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(Securities Code 4588)  
March 6, 2019

**To Shareholders with Voting Rights:**

Yasuo Urata  
President & CEO  
Oncolys BioPharma Inc.  
4-1-28 Toranomom, Minato-ku, Tokyo, Japan

**NOTICE OF  
THE 15TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 15th Annual General Meeting of Shareholders of Oncolys BioPharma Inc. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing. Please review the Reference Documents for the General Meeting of Shareholders attached hereinafter, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Wednesday, March 27, 2019, Japan time.

- 1. Date and Time:** Thursday, March 28, 2019 at 10:00 a.m. Japan time  
(Reception starts at 9:30 a.m.)
- 2. Place:** Hotel Grand Arc Hanzomon located at  
1-1 Hayabusa-cho, Chiyoda-ku, Tokyo, Japan  
(Please refer to the “Guide map to the venue” at the end of this document.)
- 3. Meeting Agenda:**  
**Matters to be reported:** Business Report and Non-consolidated Financial Statements for the Company’s 15th Fiscal Year (January 1, 2018 - December 31, 2018)

**Proposals to be resolved:**

- Proposal 1:** Election of Four (4) Board Members
- Proposal 2:** Partial Amendment to the Articles of Incorporation
- Proposal 3:** Approval of Compensation Plan for Allotting Restricted Stock to Board Members (Excluding Outside Board Members)

A briefing session on the Company’s business is scheduled following a short intermission after the General Meeting of Shareholders.

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When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception. If attending the meeting by proxy, please have the proxy written proof of right of proxy (letter of proxy) along with your Voting Rights Exercise Form and the proxy’s own Voting Rights Exercise Form at the reception.

Should the Reference Documents for the General Meeting of Shareholders, the Business Report and the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://www.oncolys.com/jp/ir/>).

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Election of Four (4) Board Members

The terms of office of all the six (6) incumbent Board Members will expire at the conclusion of this General Meeting of Shareholders.

Board Member candidates have been selected to enhance corporate value by making more appropriate management decisions through ensuring the diversity of members of the Board of Directors and by establishing the high transparency of management and a higher level of corporate governance.

Accordingly, the election of four (4) Board Members, including one (1) Outside Board Member, is proposed.

The candidates for Board Member are as follows.

No.	Name (Date of Birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1 [Reappointment]	Yasuo Urata (October 26, 1955)	<p>April 1983      Joined Ono Pharmaceutical Co., Ltd. and was assigned to Clinical Development Department</p> <p>August 1994    Joined Japan Tobacco Inc. and was assigned to the Central Pharmaceutical Research Institute</p> <p>April 1999      Director of Research Planning</p> <p>March 2002     Director of R&amp;D Planning</p> <p>August 2003    Senior Manager of Pharmaceutical Business</p> <p>March 2004     Established the Company President &amp; CEO, Research and Development (to present)</p> <p>November 2009 Member of the Bio Innovation Research Society (Ministry of Economy, Trade and Industry)</p> <p>August 2016    Executive Officer of Oncolys USA Inc. (to present)</p>	388,500
<p>[Reason for nomination as candidate for Board Member]</p> <p>Mr. Yasuo Urata is the founder of the Company. He has been striving to promote research and development and to enhance corporate value, assuming direction of management as President and CEO of the Company since its founding. The Company has renominated him as a candidate for Board Member because having engaged in research and development of new biotechnology drugs in the pharmaceutical industry for many years, he has experience in successful development of many new drugs and provides leadership as a corporate manager.</p>			

No.	Name (Date of Birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2 [Reappointment]	Keiji Yoshimura (July 14, 1955)	<p>April 1979      Joined Coopers &amp; Lybrand</p> <p>April 1985      Joined ICI Japan Ltd.</p> <p>November 1993      Joined Amgen Inc. General Manager, Finance, Legal and IT</p> <p>October 2003      Joined GOSEN CO., LTD. Director and Senior Managing Executive Officer</p> <p>November 2007      Joined Taiko Paper Mfg., Ltd. Director and CFO</p> <p>June 2012      Vice President, Risk Management and Accounting and General Manager, Accounting of the Company</p> <p>August 2016      Board Member of Oncolys USA Inc. (to present)</p> <p>June 2018      Vice President, Accounting and General Affairs and General Manager, Accounting and General Affairs of the Company</p> <p>January 2019      Vice President, Management and General Manager, Accounting and General Affairs (to present)</p>	4,000
		<p>[Reason for nomination as candidate for Board Member]</p> <p>Mr. Keiji Yoshimura has extensive experience, achievements, and insight in administration in Japan and overseas, and has served as Board Member of the Company since 2012. The Company has renominated him as a candidate for Board Member because it has judged that he is qualified to be responsible for and promote the accounting division and risk management.</p>	

No.	Name (Date of Birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
3 [Reappointment]	Yasunari Kashihara (December 8, 1965)	<p>April 1991      Joined Ciba-Geigy Japan Limited</p> <p>January 1997    Joined Santen Pharmaceutical Co., Ltd</p> <p>August 2002    Studied at Trinity College Dublin and received MBA</p> <p>April 2003      Manager of Licensing</p> <p>February 2005    Joined UMN Pharma Inc. President &amp; CEO</p> <p>December 2007    Joined the Company</p> <p>March 2008      Vice President, Business Development (to present)</p> <p>August 2016     President of Oncolys USA Inc. (to present)</p> <p>September 2016    Board Member of Liquid Biotech USA, Inc.</p> <p>April 2017       Board Member of Precision Virologics, Inc. (to present)</p> <p>November 2017    Interim President, CEO of Liquid Biotech USA, Inc. (to present)</p> <p>February 2018    Director of Unleash Immuno Oncolytics, Inc. (to present)</p>	77,500
	<p>[Reason for nomination as candidate for Board Member]</p> <p>Mr. Yasunari Kashihara has comprehensively been in charge of pipeline licensing as an officer responsible for business development, and has extensive experience and wide insight. He has served as President of Oncolys USA Inc. since August 2016, and Board Member of offshore investee companies including Liquid Biotech USA, Inc. since September 2016. The Company has renominated him as a candidate for Board Member because it has judged that he is qualified to promote business development of the Company.</p>		

No.	Name (Date of Birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
4 [Reappointment] [Outside]	Fumio Urano (April 12, 1943)	<p>April 1968      Joined Asahi Optical Co., Ltd. (predecessor of PENTAX Corporation)</p> <p>June 1989      Director</p> <p>June 2000      President and Representative Director</p> <p>April 2007      Advisor of HOYA CORPORATION</p> <p>August 2008    Representative Director of Excalibur Corporation (to present)</p> <p>March 2009     Outside Director of TeraRecon, Inc. (USA) (to present)</p> <p>March 2013     Outside Board Member of the Company (to present)</p> <p>February 2014   Chairman and Representative Director of SESA CO., LTD. (to present)</p> <p>December 2016   Outside Director of Updraftcom Co., Ltd. (to present)</p> <p>October 2018    Outside company auditor of AVR Japan Inc. (to present)</p>	-
		<p>[Reason for nomination as candidate for Outside Board Member] Having served as President and Representative Director of a leading manufacturer of optical instruments, Mr. Fumio Urano has extensive experience and deep insight in corporate management in business areas based on research and development and provides the Company with effective advice from a neutral and objective viewpoint. The Company has continued to nominate him as a candidate for Outside Board Member because it has judged that his presence is necessary to enhance the Company's corporate value.</p>	

- (Notes) 1. No special conflicts of interest exist between the Company and any of the candidates for Board Member.
2. Mr. Fumio Urano is a candidate for Outside Board Member.
3. Mr. Fumio Urano currently serves as Outside Board Member of the Company, and his term of office as Outside Board Member will be six years as of the conclusion of this General Meeting of Shareholders. Having judged that he is able to give the Company effective advice from a neutral and objective viewpoint utilizing his extensive experience and deep insight in company management for many years, and that there would be no possibility of conflicts of interest with general shareholders because the Company has no transactions or other relationships with the entities where he holds concurrent positions, the Company has designated him as an independent officer and registered him the stock exchange.
4. In accordance with the provisions of the Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Fumio Urano to limit his liability for damages, as stipulated in Article 423, Paragraph 1 of the same Act. The maximum amount of liability pursuant to said agreement is the amount stipulated by laws and regulations. If his re-election is approved, the Company will continue said agreement.

**Proposal 2:** Partial Amendment to the Articles of Incorporation

1. Reasons for the amendment

In order to broaden options for the Company’s flexible financial strategy in the future, the Company proposes a requisite amendment to Article 6 of the current Articles of Incorporation, which stipulates matters related to the total number of shares authorized to be issued.

2. Details of the proposed amendment

Details of the proposed amendment are as follows:

(Underlined sections are amended.)

Current Articles of Incorporation	Proposed amendments
Chapter 2. Shares  (Total Number of Shares Authorized to Be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>twenty million (20,000,000)</u> shares.	Chapter 2. Shares  (Total Number of Shares Authorized to Be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>thirty million (30,000,000)</u> shares.

**Proposal 3:** Approval of Compensation Plan for Allotting Restricted Stock to Board Members (Excluding Outside Board Members)

The amount of compensation, etc., for the Board Members of the Company was approved at the Extraordinary General Meeting of Shareholders of the Company held on October 26, 2010 as within the limit of 300 million yen per year (not including employee portions payable to Board Members who serve concurrently as employees).

In order to have Board Members of the Company (excluding Outside Board Members) share the benefits and risks of stock price fluctuations with shareholders and increase their motivation toward raising the stock price through improving business performance and therefore enhancing corporate value, the Company proposes the allocation of common shares of the Company subject to the provision of a certain transfer restriction period and the conditions for self acquisition by the Company without contribution (hereinafter “Restricted Stock”) to Board Members of the Company (excluding Outside Board Members) as follows.

Accordingly, taking into comprehensive account matters such as the degree of contribution of the Board Members at the Company, apart from the above-mentioned amount of compensation, etc., for Board Members, the Company proposes to set the total amount of monetary compensation claims to be paid as compensation for Restricted Stock to Board Members of the Company (excluding Outside Board Members) to within 300 million yen per year. The allotment of Restricted Stock has been decided by comprehensively taking into consideration various matters such as the degree of contribution of Board Members at the Company, and the Company believes that it is appropriate.

While there are currently six Board Members (one of which is an Outside Board Member), the number of the Board Members will be four (one of which will be an Outside Board Member) if Proposal 1 is approved.

Specific contents and the maximum number of shares of Restricted Stock to be allotted to Board Members of the Company (excluding Outside Board Members)

1. Allotment and payment of Restricted Stock

The Company shall grant monetary compensation claims with respect to compensation in the form of Restricted Stock within the annual value limits specified above to Board Members of the Company (excluding Outside Board Members) based on resolution of the Board of Directors of the Company, and each Board Member shall, in return, receive Restricted Stock that will be allotted by the Company by payment of all monetary compensation claims through a method of in-kind contribution.

The amount to be paid in Restricted Stock shall be decided by the Board of Directors of the Company concerning the issuance or disposition based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors of the Company (or the closing price on the transaction day immediately prior thereto if there is no transaction on such date); providing, however, that the decided amount shall not fall inside a range especially advantageous for Board Members receiving the Restricted Stock.

In addition, the aforementioned monetary compensation claims shall be granted conditional on the agreement of Board Members of the Company to the aforementioned in-kind contribution and on the conclusion of the Restricted Stock allotment agreement including the contents specified in 3. below.

2. Total number of Restricted Stock

The maximum total number of Restricted Stock to be allotted to Board Members of the Company (excluding Outside Board Members) by the Company in each fiscal year shall be 100,000 shares (0.74%, rounded off to the second decimal place, of 13,346,000 shares, the total number of issued shares of the Company as of December 31, 2018).

However, in the event of a stock split with respect to the Company’s common shares

(including the allotment of shares without contribution) or a consolidation of common shares with an effective date on or after the date of the resolution of this Proposal involving the necessity to make other adjustments to the total number of Restricted Stock allotted under such conditions, the total number of Restricted Stock to be allotted may be reasonably adjusted.

### 3. Contents of the Restricted Stock allotment agreement

Upon the allotment of Restricted Stock, the Restricted Stock allotment agreement including the following contents shall, based on a resolution by the Board of Directors of the Company, be concluded between the Company and Board Members who are to be allotted the Restricted Stock.

#### (1) Transfer restriction

With respect to the Restricted Stock allotted to Board Members concerned (hereinafter the “Allotted Shares”), Board Members receiving the allotment of Restricted Stock shall not transfer, establish a pledge or security interests on, make an advancement, leave a bequest, or conduct any other act of disposal against third parties during the period specified by the Board of Directors of the Company ranging from 2 years up to 5 years (hereinafter the “Transfer Restriction Period”) (Hereinafter the “Transfer Restriction”).

#### (2) Acquisition of Restricted Stock without contribution

If a Board Member who received allotment of Restricted Stock retires or resigns from any position of Board Member, Executive Officer, or employee of the Company by the day before the day of the first Annual General Meeting of Shareholders of the Company which shall be the end of his or her term of office after the start of the Transfer Restriction Period, the Allotted Shares shall automatically be acquired by the Company at no cost except in the case that the Company’s Board of Directors deems that the reason is valid.

The Company shall automatically acquire all the Allotted Shares without cost, if the Transfer Restriction on the Allotted Shares has not been lifted at the expiration of the Transfer Restriction Period of (1) above based on the terms provided in (3) “Lifting of transfer restrictions” below.

#### (3) Lifting of Transfer Restrictions

In the event that a Board Member who received an allotment of Restricted Stock has held a position of Board Member, Executive Officer, or employee of the Company continuously by the day before the day of the first Annual General Meeting of Shareholders of the Company which shall be the end of his or her term of office after the start of the Transfer Restriction Period, the Transfer Restriction on all the Allotted Shares is to be lifted when the Transfer Restriction Period expires.

However, if the Board Member in question retires or resigns from any position of Board Member, Executive Officer, or employee of the Company before the expiration of the Transfer Restriction Period due to reasons the Company’s Board of Directors deems valid, the number of Allotted Shares on which the Transfer Restriction is to be lifted and the time of the lifting of the Transfer Restriction shall be reasonably adjusted as necessary.

#### (4) Treatment during reorganization

If, during the Transfer Restriction Period, proposals relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization are approved at the Company’s General Meeting of Shareholders (or in the case where approval at the Company’s General Meeting of Shareholders is not required, in relation to the reorganization in question, a meeting of the Company’s Board of Directors), based on the resolution of the Company’s Board of Directors, the Transfer Restriction on the number of Allotted Shares that is reasonably calculated considering the



period from the beginning of the Transfer Restriction Period to the date of approval of the reorganization shall be lifted prior to the date on which the reorganization becomes effective.

In this case, the Company shall automatically acquire the Allotted Shares on which the Transfer Restriction is not lifted without cost as of the time immediately after the Transfer Restriction was lifted under the above provision.

(Reference)

In order to have Executive Officers and employees share the benefits and risks of stock price fluctuations with shareholders and increase their motivation toward raising the stock price through improving business performance and therefore enhancing corporate value, the Company plans to allot identical Restricted Stock to the Restricted Stock mentioned above to Executive Officers and employees of the Company during the fiscal year ending December 31, 2019 in the amount of up to 100,000 shares per year (0.74%, rounded off to the second decimal place, of 13,346,000 shares, the total number of issued shares of the Company as of December 31, 2018) on or after the conclusion of this General Meeting of Shareholders.