or the Sirtex Registry) of an order or direction made by a court of competent jurisdiction or by a Government Agency:

(a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 6.1 of this Scheme, then Sirtex shall procure that payment is made in accordance with that order; or

(b) which would prevent Sirtex from dispatching payment to any particular Scheme Shareholder in accordance with clause 6.1 of this Scheme, or such payment is otherwise prohibited by applicable law, Sirtex will be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with clause 6.1 of this Scheme is permitted by law.

6.5. Joint holders

In the case of Scheme Shares held in joint names, any bank cheque required to be paid to Scheme Shareholders by or on behalf of the Bidder or the Bidder Nominee must be payable to the joint holders and be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

7. Dealings in Scheme Shares

7.1. Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Scheme Shares will only be recognised by Sirtex if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and

(b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Share Register is kept.

7.2. Share Register

Sirtex must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) of this Scheme on or before the Record Date, provided that nothing in this clause 7.2 requires Sirtex to register a transfer that would result in a Sirtex Shareholder holding a parcel of Sirtex Shares that is less than a "marketable parcel" (as defined in the operating rules of ASX).

7.3. No disposals after Effective Date

(a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

(b) Sirtex will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to the Bidder Nominee pursuant to this Scheme and any subsequent transfer by the Bidder Nominee or its successors in title) or received prior to the Record Date but not in registrable or actionable form.

7.4. Maintenance of Share Register

For the purpose of determining entitlements to the Scheme Consideration, Sirtex will maintain the Share Register in accordance with the provisions of this clause 7 until the Scheme Consideration has been paid to the Scheme Shareholders and the Bidder Nominee has been entered in the Share Register as the holder of all the Scheme Shares. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

7.5. Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to the Bidder Nominee contemplated in clauses 5.2 and 6.1 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those Scheme Shares (other than statements of holding in favour of the Bidder Nominee and its successors in title). After the Record Date, each entry current on the Share Register as at the Record Date (other than entries in respect of the Bidder Nominee or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

7.6. Details of Scheme Shareholders

Within 3 Business Days after the Record Date Sirtex will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder, as shown in the Share Register at the Record Date, are available to the Bidder and its Bidder Nominee in such form as the Bidder and its Bidder Nominee reasonably requires.

8. Quotation of Sirtex Shares

(a) Suspension of trading on ASX in Sirtex Shares will occur from the close of trading on ASX on the Effective Date.

(b) After the Scheme has been fully implemented, Sirtex will apply:

(i) for termination of the official quotation of Sirtex Shares on the ASX; and

(ii) to have itself removed from the official list of the ASX,

in each case with effect on and from the close of trading day immediately following, or shortly after, the Implementation Date, as determined by the Bidder Nominee.

9. General Scheme Provisions

9.1. Power of attorney

Each Scheme Shareholder, without the need for any further act by any Scheme Shareholder, irrevocably appoints Sirtex and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

ANNEXURE C SCHEME OF ARRANGEMENT

(a) executing any document necessary or expedient to give effect to this Scheme including the Scheme Share Transfer;

(b) enforcing the Deed Poll against the Bidder or the Bidder Nominee,

and Sirtex accepts such appointment.

9.2. Variations, alterations and conditions

Sirtex may, with the consent of the Bidder and the Bidder Nominee (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

9.3. Further action by Sirtex

Sirtex will execute all documents and do all things (on its own behalf and on behalf of each Scheme Shareholder) necessary or expedient to implement, and perform its obligations under, this Scheme.

9.4. Authority and acknowledgement

Each of the Scheme Shareholders:

(a) irrevocably consents to Sirtex, the Bidder and the Bidder Nominee doing all things necessary or expedient for or incidental to the implementation of this Scheme; and

(b) acknowledges that this Scheme binds Sirtex and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at the Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Sirtex.

9.5. No liability when acting in good faith

Neither Sirtex nor the Bidder and the Bidder Nominee, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

9.6. Enforcement of Deed Poll

Sirtex undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against the Bidder and the Bidder Nominee on behalf of and as agent and attorney for the Scheme Shareholders.

9.7. Stamp duty and registration fees

The Bidder Nominee (or Bidder on behalf of the Bidder Nominee) will:

(a) pay all stamp duties, registration fees and similar taxes payable or assessed as being payable in connection with this Scheme or the Deed Poll (including any fees, fines, penalties and interest in connection with those amounts); and

(b) indemnify each Scheme Shareholder against any liability incurred by the Scheme Shareholder arising from its failure to comply with clause 9.7(a).

9.8. Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Sirtex, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Sirtex's registered office or at the office of the Registry.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Sirtex Shareholder shall not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.9. Governing law and jurisdiction

(a) This Scheme is governed by the law in force in New South Wales.

(b) Each party irrevocably and unconditionally:

(i) submits to the non-exclusive jurisdiction of the courts of that place; and

(ii) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

SIRTeX

Annexure Deed Poll

D

ANNEXURE D DEED POLL

WATSON MANGIONI

Deed Poll

Dated 29 March 2018

Given by

Varian Medical Systems, Inc.

and

Varian Medical Systems Australasia Holdings Pty Ltd
(ACN 625 038 048)

In favour of

Scheme Shareholders

Watson Mangioni Lawyers Pty Limited
Corporate and Commercial Lawyers
Level 23, 85 Castlereagh Street
SYDNEY NSW 2000
Tel: (02) 9262 6666
Fax: (02) 9262 2626
Email: mail@wmlaw.com.au
Ref: CSC 217 7345

ANNEXURE D DEED POLL

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ANNEXURE D DEED POLL

This Deed Poll is made on 29 March 2018

Made by:

Varian Medical Systems, Inc. of 3100 Hansen Way, Palo Alto, CA 94304-1038, United States (**Bidder**); and

Varian Medical Systems Australasia Holdings Pty Ltd (ACN 625 038 048) of Suite 3 13B Narabang Way Belrose NSW 2085, Australia (**Bidder Nominee**)

In favour of:

Each person registered as a holder of fully paid ordinary shares in Sirtex as at the Record Date (**Scheme Shareholders**).

Recitals:

A. The directors of Sirtex have resolved that Sirtex should propose the Scheme.

B. The effect of the Scheme will be that all Scheme Shares will be transferred to the Bidder Nominee.

C. Sirtex and the Bidder have entered into the Scheme Implementation Deed.

D. In the Scheme Implementation Deed, the Bidder has agreed (amongst other things) to provide (or procure the provision of) the Scheme Consideration to Sirtex on behalf of the Scheme Shareholders, subject to the satisfaction of certain conditions.

E. Pursuant to clause 2.2 of the Scheme Implementation Deed, the Bidder has nominated the Bidder Nominee as the entity to acquire the Scheme Shares under the Scheme.

F. Each of the Bidder and the Bidder Nominee is entering into this deed poll for the purpose of covenanting in favour of Scheme Shareholders to perform its respective obligations in relation to the Scheme.

1. Definitions and Interpretation

1.1. Definitions

In this deed poll:

(a) **Scheme** means the proposed scheme of arrangement between Sirtex and the Scheme Shareholders under which all of the Scheme Shares will be transferred to the Bidder Nominee under Part 5.1 of the Corporations Act, substantially in the form of Annexure A to this deed poll, or as otherwise agreed by Sirtex and the Bidder, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Sirtex, the Bidder and the Bidder Nominee in accordance with clause 9.2 of the Scheme;

(b) **Scheme Implementation Deed** means the scheme implementation deed dated 30 January 2018 between Sirtex and the Bidder under which, amongst other things, Sirtex has agreed to propose the Scheme to Sirtex Shareholders and each of the Bidder and Sirtex has agreed to take certain steps to give effect to this Scheme; and

(c) all other words and phrases used in this deed poll have the same meaning as given to them in the Scheme.

ANNEXURE D DEED POLL

1.2. Interpretation

Clauses 1.2, 1.3 and 1.4 of the Scheme apply to the interpretation of this deed poll except that references to "this Scheme" in that clause are to be read as references to "this deed poll" and any reference to "party" are taken to include the Scheme Shareholders.

1.3. Nature of deed poll

Each of the Bidder and the Bidder Nominee acknowledges and agrees that:

(a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints Sirtex and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against the Bidder or the Bidder Nominee.

2. Conditions Precedent and Termination

2.1. Conditions precedent

Each of the Bidder's and the Bidder Nominee's obligations under clause 4 are subject to the Scheme becoming Effective.

2.2. Termination

Each of the Bidder's and the Bidder Nominee's obligations under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

(a) the Scheme has not become Effective on or before the End Date; or

(b) the Scheme Implementation Deed is terminated in accordance with its terms.

2.3. Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

(a) each of the Bidder and the Bidder Nominee is released from its obligations to further perform this deed poll except those obligations contained in clause 8.1 and any other obligations which by their nature survive termination; and

(b) each Scheme Shareholder retains the rights, powers or remedies they have against the Bidder and the Bidder Nominee (as applicable) in respect of any breach of this deed poll which occurs before it is terminated.

3. Performance of Obligations Generally

Each of the Bidder and the Bidder Nominee must comply with its respective obligations under the Scheme Implementation Deed and do all acts and things necessary or desirable on its part to give full effect to the Scheme.

4. Scheme Consideration

4.1. Scheme Consideration

Subject to clause 2, each of the Bidder and the Bidder Nominee undertakes in favour of each Scheme Shareholder to pay, or to procure the payment of, the Scheme Consideration to the Trust Account on behalf of each Scheme Shareholder subject to and in accordance with the terms of the Scheme.

4.2. Manner of payment

Subject to clause 4.3, the Bidder's and the Bidder Nominee's respective obligation to provide, or procure the provision of, the Scheme Consideration to Sirtex on behalf of each Scheme Shareholder is satisfied by the Bidder (or if applicable, the Bidder Nominee), no later than the Business Day before the Implementation Date, depositing in cleared funds the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders into the Trust Account (except that the amount of any interest (less bank fees and other charges) on the amount deposited will be to the Bidder's or the Bidder Nominee's account).

4.3. Joint holders

In the case of Scheme Shares held in joint names, any bank cheque required to be paid to Scheme Shareholders by the Bidder (or if applicable, the Bidder Nominee) must be payable to the joint holders and be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

5. Representations and Warranties

Each of the Bidder and the Bidder Nominee represents and warrants that:

(a) it is a corporation validly existing under the laws of its place of registration;

(b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) this deed poll is valid and binding upon it and enforceable against it in accordance with its terms;

(e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound; and

(f) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

6. Continuing Obligations

Subject to clause 8.3, this deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) the Bidder and the Bidder Nominee have fully performed their respective obligations under this deed poll; or

(b) the earlier termination of this deed poll under clause 2.2.

ANNEXURE D DEED POLL

7. Notices

7.1. Form

Unless this deed expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications to the Bidder or the Bidder Nominee in connection with this deed must be in writing and signed by the sender (if an individual) or a person duly authorised by the sender.

7.2. Delivery

Communications to the Bidder or the Bidder Nominee must be:

(a) delivered by hand to the address of the Bidder or the Bidder Nominee (as applicable) referred to in clause 7.3;

(b) sent by regular ordinary post (airmail if sent from one country to another) to the address of the Bidder or the Bidder Nominee (as applicable) referred to in clause 7.3; or

(c) given in any other way permitted by law.

7.3. Notice details

The notice details of:

(a) the Bidder are:

Name:	Varian Medical Systems, Inc.
Address:	3100 Hansen Way, Palo Alto, CA 94304-1038, United States
Attention:	Mike Dunn
Email:	Mike.Dunn@varian.com

(b) the Bidder Nominee are:

Name:	Varian Medical Systems Australasia Holdings Pty Ltd
Address:	Suite 3 13B Narabang Way Belrose NSW 2085
Attention:	Mike Dunn
Email:	Mike.Dunn@varian.com

7.4. When effective

Communications take effect from the time they are received or taken to be received under clause 7.5 (whichever happens first) unless a later time is specified.

7.5. When taken to be received

Subject to clause 7.6, communications are taken to be received:

(a) if delivered by hand, when delivered; or

(b) if sent by post, 5 Business Days after posting (if posted to an address in the same country) or 10 Business Days after posting (if posted to an address in a different country).

7.6. Receipt outside business hours

Despite clauses 7.4 and 7.5, if communications are received or taken to be received under clause 7.5 after 5pm on a Business or on a non-Business Day, they are taken to be received at 9am on the next Business Day and take effect from that time unless a later time is specified.

8. General

8.1. Stamp duty

The Bidder (or if applicable, the Bidder Nominee) must:

(a) pay all stamp duty, registration fees and similar taxes payable or assessed as being payable on or in connection with this deed poll, the performance of this deed poll, or any instruments entered into under this deed poll and in respect of a transaction effected by or made under the Scheme and this deed poll (including any fees, fines, penalties and interest in connection with any of those amounts);

(b) pay other costs in respect of the Scheme (including, in connection with the transfer of Scheme Shares to the Bidder (or if applicable, the Bidder Nominee) in accordance with the terms of the Scheme); and

(c) indemnify on demand each Scheme Shareholder against any liability arising from failure to comply with clauses 8.1(a) or 8.1(b).

8.2. Waiver

(a) A waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party giving the waiver.

(b) A failure or delay in exercise, or partial exercise, of:

(i) a right arising from a breach of this deed poll; or

(ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,

does not result in a waiver of that right, power, authority, discretion or remedy.

(c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.

(d) A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

8.3. Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless:

(a) if before the First Court Date (as defined in the Scheme Implementation Deed), the variation is agreed to by Sirtex, the Bidder and the Bidder Nominee in writing; and

(b) if on or after the First Court Date (as defined in the Scheme Implementation Deed), the variation is agreed to by Sirtex, the Bidder and the Bidder Nominee in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

ANNEXURE D DEED POLL

in which event the Bidder and the Bidder Nominee must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

8.4. Remedies cumulative

The rights, powers and remedies of the Bidder, the Bidder Nominee and the Scheme Shareholders under this deed poll are cumulative and are in addition to, and do not exclude any, other rights, powers and remedies given by law independently of this deed poll.

8.5. Assignment

The rights and obligations of the Bidder, the Bidder Nominee and each Scheme Shareholder under this deed poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt or purport to do so without the prior written consent of the Bidder, the Bidder Nominee and Sirtex.

8.6. Governing law and jurisdiction

This deed poll is governed by the law in force in New South Wales, Australia. The Bidder and the Bidder Nominee irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of that place.

8.7. Further action

The Bidder and the Bidder Nominee must execute all deeds and other documents and do all things (on their own behalf or on behalf of each Scheme Shareholder) necessary or expedient to give full effect to this deed poll and the transactions contemplated by it.

8.8. Service of process

(a) Without preventing any method of service allowed under any relevant law, the Bidder and the Bidder Nominee each:

(i) irrevocably appoints Norose Notices Australia Pty Ltd ACN 158 029 586 as its process agent to receive any document in an action in connection with this deed poll; and

(ii) agrees that failure by a process agent to notify the Bidder or the Bidder Nominee (as applicable) of any document in an action in connection with this deed poll does not invalidate the action concerned.

(b) If for any reason Norose Notices Australia Pty Ltd ceases to be able to act as process agent, the Bidder and the Bidder Nominee each agrees to appoint another person as its process agent in Australia and ensure that the replacement process agent accepts its appointment and confirms its appointment to the Bidder and the Bidder Nominee.

(c) The Bidder and the Bidder Nominee each agrees that service of documents on its process agent at the following address is sufficient service on it:

Name:	Norose Notices Australia Pty Ltd
Address:	Level 16, ‘Grosvenor Place’, 225 George Street, Sydney, NSW 2000
Attention:	Shaun Clyne / Jeremy Wickens
Email:	shaun.clyne@nortonrosefulbright.com / jeremy.wickens@nortonrosefulbright.com

ANNEXURE D DEED POLL

EXECUTED as a deed poll:

SIGNED, SEALED & DELIVERED by)
Varian Medical Systems, Inc.)
by its duly authorised representative in the)
presence of:)

Witness

Name: Michael B. Dunn

Authorised Representative

Name: John W. Kuo

SIGNED, SEALED & DELIVERED by)
Varian Medical Systems Australasia)
Holdings Pty Ltd)
(ACN 625 038 048))
in accordance with section 127 of the)
Corporations Act:)

Director/Secretary

Name: John W. Kuo

Director

Name: Gary E. Bischoping, Jr.

SIRTeX

Annexure Notice of Scheme Meeting

E

ANNEXURE E NOTICE OF SCHEME MEETING

SIRTEX MEDICAL LIMITED (ACN 078 166 122)

Notice is hereby given that, by an order of the Federal Court of Australia (the **Court**) made on 29 March 2018, pursuant to subsection 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in Sirtex Medical Limited (ACN 078 166 122) (**Sirtex**) will be held at the Royal Automobile Club of Australia, 89 Macquarie Street, Sydney NSW 2000 on Monday, 7 May 2018, commencing 10:00am (Sydney time).

PURPOSE OF THE MEETING

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Sirtex and Varian Medical Systems, Inc. agree) proposed to be made between Sirtex and the holders of ordinary shares in Sirtex (the **Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

RESOLUTION

The meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution:

> 'That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act* 2001 (Cth), the scheme of arrangement proposed between Sirtex Medical Limited and the holders of its ordinary shares, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is approved, with or without alterations or conditions as approved by the Federal Court of Australia to which Sirtex Medical Limited and Varian Medical Systems, Inc. agree.'

CHAIRMAN

The Court has directed that John Eady is to act as chairman of the meeting (and that, if John Eady is unable or unwilling to attend, Neville Mitchell is to act as chairman of the meeting) and has directed the chairman to report the result of the Scheme Resolution to the Court.

Dated 29 March 2018

By order of the Court and the Sirtex Medical Limited Board

Darren Smith

Chief Financial Officer and Company Secretary

ANNEXURE E NOTICE OF SCHEME MEETING

EXPLANATORY NOTES

(1) General

This notice of scheme meeting relates to the Scheme and should be read in conjunction with the Scheme Booklet of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure C of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in section 10.1 of the Scheme Booklet, unless the context otherwise requires.

(2) Shareholder approval

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Sirtex Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Sirtex Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution.

(3) Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, the time for determining eligibility to vote at the Scheme Meeting is 7:00pm (Sydney time) on 5 May 2018. Only those Sirtex Shareholders entered on the Sirtex Share Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate Sirtex Shareholder, by a body corporate representative. The remaining comments in these explanatory notes are addressed to Sirtex Shareholders entitled to attend and vote at the meeting.

(4) How to vote

Voting will be conducted by poll.

If you are a Sirtex Shareholder entitled to vote at the meeting, you may vote by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the Proxy Form that accompanied this Scheme Booklet;
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

(5) Attendance

If you or your proxies, attorneys or representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Sirtex Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

(6) Jointly held securities

If you hold Sirtex Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting, only the vote of the holder whose name appears first on the Sirtex Share Register will be counted.

(7) Voting

(a) Voting in person

To vote in person, you must attend the meeting.

Eligible Sirtex Shareholders who wish to attend and vote at the meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

ANNEXURE E NOTICE OF SCHEME MEETING

(b) Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Sirtex Shareholder. Each proxy will have the right to vote on the poll and also to speak at the meeting.

To appoint a proxy, you should complete and return the proxy form that accompanied this Scheme Booklet in accordance with the instructions on that form. You must deliver the signed and completed proxy form to the Sirtex Registry by 10:00am (Sydney time) on 5 May 2018 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- **online:**

  at www.linkmarketservices.com.au using your SRN/HIN number (as applicable) noted on the front of the proxy form, and by following the instructions on that website
- **by post in the provided reply-paid envelope to the Sirtex Registry:**

  Sirtex Medical Limited

  c/– Link Market Services Limited

  Locked Bag A14

  Sydney South NSW 1235 Australia
- **by hand delivery to the Sirtex Registry during business hours (Monday to Friday, 9:00am – 5:00pm (Sydney time)):**

  1A Homebush Bay Drive, Rhodes NSW 2138
- **by fax to the Sirtex Registry on:**

  +61 2 9287 0309 (within and outside of Australia)

Proxy forms received after this time will be invalid.

If a proxy form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been noted by the Sirtex Registry.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Sirtex Registry by 10:00am (Sydney time) on 5 May 2018 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the ways described above.

If you wish to appoint a second proxy, a second proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. You can obtain a second proxy form from the Sirtex Registry. Replacement proxy forms can also be obtained from the Sirtex Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the proxy forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

If you hold Sirtex Shares jointly with one or more other persons, in order for your proxy appointment to be valid, either shareholder may sign the proxy form.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chairman of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chairman of the meeting intends to vote all valid undirected proxies which appoint (or are taken to appoint) the chairman in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Sirtex Shareholders.

Proxies of eligible Sirtex Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

ANNEXURE E NOTICE OF SCHEME MEETING

(c) Voting by attorney

You may appoint an attorney to attend and vote at the meeting on your behalf. Your attorney need not be another Sirtex Shareholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Sirtex), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, must be lodged with the Sirtex Registry before 10:00am (Sydney time) on 5 May 2018 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- **by post in the provided reply-paid envelope to the Sirtex Registry:**
  Sirtex Medical Limited
  c/– Link Market Services Limited
  Locked Bag A14
  Sydney South NSW 1235 Australia
- **by hand delivery to the Sirtex Registry during business hours (Monday to Friday, 9:00am – 5:00pm (Sydney time)):**
  1A Homebush Bay Drive, Rhodes NSW 2138
- **by fax to the Sirtex Registry on:**
  +61 2 9287 0309 (within and outside of Australia)

Please note that the power of attorney or a certified copy of the power of attorney cannot be lodged online.

Attorneys of eligible Sirtex Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

(d) Voting by corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Sirtex will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Sirtex Registry by calling 1300 794 682 (within Australia) or +61 1300 794 682 (outside Australia). The certificate of appointment may set out restrictions on the representative's powers.

The certificate should be lodged at the registration desk on the day of the meeting or with the Sirtex Registry before 10:00am (Sydney time) on 5 May 2018 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- **by post in the provided reply-paid envelope to the Sirtex Registry:**
  Sirtex Medical Limited
  c/– Link Market Services Limited
  Locked Bag A14
  Sydney South NSW 1235 Australia
- **by hand delivery to the Sirtex Registry during business hours (Monday to Friday, 9:00am – 5:00pm (Sydney time)):**
  1A Homebush Bay Drive, Rhodes NSW 2138
- **by fax to the Sirtex Registry on:**
  +61 2 9287 0309 (within and outside of Australia)

If a certificate is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been noted by the Sirtex Registry.

Body corporate representatives of eligible Sirtex Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors.

(8) Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from Sirtex's website (www.sirtex.com) or by contacting the Company Secretary of Sirtex or the Sirtex Registry.

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CORPORATE DIRECTORY

Sirtex Medical Limited

Level 33, 101 Miller Street
North Sydney NSW 2060
Tel: +61 2 9964 8400

Directors

Andrew McLean, Chief Executive Offer
Grant Boyce, Non-Executive Director
Helen Kurincic Non-Executive Director
John Eady, Non-Executive Director (Interim Chairman)
Katherine Woodthorpe, Non-Executive Director
Neville Mitchell, Non-Executive Director

Company Secretary

Darren Smith

Financial adviser

UBS AG, Australia Branch
Level 16 Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Australian legal adviser

Watson Mangioni Lawyers Pty Limited
Level 23, 85 Castlereagh Street
Sydney NSW 2000
Australia

Sirtex's auditor

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000
Australia

Sirtex Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia
Tel: 1300 554 474 (in Australia)
Tel: +61 1300 554 474 (international)

Stock exchange listing

Sirtex ordinary shares are quoted by the Australian Securities Exchange (ASX:SRX)

Designed and produced by ideate

SIRTeX

Sirtex Medical Limited
ABN 35 078 166 122

LODGE YOUR PROXY

ONLINE
www.linkmarketservices.com.au

BY MAIL
Sirtex Medical Limited
C/- Link Market Services Limited
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 794 682

X99999999999

PROXY FORM

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

STEP 1

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, 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 Scheme Meeting of the Company to be held at **10:00am on Monday, 7 May 2018 at Royal Automobile Club of Australia, 89 Macquarie Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

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

STEP 2

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*
1	That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Sirtex Medical Limited and the holders of its ordinary shares, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is approved, with or without alterations or conditions as approved by the Federal Court of Australia to which Sirtex Medical Limited and Varian Medical Systems, Inc. agree.'	☐	☐	☐

* 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.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	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).

SAMPLE

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.

DEFAULT TO 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.

VOTES ON ITEM OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the 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 item of business, your proxy may vote as he or she chooses. If you mark item more than one box on an item your vote on that item will be invalid.

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:

(a) 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

(b) 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 **10:00am on Saturday, 5 May 2018,** 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.

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 proxy. 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

QR Code

Our voting website is designed specifically for lodging your proxy online. You can now lodgeyour 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.

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

BY MAIL

Sirtex Medical 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

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

SAMPLE

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