

# Notice of general meeting

Viralytics Limited ACN 010 657 351

Notice is given that the general meeting of Viralytics Limited (**Company**) will be held at:

<b>Location</b>	McCullough Robertson Level 16, 55 Hunter Street, Sydney
<b>Date</b>	Thursday, 6 March 2014
<b>Time</b>	11.00am(Sydney time)

## Special Business

### Resolution 1–Ratification and approval of previous allotment and issue of First Tranche Shares to Institutional Investors

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous allotment and issue of 21,736,813 Shares to Institutional Investors as detailed in the Explanatory Memorandum.’

#### Voting Exclusion

The Company will disregard any votes cast on this resolution by any person who participated in the issue of securities described in the Explanatory Memorandum or any of their associates.

However, the Company will not disregard a vote if:

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

### Resolution 2 - Approval of allotment and issue of Second Tranche Shares to Institutional Investors

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of 60,406,045 Shares to Institutional Investors as detailed in the Explanatory Memorandum.’

#### Voting Exclusion

The Company will disregard any votes cast on this resolution by:

- (a) any person who may participate in the issue of securities described in the Explanatory Memorandum; and
- (b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed,

or any associates of a person referred to in (a) or (b) above.

However, the Company will not disregard a vote if:

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

Dated: 3 February 2014

By order of the Board



**Catherine Officer**  
**Company Secretary**

**Notes**

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined under regulation 7.11.37 *Corporations Regulations 2001* (Cth) that for the purpose of voting at the meeting or adjourned meeting, Shares are taken to be held by those persons recorded in the Company's register of shareholders as at 7.00pm (Sydney time) on Tuesday, 4 March 2014.
- (f) If you have any queries on how to cast your votes please call Catherine Officer on 02 9988 4000 during business hours.

# Explanatory memorandum

Viralytics Limited ACN 010 657 351

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## Resolutions 1 and 2 - Placement of Shares to Institutional Investors

- 1 As announced to the ASX on 30 January 2014, in addition to a 1 for 6 non-renounceable rights issue to existing shareholders, the Company is currently undertaking a capital raising of \$23 million by way of a placement of 82,142,858 ordinary shares (**Shares**) to sophisticated and professional investors (**Institutional Investors**) at an issue price of \$0.28 per Share (**Placement**).
- 2 The Placement is being conducted in two tranches:
  - (a) an initial placement of 21,736,813 Shares (**First Tranche Shares**), which was completed on 4 February 2014 (**First Tranche**); and
  - (b) a subsequent placement of an additional 60,406,045 Shares (**Second Tranche Shares**), which is anticipated to complete on or about 11 March 2014 (**Second Tranche**) (subject to shareholder approval).
- 3 The issue price for the First Tranche Shares and the Second Tranche Shares is the same.
- 4 The proceeds raised as a result of the Placement are anticipated be used to fund the Company's three key trials: STORM, CALM and a randomised melanoma trial, to the end of 2016.
- 5 The purpose of resolutions 1 and 2 is for shareholders to:
  - (a) approve and ratify, under ASX Listing Rule 7.4 and for all other purposes, the issue of the First Tranche Shares; and
  - (b) approve, under ASX Listing Rule 7.1 and for all other purposes, the issue of the Second Tranche Shares.

### Resolution 1 - Ratification and approval of previous allotment and issue of First Tranche Shares to Institutional Investors

- 6 Resolution 1 seeks shareholder approval under ASX Listing Rule 7.4 (and for all other purposes) for the issue of the First Tranche Shares to Institutional Investors on 4 February 2014 at an issue price of \$0.28 per Share.
- 7 ASX Listing Rule 7.1 and 7.1A<sup>1</sup> prevents the Company from issuing more than 25% of its issued capital without shareholder approval. The allotment and issue of the First Tranche Shares did exceed the 15% threshold and required the Company to utilise its additional 10% placement capacity under Listing Rule 7.1A. Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1 and Listing Rule 7.1A, thereby replenishing that company's 15% capacity and additional 10% capacity, enabling it to issue further securities up to that limit.

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<sup>1</sup> Listing Rule 7.1A applies to the Company as an eligible entity that obtained shareholder approval at its last annual general meeting.

- 8 Resolution 1 proposes the ratification and approval of the allotment and issue of the First Tranche Securities for the purpose of satisfying the requirements of ASX Listing Rule 7.4. Details of the issue are set out below.

First Tranche Shares	
Issue date	4 February 2014
Number of securities	21,736,813 fully paid ordinary shares
Issue price	\$0.28 per Share
Terms of issue	The Shares rank equally with all existing Shares on issue
Allottees	The Shares were issued through a private placement to Institutional Investors (being clients of Bell Potter Securities Limited and Roth Capital Partners LLC)
Use of funds raised	Proceeds of the issue will be used to assist in funding the Company's three key trials: STORM, CALM and a randomised melanoma trial

- 9 If resolution 1 is not approved, the Company's ability to raise additional equity funds over the next 12 months without reference to shareholders will be restricted.
- 10 The Directors unanimously recommend you vote in favour of this resolution.

#### **Resolution 2 - Approval of allotment and issue of Second Tranche Shares to Institutional Investors**

- 11 Resolution 2 seeks shareholder approval under ASX Listing Rule 7.1 (and for all other purposes) for the issue of the Second Tranche Shares to Institutional Investors, expected to complete on or about 11 March 2014 at an issue price of \$0.28 per Share.
- 12 As outlined in paragraph 7 above, ASX Listing Rule 7.1 and 7.1A prevents the Company from issuing more than 25% of its issued capital without shareholder approval. The allotment and issue of the Second Tranche Shares (if made without shareholder approval) would exceed the 25% threshold. Resolution 2 therefore proposes the approval of the allotment and issue of the Second Tranche Shares for the purpose of satisfying the requirements of ASX Listing Rule 7.1 and 7.1A.
- 13 The Company has agreed to issue the Second Tranche Shares conditional on the necessary approvals being obtained from shareholders. This means that if:
- (a) resolution 1 only is passed, the Second Tranche Shares will be issued without approval up to the Company's 25% capacity under ASX Listing Rule 7.1 and 7.1A;
  - (b) both resolutions are passed, the Second Tranche Shares will be issued with approval pursuant to ASX Listing Rule 7.1; or
  - (c) none of the resolutions are passed, the Second Tranche Shares will not be issued.

- 14 Further details regarding the proposed issue of the Second Tranche Shares are set out below.

<b>Second Tranche Shares</b>	
<b>Maximum number of securities to be issued</b>	60,406,045 fully paid ordinary shares
<b>Date of issue</b>	Expected to be 11 March 2014 but, in any event, no later than three months after the date of the meeting
<b>Issue price</b>	\$0.28 per Share
<b>Terms of issue</b>	The Shares will rank equally with all existing Shares on issue
<b>Allottees</b>	The Shares were issued through a private placement to Institutional Investors (being clients of Bell Potter Securities Limited and Roth Capital Partners LLC)
<b>Intended use of funds raised</b>	Proceeds of the issue will be used to assist in funding the Company's three key trials: STORM, CALM and a randomised melanoma trial

- 15 The Directors unanimously recommend you vote in favour of this resolution.

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

 **By fax:** +61 2 9287 0309

 **All enquiries to: Telephone:** +61 1300 554 474



**X99999999999**

## SHAREHOLDER PROXY FORM

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

STEP 1	APPOINT A PROXY
<input type="checkbox"/> <b>the Chairman of the Meeting (mark box)</b>	<p>OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<p>or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 11:00am on Thursday, 6 March 2014, at offices of McCullough Robertson, Level 15, 55 Hunter St, Sydney and at any adjournment or postponement of the meeting.</p> <p>The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.</p>	

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

STEP 2	VOTING DIRECTIONS		For	Against	Abstain*
<p><b>Resolution 1</b> Ratification and approval of previous allotment and issue of First Tranche Shares to Institutional Investors</p>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Resolution 2</b> Approval of allotment and issue of Second Tranche Shares to Institutional Investors</p>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

STEP 3 SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED		
<p>Shareholder 1 (Individual)</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Sole Director and Sole Company Secretary</p>	<p>Joint Shareholder 2 (Individual)</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Director/Company Secretary (Delete one)</p>	<p>Joint Shareholder 3 (Individual)</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Director</p>

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).



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## HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

### Signing Instructions

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

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

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

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

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

### Corporate Representatives

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

### Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Tuesday, 4 March 2014**, 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](http://www.linkmarketservices.com.au)

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



**by mail:**

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



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the General Meeting, please bring this form with you.  
This will assist in registering your attendance.