



**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS TO BE HELD ON MAY 5, 2016**

- AND -

MANAGEMENT INFORMATION CIRCULAR

March 15, 2016

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF ONCOLYTICS BIOTECH® INC.:

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Meeting**") of shareholders of Oncolytics Biotech Inc. (the "**Corporation**") will be held at the Toronto Region Board of Trade located at First Canadian Place, Suite 350, 77 Adelaide St. West, Toronto, Ontario, M5X 1C1 on May 5, 2016 at 4:00 PM ET. The purpose of the meeting is to consider, and to take action with respect to, the following matters:

1. the receipt of the audited financial statements of the Corporation for the year ended December 31, 2015, together with the auditors' report thereon;
2. the fixing of the number of directors of the Corporation for the ensuing year at seven (7);
3. the election of directors of the Corporation for the ensuing year;
4. the appointment of auditors for the Corporation for the ensuing year and the authorization of the directors to fix their remuneration; and
5. the transaction of such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Shareholders are referred to the accompanying management information circular dated March 15, 2016 (the "**Circular**") for more detailed information with respect to the matters to be considered at the Meeting.

A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying Instrument of Proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the Circular. An Instrument of Proxy will not be valid unless it is deposited at the offices of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. Proxies may also be faxed. Faxes may be forwarded to 1-866-249-7775 for calls within Canada and the U.S. or to 416-263-9524 for calls outside Canada and the U.S. To be accepted, the proxy must be received by 4:00 PM ET on May 3, 2016 which is two days (excluding Saturdays, Sundays and holidays) before the Meeting, or if the Meeting is adjourned, by 4:00 PM ET on the day which is two days (excluding Saturdays, Sundays and holidays) before the date of the adjourned Meeting. A person appointed as proxyholder need not be a shareholder of the Corporation. Only persons registered as holders of common shares on the records of the Corporation as of the close of business on March 17, 2016 are entitled to receive notice of the Meeting.

DATED as of the 15th day of March, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *Dr. Bradley G. Thompson*
President and Chief Executive Officer



ONCOLYTICS BIOTECH INC.
210, 1167 Kensington Crescent NW
Calgary, Alberta
T2N 1X7

MANAGEMENT INFORMATION CIRCULAR

Except where indicated otherwise, the following information is dated as at March 15, 2016 and all dollar amounts are in Canadian dollars.

SOLICITATION OF PROXIES

The information contained in this Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Oncolytics Biotech Inc. ("Oncolytics" or the "Corporation") to be used at the annual general meeting (the "Meeting") of the holders (the "Shareholders") of common shares ("Common Shares") of the Corporation to be held at the Toronto Region Board of Trade located at First Canadian Place, Suite 350, 77 Adelaide St. West, Toronto, Ontario, M5X 1C1 on May 5, 2016 at 4:00 PM ET, and at any adjournments or postponements thereof, for the purposes set forth in the Notice of Meeting accompanying this Circular (the "Notice of Meeting") and in this Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs incurred in the preparation and mailing of this Information Circular and related materials and the costs associated with the solicitation of proxies will be borne by the Corporation.

APPOINTMENT OF PROXY HOLDERS

Bradley G. Thompson and Kirk J. Look (the management designees named in the accompanying Instrument of Proxy) are both officers of the Corporation. **Each Shareholder has the right to appoint a person (who does not need to be a Shareholder) other than Bradley G. Thompson or Kirk J. Look to attend and to act for the Shareholder and on behalf of the Shareholder at the Meeting. To exercise this right, the names of the nominees of management should be crossed out on the accompanying Instrument of Proxy and the Shareholder should insert the name of the Shareholder's appointee in the blank space provided on the Instrument of Proxy or complete another appropriate form of proxy.**

A form of proxy will not be valid unless it is deposited at the offices of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. Proxies may also be faxed. Faxes may be forwarded to 1-866-249-7775 for calls within Canada and the U.S. or to 416-263-9524 for calls outside Canada and the U.S. To be accepted, the proxy must be received by 4:00 PM ET on May 3, 2016 which is two days (excluding Saturdays, Sundays and holidays) before the Meeting, or if the Meeting is adjourned, by 4:00 PM ET on the day which is two days (excluding Saturdays, Sundays and holidays) before the date of the adjourned Meeting.

REVOCABILITY OF PROXY

A Shareholder who has submitted a form of proxy may revoke it at any time prior to the exercise thereof. A form of proxy may be revoked by the Shareholder personally attending at the Meeting and voting his or her Common Shares. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her duly authorized attorney in writing or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either at the registered office of the Corporation, being

McCarthy Tétrault LLP, 4000, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9, Attn: Michael Bennett, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the form of proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

SIGNING OF PROXY

The Instrument of Proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

VOTING OF SHARES REPRESENTED BY MANAGEMENT PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such instructions. The management designees named in the accompanying Instrument of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them on any ballot that may be called for at the Meeting. **In the absence of such direction, the Common Shares will be voted FOR: (i) the fixing of the number of directors at seven (7) for the ensuing year; (ii) the election of directors set forth in this Circular; (iii) the reappointment of the Corporation's current auditors, at such remuneration as may be determined by the board of directors of the Corporation; and (iv) such other matters that may come before the Meeting, all as more particularly described in this Information Circular. The accompanying Instrument of Proxy also confers discretionary authority upon the persons named therein with respect to amendments of, or variations to, the matters identified in the Notice of Meeting and with respect to other matters that may properly be brought before the Meeting. At the time of printing this Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.**

VOTING SHARES AND THE PRINCIPAL HOLDERS OF COMMON SHARES

Voting of Common Shares - General

The record date for the purpose of determining holders of Common Shares is March 17, 2016 (the "**Record Date**"). Shareholders of record on that date are entitled to receive notice of and attend the Meeting and vote at the Meeting on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than April 25, 2016, which is ten calendar days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares. As at March 15, 2016, there are 118,173,622 Common Shares issued and outstanding. At the Meeting, upon a show of hands, every Shareholder present in person or represented by proxy and entitled to vote shall have one vote. On a poll or ballot, every Shareholder present in person or by proxy has one vote for each Common Share of which such Shareholder is the registered holder.

When any Common Share is held jointly by several persons, any one of them may vote at the Meeting in person or by proxy in respect of such Common Share, but if more than one of them are present at the Meeting in person or by proxy and such joint owners of the proxy so present disagree as to any vote to be cast, the joint owner present or represented whose name appears first in the register of Shareholders maintained by Computershare Trust Company of Canada is entitled to cast such vote.

Quorum for the Meeting

At the Meeting, a quorum shall consist of two persons present in person holding or representing by proxy not less than 5% of the votes attached to all outstanding Common Shares. If a quorum is not present at the Meeting within one half hour after the time fixed for the holding of the Meeting, it shall stand adjourned to such day being not less than 21 days later and to such place and time as may be determined by the Chairman of the Meeting. At such Meeting, the Shareholders present either in person or by proxy shall form a quorum.

Approval Requirements

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

Principal Holders of Common Shares

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, shares that carry more than 10% of the voting rights attached to the issued Common Shares.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is for Shareholders who do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. **Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by proxy except as set forth below. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The purpose of the voting instruction form supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for

obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically mails a voting instruction form to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge, in the United States and Canada. Alternatively, Beneficial Shareholders can either call their toll free telephone number to vote their Common Shares or access Broadridge's dedicated voting website at www.proxyvote.com to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that voting instruction to vote shares directly at the Meeting, as the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the Instrument of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

NOTICE-AND-ACCESS

We have elected to use the "notice-and-access" provisions under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to beneficial holders of our Common Shares (i.e., a shareholder who holds their Common Shares in the name of a broker or an agent) but not in respect of mailings to registered holders of our Common Shares (i.e., a shareholder whose name appears on our records as a holder of Common Shares). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

A paper copy of the notice of meeting, this Information Circular, and a voting direction will be mailed to those shareholders who do not hold their Common Shares in their own name but who have previously requested to receive paper copies of these materials. Furthermore, a paper copy of the financial information in respect of our most recently completed financial year was mailed to those registered and beneficial holders of our Common Shares who previously requested to receive such information.

We will be delivering proxy-related materials to non-objecting beneficial owners of our Common Shares directly with the assistance of Broadridge. We intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of our Common Shares.

BUSINESS OF THE MEETING

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to:

1. receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2015, together with the auditors' report thereon;
2. fix the number of directors of the Corporation for the ensuing year at seven (7);
3. elect the directors of the Corporation for the ensuing year;
4. approve the appointment of the auditors of the Corporation for the ensuing year and authorize the directors to fix their remuneration; and

5. transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Consolidated Financial Statements and Auditors' Report

The audited financial statements for the financial year ended December 31, 2015 of the Corporation together with the auditors' report thereon have been delivered to the Shareholders. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions respecting the December 31, 2015 financial statements, the questions may be brought forward at the Meeting.

Fixing Number of Directors of the Corporation

The articles of the Corporation provide for a minimum of 3 directors and a maximum of 11 directors. There are currently eight (8) directors. At the Meeting, Shareholders will vote, by ordinary resolution, to fix the number of directors of the Corporation at seven (7). **It is the intention of the persons named in the enclosed Instrument of Proxy, if not expressly directed to the contrary in such Instrument of Proxy, to vote such proxies in favour of the ordinary resolution.**

Election of Directors

At the Meeting, seven (7) directors are to be elected. **It is the intention of the persons named in the enclosed Instrument of Proxy, if not expressly directed to the contrary in such Instrument of Proxy, to vote such proxies FOR the ordinary resolution to elect each of the nominees specified below as directors of the Corporation.** If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed Instrument of Proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees.

The term of office for each director of the Corporation is from the date of the Shareholders' meeting at which he or she is elected until the next annual meeting of the Shareholders or until his or her successor is elected or appointed.

All of the nominees are now members of the Board and have been since the dates indicated below. The term of each current director's appointment will expire at the Meeting. **The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote at the Meeting for the election of each of the nominees.** Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason at or prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The following table sets forth for all persons proposed to be nominated by management for election as directors, their province/state and country of residence, the positions and offices with the Corporation now held by them, their present principal occupation and principal occupation for the preceding five years, the periods during which they have served as directors of the Corporation and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction as of March 11, 2016.

Name, Municipality of Residence and Date Appointed a Director	Present Principal Occupation and Principal Occupation for Preceding Five Years	Number of Common Shares beneficially owned and controlled ⁽⁵⁾
Matt Coffey, Ph.D. <i>Alberta, Canada</i> Director since May 11, 2011	Chief Operating Officer of the Corporation since December 2008. Since April 1999 to December 2008, Dr. Coffey held other senior management positions with the Corporation and is a co-founder of the Corporation.	288,550
Angela Holtham, FCPA, FCMA, ICD.D ⁽¹⁾ <i>Ontario, Canada</i> Director since June 18, 2014	After 8 years as the Vice President Finance and CFO of The Hospital for Sick Children (“ SickKids ”) in Toronto, Ms. Holtham now holds a number of Board and Audit Committee governance positions in both the public and private sectors in Canada including IBI Group Inc., the Ontario Financing Authority, CMA Canada and Plexus (Hospital Administrative Services). Prior to her position at SickKids, Angela held a number of senior positions in both the for-profit and not-for-profit sectors, including 20 years with Nabisco Canada, the last 5 as Senior Vice President and CFO.	30,000
J. Mark Lievonen ⁽¹⁾⁽³⁾ CM, FCPA, FCA <i>Ontario, Canada</i> Director since April 5, 2004	President of Sanofi Pasteur Limited, a vaccine development, manufacturing and marketing company, since October 1998. Mr. Lievonen has served on a number of industry and not-for-profit boards including Rx&D, BIOTECanada, the Public Policy Forum, the Ontario Institute for Cancer Research, York University and Markham Stouffville Hospital, and is a past Chair of Rx&D, BIOTECanada, the Ontario Genomics Institute, and the Markham Stouffville Hospital Foundation.	23,000
Wayne Pisano ⁽¹⁾⁽⁴⁾ <i>New Jersey, USA</i> Director since May 9, 2013	Mr. Pisano has more than 30 years of experience as a pharmaceutical industry executive and was recognized in 2010 as Pharma Executive of the Year by the World Vaccine Congress. He is currently the president and CEO of VaxInnate a privately held biotech company. Mr. Pisano is the former president and CEO of Sanofi Pasteur, one of the largest vaccine companies in the world. Prior to joining Sanofi Pasteur, he spent 11 years with Novartis (formerly Sandoz). He has a bachelor’s degree in biology from St. John Fisher College, New York and an MBA from the University of Dayton, Ohio.	20,000
William G Rice, Ph.D. ⁽³⁾ <i>California, USA</i> Director since June 8, 2015	Chairman, President and Chief Executive Officer of Aptose Biosciences Inc. since 2013; from 2003 to present, Chairman, President and CEO of Cylene Pharmaceuticals Inc.; former Senior Scientist and Head of the Drug Mechanism Laboratory at the National Cancer Institute-Frederick Cancer Research and Development Center; former faculty member in the division of Pediatric Hematology and Oncology at Emory University School of Medicine.	Nil
Bernd R. Seizinger, M.D., Ph.D. ⁽²⁾ <i>New Jersey, USA and Munich, Germany</i> Director since June 8, 2015	Chairman of Opsona Therapeutics Ltd. since 2009; Executive Chairman of Aprea AB since 2015; from 1998 to 2009, President and CEO of GPC Biotech; former VP of Oncology Drug Discovery and VP of Corporate and Academic Alliances at Bristol-Myers Squibb; Senior Faculty Member of Harvard Medical School and Massachusetts General Hospital.	Nil
Bradley G. Thompson, Ph.D. <i>Alberta, Canada</i> Director since April 21, 1999	President and CEO of the Corporation since 1999.	672,900

Notes:

- (1) Member of the Audit Committee. Ms. Holtham is Chair of this Committee.
- (2) Member of the Compensation Committee. Prior to March 10, 2016, the Chair of the Compensation Committee was Mr. Dinning. Effective March 10, 2016, Mr. Dinning resigned from the Board. The Board will appoint a new Chair of the Compensation Committee immediately following the 2016 Annual General Meeting.
- (3) Member of the Governance Committee. Mr. Lievonen is Chair of this Committee.
- (4) Mr. Pisano, as Chair, serves as an *ex-officio* member of the Compensation Committee and the Governance Committee.
- (5) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees.

Majority Voting Policy

The Board has adopted a Majority Voting Policy which relates to the election of directors. This policy requires that any nominee for director who, on a ballot taken on the election of directors, has a greater number of votes withheld from voting than the number of votes received for his or her election shall tender his or her resignation to the Chair and to the President, subject to acceptance by the Board. The policy does not apply in circumstances involving contested director elections. The Board is required to consider the resignation, having regard to the best interests of the Corporation and all factors considered relevant and to: (i) accept the resignation; (ii) maintain the director but address what the Board believes to be the underlying cause of the withhold votes; or (iii) reject the resignation. The Board is required to make its decision and announce it in a press release within 90 days of the annual meeting, including, if applicable, the reasons for rejecting a resignation offer. A director who is required to tender a resignation under the policy will not participate in the deliberations of the Board with respect to his or her resignation unless there are fewer than three directors who are not required to tender a resignation, in which event the entire Board will proceed in making the determination. To the extent that the Board accepts one or more director resignations, the Board will also determine whether to fill any vacancy prior to the next meeting of the shareholders.

Corporate Cease Trade Orders or Bankruptcies

None of the above proposed directors are, or within 10 years prior to the date of this Circular have been, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

None of the above proposed directors are, or within 10 years prior to the date of this Circular have been, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the above proposed directors are, or within 10 years prior to the date of this Circular have been, a director or executive officer of any company that, while acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

None of the above proposed directors have, within 10 years prior to the date of this Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties and Sanctions

None of the above proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for the proposed director.

Appointment and Remuneration of the Auditors

The Corporation has requested that Ernst & Young LLP, Chartered Accountants of Calgary, Alberta act as independent auditors for the Corporation subject to Shareholder approval. **Unless otherwise directed, it is management's intention to vote the proxies FOR the ordinary resolution to appoint the firm of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders or until the firm of Ernst & Young LLP, Chartered Accountants is removed from office or resigns as provided by law or by the Corporation's by-laws, and to authorize the directors of the Corporation to fix the remuneration of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation.**

COMPENSATION DISCUSSION AND ANALYSIS

The Corporation has formed a compensation committee (the "**Compensation Committee**") which consists of one outside, independent director and the Chair of the Board who serves as an *ex-officio* member. Prior to March 10, 2016, Mr. Dinning, and Dr. Seizinger were the two independent members of the Compensation Committee and Mr. Dinning was appointed Chair. Effective March 10, 2016, Mr. Dinning resigned from the Board. The Board will appoint a new Chair of the Compensation Committee immediately following the 2016 Annual General meeting. No member of the Compensation Committee has been an employee officer of the Corporation or any of its affiliates.

The objectives of the Corporation's compensation arrangements are: (i) to attract and retain key personnel; (ii) to encourage commitment to the Corporation and its goals; (iii) to align executive interests with those of its shareholders; and (iv) to reward executives for performance in relation to overall corporate progress goals.

The key elements of the compensation program are the base salary, health benefits, and payments allocated to employees to be directed by them to their personal retirement accounts. Bonuses and the granting of Stock Options (as defined herein) and Share Awards (as defined herein) are also part of the Corporation's compensation program and are based on corporate performance. Part of corporate performance includes goals and objectives that are determined based on the strategic planning and budgeting process, which is conducted at least annually. The elements of the compensation plan are intended to reward performance, and the various elements are intended to provide a blend of short-term and long-term incentives to align the interests of management and the shareholders.

In arriving at its recommendations for compensation, the Compensation Committee considers the long-term interests of the Corporation as well as its current stage of development and the economic environment within which it operates. The market for biotechnology companies in the development phase has been challenging, and was exacerbated by the deterioration of the capital markets late in 2008 and 2009. Based on these factors, the Compensation Committee recognized the need to strike a balance between compensation to retain employees and resources expended to maintain operations. In the past, the Compensation Committee has engaged Lane Caputo Compensation Inc., executive compensation specialists (the "**Specialist**"), to assist in benchmarking its compensation practices and provide recommendations to the committee with respect to compensation for directors and officers. For 2015, the Specialist was engaged to review, and provide recommendations with respect to, the compensation structure for the independent directors.

Following a review of the risks in the Corporation's compensation policies and practices, the Compensation Committee found no risks that are reasonably likely to have a material adverse effect on the Corporation. The Compensation Committee's role of approving the compensation policies and practices includes considering whether the compensation policies and practices could encourage a Named Executive Officer (as defined below) to take inappropriate or excessive risks.

Under the Corporation's corporate trading policy, insiders (including Named Executive Officers and Directors) are not permitted to hedge their position in Common Shares, Stock Options, Share Awards, deferred share units, performance share units, debentures or other debt instruments by use of any

financial instrument, which would include but is not limited to options, puts, calls, warrants or short sells, designed to benefit the holder from a change in the market value of the Common Shares of the Corporation.

For 2015, the following guidelines were employed by the Board in granting bonuses, Stock Options and Share Awards to the Corporation's executive and senior officers. For 2016, similar guidelines are expected to be applied.

Annual Bonus, Option Grants and Share Award Grants

The Chief Executive Officer (the "CEO") of the Corporation is eligible for a cash bonus of up to 40% of his base salary, the Chief Operating Officer (the "COO") and the Chief Financial Officer (the "CFO") are eligible for a cash bonus of up to 30% of their respective base salary and the other senior officers are eligible for a cash bonus of up to 20% of their base salary. In addition, when available, the officers are eligible for a combination of Stock Option and Share Award grants. The amount of each grant is determined and approved by the Board with the actual bonus provided and the number of Stock Options and Share Awards granted based upon the overall performance of the Corporation as assessed by the Compensation Committee and approved by the Board. The overall performance of the Corporation is determined by the annual goals and objectives approved by the Board and includes specific objectives with respect to the clinical, manufacturing, and intellectual property plans in combination with financial goals. Previous grants are taken into account when considering new grants of Stock Options and Share Awards.

Sale Transaction Bonus Pool

In an effort to maximize value for the Corporation's shareholders, the Board approved in early 2014, a Sales Transaction Bonus ("STB") that is to be created at the time of a sale transaction. The STB pool would be based on a scale between 1% - 2.5% of the Corporation's market capitalization for a sale transaction over \$7.50 per Common Share (the "Transaction Price"). The STB pool would be calculated as the sum of:

- (a) for a Transaction Price of \$7.51 to \$10.00, the Transaction Price minus \$7.50, multiplied by 0.010;
- (b) plus for a Transaction Price of \$10.01 to \$15.00, the Transaction Price minus \$10.00, multiplied by 0.015;
- (c) plus for a Transaction Price of \$15.01 to \$20.00, the Transaction Price minus \$15.00, multiplied by 0.020;
- (d) plus for a Transaction Price of \$20.01 and higher, the Transaction Price minus \$20.00, multiplied by 0.025

multiplied by the number of Common Shares outstanding at that time.

The STB pool would be split between the CEO (45%), the COO (35%) and the CFO (20%).

For the purposes of the STB, a sale transaction means:

- (a) the sale by shareholders of less than fifty percent (50%) of the outstanding Common Shares of the Corporation for cash or securities of another entity, provided the Corporation has entered into an agreement with such entity or its affiliate to support the completion of such transaction;

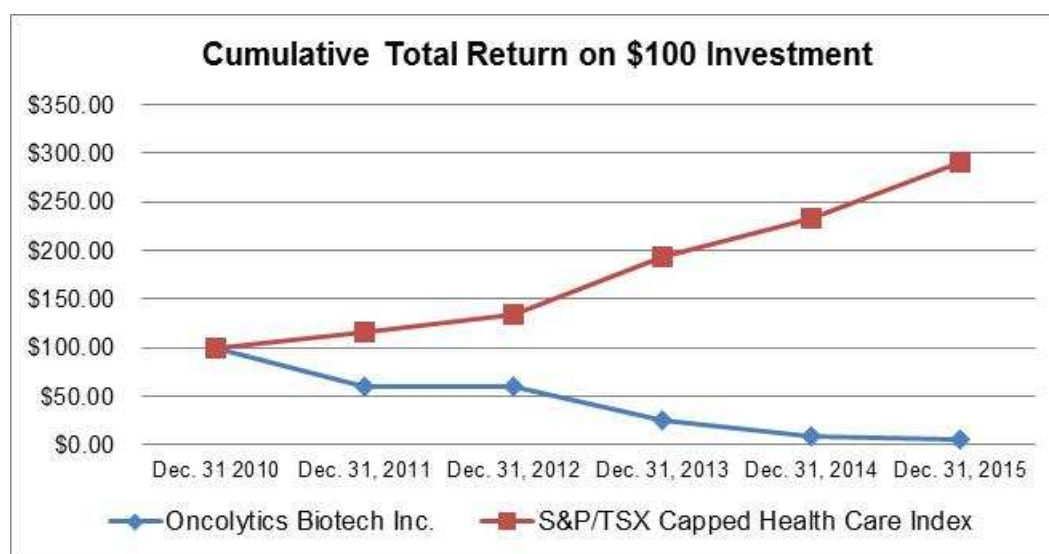
- (b) a merger, amalgamation, arrangement or other similar transaction involving the Corporation where the shareholders receive cash or securities of another entity; or
- (c) the sale of all or substantially all of the Corporation's assets followed by a liquidating distribution to the shareholders of cash or securities of another entity,

provided, however, that notwithstanding the foregoing, a sale transaction will be deemed not to have occurred merely by reason of an acquisition of the Corporation's securities by, or any consolidation, merger or exchange of securities with, any entity that, immediately prior to such acquisition, consolidation, merger or exchange of securities was an affiliate of the Corporation.

Performance Graph

The following graph and table compare the change in the cumulative total shareholder return on the Common Shares over the period from December 31, 2010 to December 31, 2015 (assuming a \$100 investment was made on December 31, 2010) with the cumulative total return of the S&P/TSX Capped Health Care Index over the same period, assuming reinvestment of dividends.

As outlined in the compensation discussion and analysis, the Compensation Committee balances the various short-term and long-term objectives and provides bonuses and Stock Options and Share Awards based on performance against these objectives. The movement in share price based upon one index is not considered wholly representative of the actions to be taken regarding compensation.



	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015
Oncolytics Biotech Inc.	\$100.00	\$59.44	\$59.29	\$24.67	\$9.51	\$5.72
S&P/TSX Capped Health Care Index	\$100.00	\$116.67	\$133.84	\$192.99	\$233.01	\$290.15

Compensation Governance

The Compensation Committee exercises general responsibility for the Corporation's human resources and compensation policies and processes. Among other responsibilities, the Compensation Committee reviews and makes recommendations to the Board regarding the amount of regular and incentive compensation to be paid to the CEO and the amounts of regular and incentive compensation to be paid to certain designated executives after considering the CEO's assessment of the performance of such executives.

Each member of the Compensation Committee is an independent director and is ineligible to participate in any of the Corporation's executive officer compensation programs, other than the Stock Option Plan and the Incentive Share Aware Plan. Each member has extensive director and officer experience with various public and private companies in the design and implementation of executive compensation plans.

Compensation Advisors and Executive Compensation-Related Fees

The Compensation Committee, from time to time, engages the Specialist to assist in benchmarking its compensation practices and provide recommendations to the committee with respect to compensation for directors and officers. The Specialist was engaged to review, and provide recommendations with respect to, the compensation structure for the independent directors in 2015.

The table below summarizes the fees billed by the Specialist related to determining compensation for the Corporation's directors and executives ("**Executive Compensation Related Fees**") and the fees billed by the Specialist related to other services ("**All Other Fees**") for the financial years ended December 31, 2015 and 2014.

Year ended	Executive Compensation- Related Fees(s) \$	All Other Fees \$
December 31, 2015	4,830	Nil
December 31, 2014	Nil	Nil

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, in Canadian dollars, to the individuals who were, at December 31, 2015, the CEO, the CFO and the next three most highly compensated executive officers whose total compensation was, individually, more than \$150,000, and such other individuals as required (collectively, the "**Named Executive Officers**") of the Corporation.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based Awards ⁽¹⁾⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽³⁾ (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Dr. Bradley G. Thompson ⁽⁴⁾ Chief Executive Officer	2015	551,937	N/A	287,113	154,542	N/A	N/A	71,215	1,064,807
	2014	537,950	N/A	-	-	N/A	N/A	69,029	606,679
	2013	530,000	N/A	259,529	212,000	N/A	N/A	68,295	1,069,824
Kirk J. Look Chief Financial Officer	2015	319,200	N/A	109,556	67,032	N/A	N/A	52,014	547,802
	2014	284,200	N/A	-	-	N/A	N/A	48,466	332,666
	2013	280,000	N/A	174,767	84,000	N/A	N/A	47,638	586,405
Dr. Matt C. Coffey ⁽⁴⁾ Chief Operating Officer	2015	380,107	N/A	173,307	79,322	N/A	N/A	57,039	690,275
	2014	370,475	N/A	-	-	N/A	N/A	54,950	425,425
	2013	365,000	N/A	173,020	109,500	N/A	N/A	54,682	702,202
Dr. George Gill ⁽⁵⁾ Senior VP, Regulatory Affairs & Chief Safety Officer	2015	438,371	N/A	81,695	61,371	N/A	N/A	40,549	621,986
	2014	367,452	N/A	-	-	N/A	N/A	33,990	401,442
	2013	331,908	N/A	61,341	99,572	N/A	N/A	27,382	520,204
Dr. Alan J. Tuchman ⁽⁵⁾ Senior VP, Medical and Clinical Affairs and Chief Medical Officer	2015	202,990	N/A	37,906	28,418	N/A	N/A	18,777	288,091
	2014	165,825	N/A	-	-	N/A	N/A	15,339	181,164
	2013	149,797	N/A	42,172	44,939	N/A	N/A	12,358	249,266

Notes:

- (1) The value of Stock Option-based awards are based on the grant date assumptions as disclosed in note 8 “Share Based Payments” in our 2015 audited consolidated financial statements.
- (2) There were no option based awards granted in 2014.
- (3) The dollar amounts set forth under this column are related to contributions to the officers’ respective retirement savings plan and amounts provided for health care benefits by the Corporation.
- (4) None of the compensation paid to Dr. Thompson and Dr. Coffey related to their roles as directors of the Corporation.
- (5) US Employees are paid salaries, bonuses and other compensation in US Dollars. These amounts are presented in Canadian dollars and have been converted at a US/CDN exchange rate of \$1.3840, \$1.1601, and \$1.0636 for the years 2015, 2014 and 2013, respectively.

Employment Agreements

The Corporation has entered into employment agreements with each of the Named Executive Officers (the “**Employment Agreements**”, each an “**Employment Agreement**”). Pursuant to the terms of the Employment Agreements, Dr. Thompson is entitled to an annual salary of \$590,572 for the calendar year 2016, Mr. Look is entitled to an annual salary of \$325,584 for the calendar year 2016, Dr. Coffey is entitled to an annual salary of \$406,714 for the calendar year 2016, Dr. Gill is entitled to an annual salary of US\$338,890 for the calendar year 2016, and Dr. Tuchman is entitled to an annual salary of US\$156,939. Further, each Named Executive Officer is entitled to additional benefits and performance-based bonuses. The Employment Agreements provide that each Named Executive Officer is subject to certain confidentiality and non-competition restrictions during and following the course of their respective employment with the Corporation. Each Employment Agreement shall continue until terminated by either party in accordance with the notice provisions thereof.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each Named Executive Officer all option-based and share-based awards outstanding at December 31, 2015.

Name	Option-based Awards			Share-based Awards			Market or payout value of vested share-based awards not paid out or distributed (\$)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	
Dr. Bradley G. Thompson	149,160	2.22	Dec 12, 2017	Nil	Nil	N/A	Nil
	50,000	3.06	Dec 8, 2019	Nil			
	215,000	6.72	Dec 14, 2020	Nil			
	18,000	4.31	July 27, 2021	Nil			
	240,000	3.89	Dec 14, 2021	Nil			
	240,000	4.21	Dec 17, 2022	Nil			
	360,000	1.74	Dec 11, 2023	Nil			
1,216,000	0.42	Dec 1, 2025	Nil				
Dr. Matt C. Coffey	33,333	2.22	Dec 12, 2017	Nil	Nil	N/A	Nil
	30,000	3.06	Dec 8, 2019	Nil			
	115,000	6.72	Dec 14, 2020	Nil			
	18,000	4.31	July 27, 2021	Nil			
	125,000	3.89	Dec 14, 2021	Nil			
	125,000	4.21	Dec 17, 2022	Nil			
	240,000	1.74	Dec 11, 2023	Nil			
734,000	0.42	Dec 1, 2025	Nil				

Name	Option-based Awards			Share-based Awards		Market or payout value of vested share-based awards not paid out or distributed (\$)	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)		Market or payout value of share-based awards that have not vested (\$)
Kirk J. Look	4,700	2.25	Dec 15, 2016	Nil	Nil	N/A	Nil
	9,000	2.22	Dec 12, 2017	Nil			
	10,000	3.06	Dec 8, 2019	Nil			
	25,000	6.72	Dec 14, 2020	Nil			
	35,000	3.89	Dec 14, 2021	Nil			
	200,000	2.00	Nov 13, 2022	Nil			
	40,000	4.21	Dec 17, 2022	Nil			
	160,000	1.74	Dec 11, 2023	Nil			
	464,000	0.42	Dec 1, 2025	Nil			
Dr. George Gill	16,667	2.22	Dec 12, 2017	Nil	Nil	N/A	Nil
	15,000	3.06	Dec 8, 2019	Nil			
	25,000	6.72	Dec 14, 2020	Nil			
	35,000	3.89	Dec 14, 2021	Nil			
	40,000	4.21	Dec 17, 2022	Nil			
	80,000	1.74	Dec 11, 2023	Nil			
	250,000	0.42	Dec 1, 2025	Nil			
Dr. Alan J. Tuchman	10,000	2.85	May 11, 2020	Nil	Nil	N/A	Nil
	50,000	2.32	Oct 1, 2022	Nil			
	15,000	4.21	Dec 17, 2022	Nil			
	55,000	1.74	Dec 11, 2023	Nil			
	116,000	0.42	Dec 1, 2025	Nil			

Note:

- (1) These amounts are calculated based on the difference between the closing price of the securities underlying the Stock Options on the Toronto Stock Exchange (the "TSX") on December 31, 2015 (\$0.39), and the exercise price of the Stock Options.

Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer the value vested or earned on all option-based awards, share-based awards, and non-equity incentive plan compensation during the financial year ending December 31, 2015.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Bradley G. Thompson	Nil	Nil	N/A
Dr. Matt C. Coffey	Nil	Nil	N/A
Kirk J. Look	Nil	Nil	N/A
Dr. George Gill	Nil	Nil	N/A
Dr. Alan Tuchman	Nil	Nil	N/A

Note:

- (1) Option-based awards are granted at the market price at the dates of grant, and were either vested on the date of grant, or were out-of-the-money on the vesting date.

DIRECTOR COMPENSATION

Director Compensation Table

The following table details the compensation received by each director of the Corporation (“**Director**”) in 2015 who is not a salaried employee of the Corporation.

Name	Fees Earned (\$)	Share- Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Jim Dinning ⁽¹⁾	50,500	20,000	Nil	N/A	N/A	N/A	70,500
Linda Hohol ⁽²⁾	23,333	Nil	Nil	N/A	N/A	N/A	23,333
Angela Holtham	53,250	20,000	Nil	N/A	N/A	N/A	73,250
Ed Levy ⁽³⁾	17,750	Nil	Nil	N/A	N/A	N/A	17,750
Mark Lievonen	42,750	20,000	Nil	N/A	N/A	N/A	62,750
Wayne Pisano	46,250	25,000	Nil	N/A	N/A	N/A	71,250
William Rice ⁽⁴⁾	21,333	20,000	22,500	N/A	N/A	N/A	63,833
Bob Schultz ⁽¹⁾	52,750	20,000	Nil	N/A	N/A	N/A	72,750
Bernd Seizinger ⁽⁴⁾	17,333	22,250	22,500	N/A	N/A	N/A	62,083
Ger van Amersfoort ⁽³⁾	17,750	Nil	Nil	N/A	N/A	N/A	17,750

Notes:

- (1) Mr Dinning resigned as a director on March 10, 2016. Mr. Schultz is not standing for re-election to the Board at the Meeting.
- (2) Ms. Hohol resigned as a director on August 5, 2015. Amounts reflect compensation received by Ms. Hohol prior to her resignation.
- (3) Dr. Levy and Mr. van Amersfoort did not seek re-election as directors at the Corporation’s annual general meeting of Shareholders held on June 8, 2015.
- (4) The value of option based and share based awards are based on the grant date assumptions as disclosed in note 8 “Share Based Payments” in our 2015 audited consolidated financial statements.

During 2015, the Compensation Committee reviewed the compensation structure for the independent directors. As part of the review, the Compensation Committee engaged the services of the Specialist to provide a review of the independent director compensation structure. On September 24, 2015, the Compensation Committee recommended and the Board approved, the following compensation structure for the independent directors.

Annual Retainer:

Board chair annual retainer	\$80,000
Audit Committee chair retainer	\$60,000
Governance & Compensation Committee chair retainers	\$50,000
All other directors’ retainer	\$40,000

Additional Retainer for Non-Chair Directors Serving on The Following Board Committees:

Audit	\$10,000
Governance	\$5,000
Compensation	\$5,000

Directors, annually, may opt to take up to 100% of their respective annual retainer in restricted share awards (“**RSAs**”).

In addition to the combined retainer, the Corporation will grant annually to each Director \$20,000 of RSAs that will vest over a three year period. The annual RSA grant will be granted on October 1 of each year.

The Corporation also grants to directors, from time to time, stock options in accordance with the Stock Option Plan and the reimbursement of any reasonable expenses incurred by them while acting in their directors’ capacity. During the year ended December 31, 2015, total compensation of \$535,249 was paid

to the independent directors which consisted of fee payments of \$342,999, share based awards of \$147,250 and option based awards of \$45,000.

Outstanding Share-Based Awards and Option Based Awards

The following table sets forth for each Director, other than Named Executive Officers who are directors, all option-based and share-based awards outstanding at December 31, 2015.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽¹⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jim Dinning ⁽²⁾	10,000	2.25	Dec 15, 2016	Nil	50,000	19,250	Nil
	17,500	2.22	Dec 12, 2017	Nil			
	17,500	3.06	Dec 8, 2019	Nil			
	30,000	6.72	Dec 14, 2020	Nil			
	35,000	3.89	Dec 14, 2021	Nil			
	35,000	4.21	Dec 17, 2022	Nil			
	35,000	1.74	Dec 11, 2023	Nil			
Angela Holtham	50,000	1.46	June 18, 2024	Nil	50,000	19,250	Nil
Mark Lievonen	10,000	2.25	Dec 15, 2016	Nil	50,000	19,250	Nil
	17,500	2.22	Dec 12, 2017	Nil			
	17,500	3.06	Dec 8., 2019	Nil			
	30,000	6.72	Dec 14, 2020	Nil			
	35,000	3.89	Dec 14, 2021	Nil			
	35,000	4.21	Dec 17, 2022	Nil			
	35,000	1.74	Dec 11, 2023	Nil			
Wayne Pisano ⁽³⁾	50,000	2.89	May 9, 2023	Nil	62,987	24,250	Nil
	30,000	1,74	Dec 11, 2023	Nil			
William Rice	50,000	0.80	June 8, 2025	Nil	50,000	19,250	Nil
Robert Schultz ⁽²⁾	10,000	2.25	Dec 15, 2016	Nil	50,000	19,250	Nil
	17,500	2.22	Dec 12, 2017	Nil			
	17,500	3.06	Dec 8. 2019	Nil			
	50,000	3.13	July 28, 2020	Nil			
	60,000	6.72	Dec 14, 2020	Nil			
	9,000	4.31	July 27, 2021	Nil			
	70,000	3.89	Dec 14, 2021	Nil			
	60,000	4.21	Dec 17, 2022	Nil			
	60,000	1.74	Dec 11, 2023	Nil			
Bernd Seizinger ⁽⁴⁾	50,000	0.80	June 8, 2025	Nil	55,844	21,500	Nil

Notes:

- (1) These amounts are calculated based on the difference between the closing price of the securities underlying the options on the TSX on December 31, 2015 (\$0.385), and the exercise price of the options.
- (2) Mr. Dinning resigned from the Board on March 10, 2016. Mr. Schultz is not standing for re-election to the Board at the Meeting.
- (3) Mr. Pisano elected to receive \$20,000 of his annual retainer in RSAs.
- (4) Dr. Seizinger elected to receive \$9,000 of his annual retainer in RSAs.

Value Vested or Earned During the Year

The following table sets forth for each Director the value vested on all option-based awards, share-based awards, and value earned on non-equity incentive plan compensation during the financial year ending December 31, 2015.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Jim Dinning ⁽¹⁾	Nil	Nil	N/A
Linda Hohol ⁽²⁾	Nil	Nil	N/A
Angela Holtham	Nil	Nil	N/A
Ed Levy ⁽³⁾	Nil	Nil	N/A
Mark Lievonen	Nil	Nil	N/A
Wayne Pisano	Nil	Nil	N/A
William Rice	Nil	Nil	N/A
Robert Schultz ⁽¹⁾	Nil	Nil	N/A
Bernd Seizinger	Nil	Nil	N/A
Ger van Amersfoort ⁽³⁾	Nil	Nil	N/A

Notes:

- (1) Mr. Dinning resigned from the Board on March 10, 2016. Mr. Schultz is not standing for re-election to the Board at the Meeting.
- (2) Ms. Hohol resigned from the Board on August 5, 2015.
- (3) Dr. Levy and Mr. van Amersfoort did not seek re-election as directors at the Corporation's annual general meeting of Shareholders held on June 8, 2015.

EQUITY COMPENSATION PLAN INFORMATION

Stock Option Plan

The Corporation, with the approval of its Shareholders, has established a stock option plan (the "**Stock Option Plan**"), and, through amendments from time to time, has maintained a pool of options ("**Stock Options**") to purchase Common Shares with a fixed maximum representing approximately up to 10% of the Corporation's issued and outstanding Common Shares.

Under the Stock Option Plan, the Board of Directors or the Compensation Committee may from time to time designate directors, officers, employees of, or consultants to, the Corporation or any subsidiary of the Corporation to whom Stock Options may be granted and the number of Stock Options to be granted to each. The Stock Option Plan as amended and approved at the annual and special meeting of the Shareholders held on June 8, 2015, presently provides for a fixed maximum of 11,412,394 Common Shares reserved for issuance pursuant to the Stock Option Plan (together with any other security compensation arrangement of the Corporation, including the Incentive Share Award Plan), which as of the Record Date represents approximately 9.66% of the issued and outstanding Common Shares. As of the Record Date, 8,561,394 Common Shares, being approximately 7.25% of the outstanding Common Shares, have been reserved for issuance under the Stock Option Plan. As nil PSAs and 368,831 RSAs have been granted under the Incentive Share Award Plan, an aggregate of 2,482,169 Common Shares, being approximately 2.10% of the outstanding Common Shares as of the Record Date, are available for future grants of Stock Options and Share Awards.

The number of Common Shares available that may be acquired under Stock Option granted to a participant under the Stock Option Plan (a "**Participant**") shall be determined by the Board at the time the Stock Option is granted, provided that: (i) the aggregate number of Common Shares issuable under the Stock Option Plan at any time, together with all other security based compensation arrangements of the Corporation, to insiders shall not exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis); (ii) the aggregate number of Common Shares issued pursuant to the Stock Option Plan to insiders, together with all other security based compensation arrangements of the

Corporation, within a one year period shall not exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis); and (iii) the aggregate number of Common Shares reserved for issuance to any one Participant under the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, shall not exceed 5% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis).

The value of Stock Option grants to each non-employee Director shall not exceed \$100,000 annually for any individual non-employee Director (other than initial Stock Option grants to new directors).

Stock Options may be exercised at a price (the "**Exercise Price**") which shall be fixed by the Board at the time the Stock Option is granted. No Stock Option can be granted with an Exercise Price at a discount to the market, which shall be the closing price of the Common Shares on the stock exchange upon which the Common Shares are listed on the first day preceding the date of grant on which at least one board lot of Common Shares traded on such exchange.

Stock Options are generally granted for a term expiring on the tenth anniversary of the date of grant and typically either vest immediately or as to one-third on each of the first, second and third anniversary following the date of grant, as determined by the Board at the time the Stock Option is granted. Stock Options are not transferable or assignable except to the person or persons to whom the Participant's rights pass by the Participant's will or applicable law following the death or permanent disability of a Participant.

Subject to any written agreement between the Corporation and a Participant providing otherwise, if any Participant who is a director, officer, employee or consultant of the Corporation ceases to be a director, officer, employee or consultant of the Corporation for any reason other than death or permanent disability, all of such Participant's outstanding Stock Options will terminate immediately as to the then unvested portion thereof, and at 5:00 p.m. (Calgary time) on the earlier of the date of expiration of the Option Period (as defined in the Stock Option Plan) and the ninetieth (90th) day after the date such Participant ceases to be a director, officer, employee or consultant of the Corporation as to the then vested portion of the Stock Option. In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, the Participants are entitled to exercise in full or in part any unexercised Options previously granted to such Participant pursuant to the Stock Option Plan, whether vested or not, either during the term of the Stock Option or within ninety (90) days after the date of termination of the employment of the Participant with the Corporation or the cessation or termination of the Participant as a director, officer, employee or consultant of the Corporation, whichever first occurs. Subject to any written agreement between the Corporation and a Participant providing otherwise, if in the event of the death or permanent disability of a Participant, any Stock Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Participant.

Notwithstanding the foregoing, the Board may, at its sole discretion, extend the period during which any Stock Options may be exercised, in the case of Stock Options held by non-employee directors, by not more than one year, and in the case of Stock Options held by other persons, by not more than three years, but in no case longer than the normal expiry of the Stock Options.

The Stock Option Plan and any Stock Options granted thereunder may be amended, modified or terminated by the Board without approval of Shareholders subject to any required approval of the TSX. Such changes may include, without limitation: minor changes of a "housekeeping" nature; changes to the vesting provisions of an Stock Option or the Stock Option Plan or adding a cashless exercise feature, payable in cash or securities which provides for a full deduction of the number of underlying Common Shares from the Stock Option Plan reserve. Notwithstanding the foregoing, Shareholder approval is required for any change to the Stock Option Plan or Stock Options granted under it which:

- (a) increases the number of Common Shares reserved for issuance under the Stock Option Plan;

- (b) extends eligibility to participate in the Stock Option Plan to persons other than officers, directors, and employees of the Corporation or its subsidiaries and consultants to the Corporation or its subsidiaries;
- (c) permits Stock Options to be transferred, other than for normal estate settlement purposes or to an RRSP or similar plan;
- (d) permits awards other than Stock Options to be made under the Stock Option Plan;
- (e) extends the term of an Stock Option beyond the maximum expiry date set out in the Stock Option Plan (except where an expiry date would have fallen within a blackout period established under the Corporation's Trading Policy);
- (f) reduces the exercise price of an Stock Option, except for the purpose of maintaining Stock Option value in connection with a conversion, change, reclassification, redivision, redesignation, subdivision or consolidation of shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving the Corporation (for this purpose, cancellation or termination of an Stock Option prior to its expiry date for the purpose of reissuing Stock Options to the same Stock Option-holder with a lower exercise price will be considered an amendment to reduce the exercise price of an Stock Option);
- (g) changes the insider participation limitation under the Stock Option Plan; or
- (h) amends the amending provision of the Stock Option Plan.

Incentive Share Award Plan

The Corporation, with the approval of its Shareholders, has established an incentive share award plan (the "**Incentive Share Award Plan**"). Under the Incentive Share Award Plan, the Board, or a committee of the Board, may, at such times and in such amounts as the Board may deem advisable in its sole and absolute discretion, issue performance share awards ("**PSAs**") to eligible employees, including officers, and RSAs (RSAs and PSAs are collectively referred to as "**Share Awards**") to non-employee Directors. The aggregate number of issuable Common Shares pursuant to Share Awards made under the Incentive Share Award Plan, in combination with all other security based compensation arrangements of the Corporation, including the Stock Option Plan, is 11,412,394 Common Shares. As of the date hereof, nil PSAs and 368,831 RSAs have been granted under the Incentive Share Award Plan. As 8,561,394 Common Shares, being approximately 7.25% of the outstanding Common Shares as of the Record Date, have been reserved for issuance under the Stock Option Plan, an aggregate of 2,482,169 Common Shares, being approximately 2.10% of the outstanding Common Shares as of the Record Date, are available for future grants of Stock Options and Share Awards.

Subject to earlier vesting in accordance with the terms of the Incentive Share Award Plan and unless otherwise determined by the Board, RSAs and PSAs granted under the Incentive Share Award Plan vest on the third anniversary date of the date of grant. Upon vesting, each RSA is deemed to be redeemed for no further consideration for one Common Share (subject to adjustment for dividend equivalents) and each PSA is deemed to be redeemed for no further consideration for one Common Share (subject to adjustment for dividend equivalents) multiplied by the percentage of outstanding PSAs that will vest based upon the relative achievement of any performance-related measures or criteria as determined by the Board in its sole discretion, which may include the Corporation's performance compared to identified operational or financial targets and the Corporation's shareholder return.

The aggregate number of Common Shares issuable to insiders, under all security based compensation arrangements of the Corporation shall not exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis). The aggregate number of Common Shares issued pursuant to all

security based compensation arrangements of the Corporation, within a one year period, shall not exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis). The Incentive Share Award Plan further provides that the aggregate number of Common Shares reserved for issuance to any one participant under all security based compensation arrangements of the Corporation, shall not exceed 5% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis).

The maximum number of Common Shares that may be reserved for issuance to non-employee Directors pursuant to RSAs under the Incentive Share Award Plan is 1% of the Common Shares outstanding at the time of the grant (on a non-diluted basis), less the aggregate number of Common Shares reserved for issuance to such non-employee Director under any other security based compensation arrangement, and the total annual grant of RSAs to any one non-employee Director cannot exceed a grant value of \$100,000.

If a grantee ceases to be an "Eligible Employee" under the Incentive Share Award Plan for any reason other than termination without cause, death, disability or retirement of the grantee or ceases to be a director due to the failure of the grantee to stand for or obtain re-election to the Board, all outstanding Share Award agreements under which Share Awards have been granted to such grantee shall be immediately terminated. If a grantee is terminated without cause, any Common Shares awarded pursuant to any PSA to such grantee that have not yet vested and been issued, but would be eligible for vesting and issuance during the notice period specified in such grantee's employment agreement shall vest on the termination date. Upon the death, permanent disability or retirement of a grantee, all outstanding Share Award agreements under which Share Awards have been made to such grantee prior to such date shall be terminated and all rights to receive Common Shares pursuant to Share Awards that have not vested shall be forfeited by the grantee effective as of 12 months from such date. Except in the case of death, the right to receive Common Shares pursuant to a Share Award granted to a grantee may only be exercised by such grantee personally. Share Awards granted to grantee under the Incentive Share Award Plan are non-assignable.

The Incentive Share Award Plan and any Share Awards granted thereunder may be amended, modified or terminated by the Board without approval of Shareholders, subject to any required approval of the TSX. Such changes may include, without limitation: minor changes of a "housekeeping" nature; changes to the vesting provisions of a Share Award or the Incentive Share Award Plan or adding a cashless exercise feature, payable in cash or securities which provides for a full deduction of the number of the underlying Common Shares from the Incentive Share Award Plan reserve. Notwithstanding the foregoing, the Incentive Share Award Plan or a Share Award may not be amended without shareholder approval to:

- (a) increase the number of Common Shares issuable pursuant to outstanding Share Awards at any time;
- (b) increase the number of Common Shares issuable to insiders, non-employee Directors or any one Incentive Share Award Plan participant, at any time under the Incentive Share Award Plan, together with all other security based compensation arrangements of the Corporation;
- (c) increase the number of Common Shares issued to insiders within any one-year period, under the Incentive Share Award Plan, together with all other security based compensation arrangements of the Corporation;
- (d) expand the categories of individuals contained in the definition of "Eligible Employee" who are eligible to participate in the Incentive Share Award Plan;
- (e) extend the term of any Share Award beyond the term of such awards provided for under the terms and conditions of the Incentive Share Award Plan;

- (f) permit the transfer or assignment of Share Awards, except to permit a transfer to a family member, an entity controlled by the holder of the Share Awards or a family member, a charity or for estate planning or estate settlement purposes; or
- (g) change the terms of any Share Awards held by insiders; and
- (h) change the amendment provisions of the Incentive Share Award Plan.

In addition, no amendment to the Incentive Share Award Plan or any Share Awards granted pursuant thereto may be made without the consent of an Incentive Share Award Plan participant if it adversely alters or impairs the rights of such participant in respect of any Share Award previously granted to such participant under the Incentive Share Award Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has two share based compensation plans: the Stock Option Plan and the Incentive Share Award Plan.

As at March 15, 2016, the only outstanding Stock Options, warrants and rights granted under an equity compensation plan were Stock Options granted under the Option Plan and RSAs granted under the Incentive Share Award Plan. The Common Shares available for issuance under such plans as at December 31, 2015 are as follows:

Plan category	Number of Common Shares to be issued upon exercise of outstanding Stock Options and RSAs	Weighted-average exercise price of outstanding Stock Options ⁽¹⁾	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	8,930,225	\$2.17	2,482,169
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	8,930,225	\$2.17	2,482,169

Note:

- (1) Relates to outstanding Stock Options only.

TERMINATION AND CHANGE OF CONTROL BENEFITS

If the Employment Agreements of the Named Executive Officer are terminated by the Corporation other than for cause, Mr. Look, Dr. Coffey, Dr. Tuchman and Dr. Gill shall be entitled to 12 months' pay in lieu of notice and Dr. Thompson shall be entitled to 24 months' pay in lieu of notice. If the Employment Agreements are terminated by the Corporation other than for cause, then all unexercised and unvested Stock Options then held by each are governed by the terms of the Stock Option Plan and all unvested Share Awards held by each are governed by the terms of the Incentive Share Award Plan. Furthermore, if there is a change of control of the Corporation and Mr. Look, Dr. Coffey, Dr. Tuchman or Dr. Gill, are terminated without cause within one year following such change of control, or two years following such change of control in the case of Dr. Thompson, then the terminated employee shall be entitled to 24 months' pay in lieu of notice or 36 months' pay in lieu of notice in the case of Dr. Thompson. Termination pay as discussed in this paragraph includes payment in lieu of benefits that otherwise would have been earned during the applicable term.

The following table reflects amounts payable to the Named Executive Officers with termination without cause or change of control benefits, assuming that their employment was terminated on December 31, 2015 without cause or due to a change of control of the Corporation.

Name	Termination without Cause Severance ⁽¹⁾ (\$)	Change of Control Severance ⁽²⁾ (\$)
Dr. Bradley G. Thompson	1,330,828	1,996,243
Dr. Matt C. Coffey	466,388	932,776
Kirk J. Look, CA	378,565	757,129
Dr. George Gill, MD ⁽³⁾	370,987	741,974
Dr. Alan Tuchman ⁽³⁾	172,206	344,412

Notes:

- (1) As at December 31, 2015, all Stock Options granted to the Named Executive Officers had fully vested except for the Stock Options granted on December 11, 2015. As a result, all Named Executive Officers shall be entitled to exercise all or any part of their vested Stock Options, within the period ending on the earlier of the date of expiration of the Stock Option and the 90th day after the date such Named Executive Officer is terminated unless otherwise approved by the Board of Directors.
- (2) On a change of control of the Corporation, the Named Executive Officers shall be entitled to exercise all or a part of their Stock Options, whether vested or not, within the period ending on the earlier of the date of expiration of the Stock Option and the 90th day after the date such officer is terminated.
- (3) US Employees are paid in US dollars and are presented in US dollars.

PENSION PLAN BENEFITS

The Corporation does not provide pension plan benefits to its Named Executive Officers and employees.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No director, officer or proposed nominee for election as a director of the Corporation or any associate of any such persons is, or has been, indebted to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, proposed directors, senior officers, any shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliates of such persons, any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or proposed nominee for director, or executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors is responsible for overseeing the management of the business and affairs of the Corporation. The Board of Directors is responsible for establishing the Corporation's policy direction and fundamental objectives. The Board of Directors delegates to management the responsibility and authority to direct the Corporation's day-to-day operations, subject to compliance with Board-approved budgets and strategic plans. Certain matters, including the acquisition or development of new lines of business, divestments and long-term financing, among other things, must be approved in advance by the Board of Directors.

The Board of Directors discharges its responsibilities through preparation for and attendance at regularly scheduled meetings, and through its committees. The Board of Directors reviews and provides advice with respect to key strategic initiatives and projects, and reviews and assesses processes relating to long range planning and budgeting. The Governance Committee assists the Board in matters pertaining to corporate values, beliefs and standards of ethical conduct, as well as other corporate governance issues

and the Audit Committee assists the Board in matters pertaining to management information and internal control systems. The Board of Directors also monitors financial reports, the conduct and results of the annual independent audit, finance and accounting policies and other financial matters. In addition, the Audit Committee reviews and recommends to the Board for approval the Corporation's interim financial statements, and also reviews and recommends the year-end audited financial statements for approval by the Board. The Board of Directors also has a Compensation Committee, which is responsible for attracting, retaining and fairly compensating employees of the Corporation. The Compensation Committee is also responsible for succession planning. Subject to limited exceptions, these committees generally do not have decision-making authority. Rather, they convey their findings and make recommendations on matters falling within their respective mandates to the full Board of Directors.

The Board of Directors supports the principle that its membership should represent a diversity of backgrounds, experience and skills. The Board, through the Governance Committee, reviews on an annual basis the appropriate characteristics of Board members in the context of the current composition of the Board and the objectives and needs of the Corporation.

Composition of the Board

As at December 31, 2015, the Corporation had nine Board members. The seven independent directors of the Corporation were Jim Dinning, Angela Holtham, Mark Lievonen, Wayne Pisano, Robert Schultz, William Rice and Bernd Seizinger. Mr. Dinning resigned on March 10, 2016 and Mr. Schultz is not standing for re-election to the Board at the Meeting. A majority of the directors of the Corporation are independent.

The two directors of the Corporation who are not independent are Dr. Brad Thompson, the Executive Chairman, President and Chief Executive Officer of the Corporation, and Dr. Matt Coffey, the Chief Operating Officer of the Corporation.

The directors of the Corporation who are also directors of other reporting issuers are as follows:

<u>Director</u>	<u>Other Reporting Issuers</u>
Angela Holtham	IBI Group Inc.
Wayne Pisano	Immunovaccine Inc.
William Rice	Aptose Biosciences Inc.
Brad Thompson	Immunovaccine Inc. Aptose Biosciences

Independent directors hold an in camera session, without the presence of any director who is not independent and without the presence of any management members, at each scheduled Board meeting. During the most recently completed financial year, the independent Board members have held six such meetings.

Mr. Wayne Pisano, the Chair, is an independent director. The principal responsibility of the Chair is to ensure the independence of the Board in the discharge of its responsibilities. In this regard, the Chair, individually or with the support of the committees, consults with the Executive Chairman/President and CEO on selection of committee members and committee chairs, Board meetings and planning meeting agendas, the format and adequacy of information provided to directors and the effectiveness of Board meetings. The Chair also consults directly with other directors on issues of Board independence or dissent, conflicts of interest of the Executive Chairman/President and CEO, or personal liability matters.

There were six regularly scheduled board meetings and no special board meetings in 2015. Schedule "A" hereto outlines the attendance record for each director of the Corporation.

Board Mandate

The text of the Board's written mandate is attached as Schedule "B" hereto.

Position Descriptions

The Board has developed position descriptions for the chair and the chair of each Board committee which delineate the role and responsibilities of these positions. The Board and the CEO have developed a written position description for the CEO which delineates the role and responsibilities of this position.

Orientation and Continuing Education

The Board provides new directors with the Board and committee mandates and reviews these with the new Board members. The Board and management review the nature and operations of the Corporation, initially upon appointment and continually through scheduled Board meetings and other sessions as required.

The Board provides continuing education for its Board members on issues relevant to the Corporation through Board interaction at Board meetings and ongoing communications between scheduled meetings as required or requested.

Ethical Business Conduct

The Board has adopted a written code of conduct for the directors, officers and employees of the Corporation. A copy of the code is available on the Corporation's website www.oncolyticsbiotech.com. The Board satisfies itself regarding compliance with the code through its review of the activities of the Corporation, discussions by the Audit Committee with the external auditors of the Corporation without management present, and enquiries of management.

The Board encourages and supports the exercise of independent judgment by directors in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Board requires that any director or officer with a material interest in a transaction or agreement under discussion disclose and declare their interest. The Board then conducts all discussions with respect to the transaction or agreement without the interested director or officer present for the determination and precludes any interested director from voting thereon.

The Board encourages and promotes a culture of ethical business conduct through its actions and its support and interaction with management and employees of the Corporation.

Nomination of Board Members

The Corporation identifies potential director candidates through a search process that may include the use of an executive search firm. Qualifications of potential candidates are reviewed and interviews are held by members of the Governance Committee with the potential candidates. The Governance Committee makes recommendations to the Board with respect to new director candidates.

The Governance Committee is comprised entirely of independent directors. The Governance Committee, in its capacity as the nominating committee, has the responsibility to present the annual slate of directors to the Board for the Board's approval. Once approved by the Board, the proposed selection is then presented to the Shareholders for their approval at the next scheduled annual meeting. During the year, this committee has the responsibility of locating and recommending additional directors to fill vacancies or supplement the Board as required.

Determination of Compensation of Directors and Officers

The Board has established a Compensation Committee comprised entirely of independent directors. The Compensation Committee reviews and reports to the Board on director and officer compensation issues. In determining the compensation for the directors, the committee assesses the directors' roles and responsibilities and an analysis of the competitive position of the Corporation's director compensation program, including the ability to draw directors with the background and experience required to provide an effective Board. In determining the compensation for officers, similar principles are applied and an independent compensation consultant is engaged from time to time to provide additional relevant information to the Compensation Committee.

Further information regarding the activities of the Compensation Committee is provided above under the heading "*Compensation Discussion and Analysis*".

Other Board Committees

The Board has established three committees, each of which is comprised entirely of independent directors. These committees are the Audit Committee, the Compensation Committee and the Governance Committee. Mandates for the Board and each of the committees of the Board can be found on the Corporation's website under "*Investor Center/Corporate Governance*" at www.oncolyticsbiotech.com/investor-centre/corporate-governance.

Assessments of Directors and the Board

Through its Governance Committee, the Board assesses, at least annually, the effectiveness and contribution of each member of the Board. The assessment is conducted through dialogue with Board members and is part of the information used in setting the slate of directors to be proposed to the Shareholders at the next annual meeting.

Director Term Limits

The Corporation actively encourages independent board member renewal through its formal term limit policy, adopted on June 30, 2015, whereby the independent director term limit is set at 12 years. Under the policy, the Board maintains the discretion to extend a directors' term, if under the circumstances, it is in the best interest of the Corporation and its shareholders. This in practice ensures that new independent directors are appointed regularly, without losing the experience base of long serving directors.

Policies Regarding the Representation of Women on the Board

While the Board recognizes the potential benefits from new perspectives which could manifest through increased gender diversity within its ranks, the Board has not formally adopted a written board diversity policy regarding the number or percentage of female members that it wishes to include on the Board. The Board does not believe it is in the Corporation's interests to implement a written board diversity policy at this time. The selection of candidates for appointment to the Board will continue to be based on the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time, with achieving an appropriate level of diversity on the Board being one of the criteria that the Governance Committee considers when evaluating the composition of the Board.

When considering candidates for senior management positions, the Corporation focuses on attracting and retaining experienced and highly skilled individuals that can add value to its business. Rather than considering the level of representation of women in executive officer positions when making executive officer appointments, the Corporation considers all candidates based on their merit and qualifications relevant to the specific role.

Additionally, while the Corporation recognizes the benefits of diversity at all levels within its organization, the Corporation does not currently have any targets, rules or formal policies that specifically require the identification, consideration, nomination or appointment of female board nominees or candidates for executive management positions or that would otherwise force the composition of the Board or the Corporation's executive management team. The Board does not believe it is in the Corporation's best interests to implement such targets at this time.

As of the date hereof, there is one woman director on the Board, representing 12.5% of the eight directors on the Board (14.3% of the seven directors on the Board following the Meeting) and 16.7% of the six independent directors on the Board (20% of the five independent directors on the Board following the Meeting).

Director Shareholding Requirements

The Board recognizes that share ownership by members of the Board is a key element of strong corporate governance. In 2014, the Board adopted a director shareholding requirement policy that each independent director will have purchased common shares on the open market equal to one times the director's base annual retainer. On March 10, 2016, the Board amended the director shareholder requirement to include common shares purchased on the open market and any RSAs issued. The value of each director's shareholdings will be based on the purchase price of the common shares and the grant date value of any RSAs and will be reported to the Board at each regular meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information of the Corporation is provided in the comparative annual financial statements and management's discussion and analysis of the Corporation for the most recently completed financial year. Copies of the financial statements and management discussion and analysis of the Corporation may be obtained from the Chief Financial Officer of the Corporation at Suite 210, 1167 Kensington Crescent N.W., Calgary, Alberta, T2N 1X7 or by facsimile at (403) 283-0858.

**SCHEDULE A
BOARD AND COMMITTEE MEETING ATTENDANCE**

Director	Regular Board Meeting	Special Board Meeting	Audit Committee	Governance Committee	Compensation Committee
Wayne Pisano ⁽¹⁾	6 of 6	N/A	3 of 3	N/A	3 of 3
Dr. Brad Thompson	6 of 6	N/A	N/A	N/A	N/A
Dr. Matt Coffey	6 of 6	N/A	N/A	N/A	N/A
Jim Dinning ⁽²⁾	6 of 6	N/A	5 of 5	N/A	3 of 3
Mark Lievonen ⁽³⁾	6 of 6	N/A	N/A	2 of 2	N/A
Robert Schultz ⁽⁴⁾	6 of 6	N/A	5 of 5	2 of 2	1 of 1
Linda Hohol ⁽⁵⁾	4 of 4	N/A	N/A	2 of 2	1 of 1
Angela Holtham	6 of 6	N/A	5 of 5	N/A	N/A
William Rice ⁽⁶⁾⁽⁷⁾	2 of 3	N/A	N/A	N/A	N/A
Bernd Seizinger ⁽⁶⁾⁽⁸⁾	2 of 3	N/A	N/A	N/A	2 of 2
Ed Levy ⁽⁹⁾	2 of 2	N/A	N/A	1 of 2	N/A
Ger van Amersfoort ⁽⁹⁾	2 of 2	N/A	N/A	N/A	1 of 1

Notes:

- (1) Mr. Pisano was appointed Chair of the Board on June 8, 2015 and is an *ex-officio* member of the Governance and Compensation Committees and is a member of the Audit Committee.. The total number of meetings reflects only those meetings held after his appointment.
- (2) Mr. Dinning resigned as a director on March 10, 2016.
- (3) On May 10, 2016, Mr. Lievonen became a member of the Audit Committee.
- (4) Effective June 8, 2015, Mr. Schultz was no longer Lead Director and, as a result, no longer served as an *ex-officio* member of the Governance and Compensation Committees. Mr. Schultz continued to serve as a member of the Audit Committee. The total number of meetings reflects only those meeting held during his time as a member of the respective Committee. Mr. Schultz is not standing for re-election to the Board at the Meeting.
- (5) Ms. Hohol resigned as a director on August 5, 2015.
- (6) Dr. Rice and Dr. Seizinger were elected to the Board on June 8, 2015.
- (7) Dr. Rice was appointed to sit on the Governance Committee. The total number of meetings reflects only those meetings held after his appointment.
- (8) Dr. Seizinger was appointed to sit on the Compensation Committee. The total number of meetings reflects only those meetings held after his appointment.
- (9) Dr. Levy and Mr. van Amersfoort did not stand for re-election as directors at the June 8, 2015 Annual General Meeting.

**SCHEDULE B
ONCOLYTICS BIOTECH INC.**

MANDATE OF THE BOARD OF DIRECTORS

1. Policy Statement

The Board of Directors (the “**Board**”) of Oncolytics Biotech Inc. (the “**Corporation**”) has the responsibility to oversee the conduct of the business of the Corporation and to oversee the activities of management who are responsible for the day-to-day conduct of the business of the Corporation.

2. Composition and Operation

The Board is to be constituted of a majority of individuals who qualify as unrelated directors. An unrelated director is one who meets the requirements of NASDAQ Rule 5605 and National Instrument 58-101 who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Corporation other than interests and relationships arising from shareholdings. In determining whether a director is independent of management, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.

Chair:

The members of the Board shall elect an independent Chair from among the independent members of the Board and the Chair shall preside at all meetings of the Board. The Chair of the Board shall be responsible for leadership of the Board, including preparing or approving the agenda, presiding over the meetings, and making board assignments. In addition, the responsibility of the Chair is to ensure the independence of the Board in the discharge of its responsibilities. In this regard, the Chair, individually or with the support of the committees, consults with the Executive Chairman/President and CEO on selection of committee members and committee chairs, Board meetings and planning meeting agendas, the format and adequacy of information provided to directors and the effectiveness of Board meetings. The Chair also consults directly with other directors on issues of Board independence or dissent, conflicts of interest of the Executive Chairman/President and CEO, or personal liability matters.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the board, constituting committees of the full Board and determining compensation for the directors. Subject to the Articles and By-Laws of the Corporation and the *Business Corporations Act* (Alberta), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board. The Board may establish ongoing committees of the Board with specific mandates and obligations to report to the entire Board, as well as establish ad hoc committees to deal with particular issues that might arise from time to time. The Board has presently established the following committees: the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee.

3. Responsibilities

The Board’s fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Corporation. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, risk management and mitigation, senior management determination, communication planning and internal control integrity.

The Board is essentially accountable to shareholders. In pursuing its objectives, the Board recognizes that the Corporation affects and is affected by many stakeholders. The Board will take these relationships into consideration in discharging its responsibilities, but these relationships do not change the nature of the Board's accountability.

4. **Specific Duties**

Legal Requirements

- (a) The Board has the oversight responsibility for meeting the Corporation's legal requirements and for properly preparing, approving and maintaining the Corporation's documents and records.
- (b) The Board has the statutory responsibility to:
 - (i) manage the business and affairs of the Corporation;
 - (ii) act honestly and in good faith with a view to the best interests of the Corporation;
 - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - (iv) act in accordance with its obligations contained in the *Business Corporations Act* (Alberta) and the regulations thereto, the Articles and By-Laws of the Corporation, and other relevant legislation and regulations.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
 - (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - (ii) the filling of a vacancy among the Directors;
 - (iii) the issuance of securities;
 - (iv) the declaration of dividends;
 - (v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
 - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - (vii) the approval of management proxy circulars;
 - (viii) the approval of the audited annual financial statements;
 - (ix) the adoption, amendment or repeal of by-laws;
 - (x) review and approve all securities offering documents (including documents incorporated therein by reference) of the Corporation; and

- (xi) All material significant transactions, including, any take-over bid, proposed merger, amalgamation, arrangement, and acquisition of all or substantially all of the assets of the Corporation or of another entity by the Corporation, or any similar form of business combination and the establishment of any credit facilities and any other long-term debt commitments, including the approval of any agreements, circulars or other documents in connection therewith.

Independence

- (a) The Board shall have the responsibility to:
 - (i) implement appropriate structures and procedures to permit the Board to function independently of management;
 - (ii) schedule meetings of the independent board members separately from management and management directors as part of each regularly scheduled board meeting;
 - (iii) implement a system which enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances; and
 - (iv) provide an orientation and education program for newly appointed members of the Board.

Strategy Determination

- (a) The Board shall:
 - (i) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business; and
 - (ii) annually review operating and financial performance results relative to established strategy, budgets and objectives.

Managing Risk

- (a) The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.
- (b) The Board shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

Appointment, Training and Monitoring of Senior Management

- (a) The Board shall:
 - (i) appoint the Chief Executive Officer (“CEO”), the Chief Financial Officer and senior officers, approve (upon recommendations from the Compensation Committee) their compensation, and monitor the CEO’s performance against a

set of mutually agreed corporate objectives directed at maximizing shareholder value;

- (ii) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- (iii) establish limits of authority delegated to management through the annual business plan; and
- (iv) implement and monitor an appropriate Code of Ethics for all directors, officers and employees of the Corporation.

Reporting and Communication

- (a) The Board has the responsibility to :
 - (i) verify that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
 - (ii) verify that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
 - (iii) verify that the financial results are reported fairly and in accordance with generally accepted accounting standards;
 - (iv) verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation; and
 - (v) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year.

Monitoring and Acting

- (a) The Board has the responsibility to:
 - (i) review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements;
 - (ii) verify that the Corporation operates at all time within applicable laws and regulations to the highest ethical and moral standards;
 - (iii) approve and monitor compliance with significant policies and procedures by which the Corporation is operated;
 - (iv) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
 - (v) take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and

- (vi) verify that the Corporation has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities.

5. **Other Activities**

- (a) The Board shall prepare and distribute the schedule of Board meetings for each upcoming year.
- (b) The Board may perform any other activities consistent with this Mandate, the By-Laws of the Corporation and any other governing laws as the Board determines necessary or appropriate.

6. **Date of Mandate**

This Mandate was last reviewed and approved by the Board on March 10, 2016.