

OncoCyte Corp
Form DEF 14A
April 29, 2016
TABLE OF CONTENTS

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

OncoCyte Corporation
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
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- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
 - (1) Amount previously paid:

 - (2) Form, schedule or registration statement no.:

 - (3) Filing party:

 - (4) Date filed:

TABLE OF CONTENTS

OncoCyte Corporation
1010 Atlantic Ave, Suite 102
Alameda, CA 94501
Phone: (510) 775-0515
Email: info@OncoCyte.com

April 29, 2016

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of OncoCyte Corporation which will be held on Thursday, June 9, 2016 at 11:00 a.m. at 1221 Avenue of the Americas, 24th Floor, New York, New York 10020.

The Notice and Proxy Statement on the following pages contain details concerning the business to come before the meeting. Management will report on current operations, and there will be an opportunity for discussion concerning OncoCyte and its activities. Please sign and return your proxy card in the enclosed envelope to ensure that your shares will be represented and voted at the meeting even if you cannot attend. You are urged to sign and return the enclosed proxy card even if you plan to attend the meeting.

I look forward to personally meeting all shareholders who are able to attend.

Judith Segall
Secretary

TABLE OF CONTENTS

OncoCyte Corporation
1010 Atlantic Ave, Suite 102
Alameda, CA 94501
Phone: (510) 775-0515
Email: info@OncoCyte.com

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held June 9, 2016

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of OncoCyte Corporation will be held at 1221 Avenue of the Americas, 24th Floor, New York, New York on Thursday, June 9, 2016 at 11:00 a.m. for the following purposes:

1. To elect seven (7) directors to hold office until the next Annual Meeting of Shareholders and until their respective successors are duly elected and qualified. The nominees of the Board of Directors are: William Annett, Andrew Arno, Alfred D. Kingsley, Andrew Last, Aditya Mohanty, Cavan Redmond, and Michael D. West;
2. To ratify the appointment of OUM & Co. LLP as OncoCyte's independent registered public accountants for the fiscal year ending December 31, 2016;
3. To transact such other business as may properly come before the meeting or any adjournments of the meeting.

The Board of Directors has fixed the close of business on April 27, 2016 as the record date for determining shareholders entitled to receive notice of and to vote at the meeting or any postponement or adjournment of the meeting.

Whether or not you expect to attend the meeting in person, you are urged to sign and date the enclosed form of proxy and return it promptly so that your shares may be represented and voted at the meeting. If you should be present at the meeting, your proxy will be returned to you if you so request.

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE SUBMIT YOUR PROXY PROMPTLY BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held June 9, 2016.

The Letter to Shareholders, Notice of Meeting and Proxy Statement, and Annual Report on Form 10-K, are available at: <https://materials.proxyvote.com/68235C>

By Order of the Board of Directors,

Judith Segall
Secretary
Alameda, California
April 29, 2016

TABLE OF CONTENTS

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

To Be Held on Thursday, June 9, 2016

**QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS
AND THE ANNUAL MEETING**

Q: Why have I received this Proxy Statement?

We are holding our Annual Meeting of Shareholders (the Meeting) for the purposes stated in the accompanying Notice of Annual Meeting, which include (1) electing directors, and (2) ratifying the appointment of our independent registered public accountants. At the Meeting, our management will also report on current operations, and there will be an opportunity for discussion concerning OncoCyte and its activities. This Proxy Statement contains information about those matters, relevant information about the Meeting, and other information that we are required to include in a Proxy Statement under the Securities and Exchange Commission's (SEC) regulations.

Q: Who is soliciting my proxy?

The accompanying proxy is solicited by the Board of Directors of OncoCyte Corporation, a California corporation having its principal offices at 1010 Atlantic Avenue, Suite 102, Alameda, California 94501, for use at the Annual Meeting of Shareholders to be held at 11:00 a.m. on Thursday, June 9, 2016 at 1221 Avenue of the Americas, 24th Floor, New York, New York, 10020.

Q: Who is entitled to vote at the Meeting?

Only shareholders of record at the close of business on April 27, 2016, which has been designated as the record date, are entitled to notice of and to vote at the Meeting. On that date, there were 25,430,846 shares of OncoCyte common stock issued and outstanding, which constitute the only class of OncoCyte voting securities outstanding.

Q: What percentage of the vote is required to elect directors or to approve the other matters that are being presented for a vote by shareholders?

Directors will be elected by a plurality of the votes cast at the Meeting. The other matter to be presented for a vote at the Meeting will require the affirmative vote of a majority of the shares of common stock present and voting on the matter, provided that the affirmative vote cast constitutes a majority of a quorum. A quorum consists of a majority of the outstanding shares of common stock entitled to vote.

Q: How many votes do my shares represent?

Each OncoCyte common share is entitled to one vote in all matters that may be acted upon at the Meeting, except that shareholders may elect to cumulate votes in the election of directors. Under cumulative voting, each shareholder may give one candidate, or may distribute among two or more candidates, a number of votes equal to the number of directors to be elected multiplied by the number of shares of common stock owned. Shareholders may not cumulate votes unless at least one shareholder gives notice of his or her intention to cumulate votes at the Meeting. The enclosed proxy confers discretionary authority to cumulate votes.

Q: What are my choices when voting?

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In the election of directors, you may vote for all nominees, or you may withhold your vote from one or more nominees. For each other proposal described in this Proxy Statement, you may vote for the proposal, vote against the proposal, or abstain from voting on the proposal. Properly executed proxies in the accompanying form that are received at or before the Meeting will be voted in accordance with the directions noted on the proxies.

TABLE OF CONTENTS

Q: What if I abstain from voting on a matter?

If you check the `abstain` box in the proxy form, or if you attend the Meeting without submitting a proxy and you abstain from voting on a matter, or if your shares are subject to a `broker non-vote` on a matter, your shares will be deemed to have not voted on that matter in determining whether the matter has received an affirmative vote sufficient for approval. Please see `What if I do not specify how I want my shares voted?` below for additional information about broker non-votes.

Q: Can I change my vote after I submit my proxy form?

You may revoke your proxy at any time before it is voted. If you are a shareholder of record and you wish to revoke your proxy you must do one of the following things:

- deliver to the Secretary of OncoCyte a written revocation; or
- deliver to the Secretary of OncoCyte a signed proxy bearing a date subsequent to the date of the proxy being revoked; or
- attend the Meeting and vote in person.

If you are a `beneficial owner` of shares `held in street name` you should follow the directions provided by your broker or other nominee regarding how to revoke your proxy.

Q: Can I still attend and vote at the Meeting if I submit a proxy?

You may attend the Meeting and vote in person whether or not you have previously submitted a proxy. If you previously gave a proxy, your attendance at the Meeting will not revoke your proxy unless you also vote in person at the Meeting.

If you are a shareholder of record, you may vote your shares at the Meeting by completing a ballot at the Meeting. However, if you are a `street name` holder, you may vote your shares in person only if you obtain a signed proxy from your broker or nominee giving you the right to vote your shares.

Even if you currently plan to attend the Meeting, we recommend that you also submit your proxy first so that your vote will be counted if you later decide not to attend the Meeting.

Q: What are the Board of Directors' recommendations?

The Board of Directors recommends that our shareholders vote **FOR** (1) each nominee for election as a director, and (2) approval of the appointment of OUM & Co., LLP as our independent registered public accountants for the fiscal year ending December 31, 2016.

Q: What if I do not specify how I want my shares voted?

Shareholders of Record. If you are a shareholder of record and you sign and return a proxy form that does not specify how you want your shares voted on a matter, your shares will be voted **FOR** (1) each nominee for election as a director, and (2) approval of the appointment of OUM & Co., LLP as our independent registered public accountants for the fiscal year ending December 31, 2016.

Beneficial Owners. If you are a beneficial owner and you do not provide your broker or other nominee with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under the rules of the various national and regional securities exchanges, brokers and other nominees holding

your shares may vote on certain routine matters, including the approval of the appointment of our independent registered public accountants, but cannot vote in the election of directors. If you hold your shares in street name and you do not instruct your broker or other nominee how to vote on those matters as to which brokers and nominees are not permitted to vote without your instructions, no votes will be cast on your behalf on those matters. This is generally referred to as a broker non-vote.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

Shareholder of Record. You are a shareholder of record if at the close of business on the record date your shares were registered directly in your name with American Stock Transfer & Trust Company, LLC, our transfer agent.

TABLE OF CONTENTS

Beneficial Owner. You are a beneficial owner if at the close of business on the record date your shares were held in the name of a brokerage firm or other nominee and not in your name. Being a beneficial owner means that, like most of our shareholders, your shares are held in street name. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting instructions your broker or other nominee provides. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares with respect to some of the proposals, but not all. Please see *What if I do not specify how I want my shares voted?* above for additional information.

Q: What if any matters not mentioned in the Notice of Annual Meeting or this Proxy Statement come up for vote at the Meeting?

The Board of Directors does not intend to present any business for a vote at the Meeting other than the matters set forth in the accompanying Notice of Annual Meeting of Shareholders. As of the date of this Proxy Statement, no shareholder has notified us of any other business that may properly come before the Meeting. If other matters requiring the vote of the shareholders properly come before the Meeting, then it is the intention of the persons named in the accompanying form of proxy to vote the proxy held by them in accordance with their judgment on such matters.

The enclosed proxy confers discretionary authority to vote with respect to any and all of the following matters that may come before the Meeting: (1) matters that the Board of Directors did not know, a reasonable time before the mailing of the notice of the Meeting, would be presented at the Meeting; and (2) matters incidental to the conduct of the Meeting.

Q: Who will bear the cost of soliciting proxies for use at the Meeting?

OncoCyte will bear all of the costs of the solicitation of proxies for use at the Meeting. In addition to the use of the mails, proxies may be solicited by a personal interview, telephone, and telegram by our directors, officers, and employees, who will undertake such activities without additional compensation. Banks, brokerage houses, and other institutions, nominees, or fiduciaries will be requested to forward the proxy materials to the beneficial owners of the common stock held of record by such persons and entities and will be reimbursed for their reasonable expense incurred in connection with forwarding such material.

Q: How can I attend and vote at the Meeting?

If you plan on attending the Meeting in person, please read the *How to Attend the Annual Meeting* section of this Proxy Statement for information about the documents you will need to bring with you to gain admission to the Meeting and to vote your shares in person.

This Proxy Statement and the accompanying form of proxy are first being sent or given to our shareholders on or about May 9, 2016.

TABLE OF CONTENTS

ELECTION OF DIRECTORS

At the Meeting, seven (7) directors will be elected to hold office until the next Annual Meeting of Shareholders, and until their successors have been duly elected and qualified. All the nominees named below, William Annett, Andrew Arno, Alfred D. Kingsley, Andrew Last, Aditya Mohanty, Cavan Redmond, and Michael D. West, are incumbent directors.

It is the intention of the persons named in the enclosed proxy, unless the proxy specifies otherwise, to vote the shares represented by such proxy **FOR** the election of the nominees listed below. In the unlikely event that any nominee should be unable to serve as a director, proxies may be voted in favor of a substitute nominee designated by the Board of Directors. If you are a beneficial owner of shares held in street name, your broker or other nominee will not be allowed to vote in the election of directors unless you instruct your broker or other nominee how to vote on the form that the broker or nominee provided to you.

Directors

The names and ages of our directors who are nominees for re-election are:

William Annett, 62, joined OncoCyte as Chief Executive Officer in June 2015. Prior to becoming our Chief Executive Officer, Mr. Annett was a Managing Director at Accenture from 2011 to 2014, where he founded, built, and headed Accenture's West Coast Life Sciences practice with sales, marketing, and delivery responsibilities for the entire territory. His clients included most of the major biotech and pharmaceutical companies in the western United States. At Genentech, from 2003 until 2011, Mr. Annett led the Commercial Strategy group and managed large operational projects with several hundred team members. He also directed the Project Finance function for research and development, which supported all development pipeline products with more than 200 clinical trials. In 2001 Mr. Annett founded and until 2003 served as CEO of Corra Life Sciences, a prenatal diagnostics company, which worked with a consortium of universities to develop blood tests for the major diseases of pregnancy. Mr. Annett also previously served as Chief Executive Officer of BioFX Laboratories, Inc. from 1999 to 2000. Early in his career, Mr. Annett also founded a consumer products company, which he led for six years as Chief Executive Officer. During his tenure, the company became publicly traded on NASDAQ and was then acquired. Mr. Annett holds an MBA from the Harvard Business School.

Mr. Annett brings to our Board his years of senior management experience overseeing the development and commercialization of products and services in the life sciences, pharmaceutical and diagnostics industries.

Andrew Arno, 56, joined our Board of Directors in June 2015 and has 30 years of experience working with emerging growth companies. He is currently Vice Chairman of The Special Equities Group at Chardan Capital Markets, LLC, a privately held investment banking firm, and from June 2013 until July 2015 served as Managing Director of Emerging Growth Equities, an investment bank, and Vice President of Sabr, Inc., a family investment group. He was previously President of LOMUSA Limited, an investment banking firm. From 2009 to 2012, Mr. Arno served as Vice Chairman and Chief Marketing Officer of Unterberg Capital, LLC, an investment advisory firm that he co-founded. He was also Vice Chairman and Head of Equity Capital Markets of Merriman Capital LLC, an investment banking firm, and served on the board of the parent company, Merriman Holdings, Inc. Mr. Arno currently serves on the boards of directors of Smith Micro Software, Inc. and Asterias Biotherapeutics, Inc.

Mr. Arno brings over 30 years' experience handling a wide range of corporate and financial matters and his background as an investment banker and strategic advisor to emerging growth companies qualifies him to serve on our Board of Directors.

Alfred D. Kingsley, 73, joined the Board of Directors during September 2009 and became Chairman of the Board during December 2010. Mr. Kingsley is also the Chairman of the Board of Directors of BioTime. Mr. Kingsley has been general partner of Greenway Partners, L.P., a private investment firm, and President of Greenbelt Corp., a business consulting firm, since 1993. Greenbelt Corp. served as BioTime's financial advisor from 1998 until June 30, 2009. Mr. Kingsley was Senior Vice-President of Icahn and Company and its affiliated entities for more than 25 years. Mr. Kingsley is a director of BioTime's subsidiary Asterias Biotherapeutics, Inc. Mr. Kingsley holds a BS degree in economics from the Wharton School of the University of Pennsylvania, and a J.D. degree and LLM in taxation from New York University Law School.

Mr. Kingsley's long career in corporate finance and mergers and acquisitions includes substantial experience in helping companies to improve their management and corporate governance, and to restructure their operations

TABLE OF CONTENTS

in order to add value for shareholders. As Chairman of the Board of our parent company BioTime, Mr. Kingsley has been instrumental in structuring BioTime's equity and debt financings and the business acquisitions that have helped BioTime expand the scope of its business. Mr. Kingsley, along with entities that he controls, is currently one of the largest shareholders of BioTime.

Andrew J. Last, 56, joined the Board of Directors during December 2015. Mr. Last has been an Executive Vice President at Affymetrix since 2010 where he has held the roles of Chief Commercial Officer, General Manager and Chief Operating Officer. Before joining Affymetrix, Mr. Last served as Vice President, Global and Strategic Marketing of BD Biosciences and as General Manager of Pharmingen from 2004 to 2010. From 2002 to 2004, Dr. Last held senior management positions at Applied Biosystems, Inc., including as Vice President and General Manager from 2003-2004 and Vice President of Marketing 2002-2003. Earlier in his career, he served in a variety of senior management positions at other companies, including Incyte Genomics and Monsanto. Dr. Last holds Ph.D. and MS degrees with specialization in Agrochemical Chemicals and Bio-Aeronautics, respectively, from Cranfield University, and a BS degree in Biological Sciences from the University of Leicester in the United Kingdom.

Dr. Last shares with our Board his many years of senior management experience commercializing products internationally in the genomics and life-sciences industries.

Aditya Mohanty, 49, joined the Board of Directors during April 2015. Mr. Mohanty was appointed Co-Chief Executive Officer of BioTime during October 2015, after serving as BioTime's Chief Operating Officer since December 2014. Mr. Mohanty is also a member of BioTime's Board of Directors. Mr. Mohanty previously served in a number of executive positions at Shire plc, including as President/Head Regenerative Medicine from 2013 to 2014, as Senior Vice President, Business and Technical Operations from 2012 to 2013, as Global Franchise Head MPS from 2010 to 2012, and as Vice President of Operations/Product General Manager from 2005 to 2012. Shire plc is a biotechnology company focused on research, development and commercialization of novel biological products for rare diseases. Mr. Mohanty was VP of Manufacturing and Operations at Transkaryotic Therapies, Inc. from 2002 to 2005 when it was acquired by Shire. Before joining Transkaryotic Therapies, Mr. Mohanty held a number of management positions at Baxter Healthcare Corporation, Bioscience Division from 1990 to 2002. Mr. Mohanty received an MBA degree from Saint Mary's College, an MS in Chemical Engineering from Clarkson University, and a B. Tech in Chemical Engineering from REC Trichy, in India.

Mr. Mohanty brings to our Board his years of experience as an executive in the pharmaceutical industry, with particular emphasis on product development and manufacturing.

Cavan Redmond, 55, joined our Board of Directors in August of 2015. Since 2014, Mr. Redmond has served as Partner for Zarsy, LLC. Mr. Redmond served as Chief Executive Officer of WebMD from May 2012 until May 2013. From August 2011 until May 2012, Mr. Redmond served as Group President, Animal Health, Consumer Healthcare and Corporate Strategy of Pfizer Inc., a pharmaceutical company. He served as Pfizer's Group President, Animal Health, Consumer Healthcare, Capsugel and Corporate Strategy from December 2010 until August 2011 and as its Senior Vice President and Group President, Pfizer Diversified Businesses from October 2009 until December 2010. Prior to Pfizer's acquisition of Wyeth, a pharmaceutical company, Mr. Redmond served as President, Wyeth Consumer Healthcare and Animal Health Business from May 2009 until October 2009. Before that, he held the positions of President, Wyeth Consumer Healthcare from December 2007 until May 2009 and Executive Vice President and General Manager, BioPharma, Wyeth Pharmaceuticals from 2003 until December 2007.

Mr. Redmond brings to our Board his years of experience as a senior executive in the pharmaceutical and veterinary products industries.

Michael D. West, Ph.D., 63, has served on the Board of Directors since September 2009 and served as our Chief Executive Officer from our inception until January 2011. Dr. West was appointed Chief Executive Officer of BioTime during October 2007 and became Co-Chief Executive Officer during October 2015. Dr. West has served on BioTime's Board of Directors since 2002. Dr. West is also a director of Asterias Biotherapeutics, Inc. and served as Vice President of Technology Integration of Asterias from 2013 to 2015. Prior to becoming Chief Executive Officer of BioTime in October 2007, Dr. West served as Chief Executive Officer, President, and Chief Scientific Officer of Ocata, Inc., a company engaged in developing human stem cell technology for use in regenerative medicine. Dr. West also founded Geron Corporation, and from 1990 to 1998 he was a Director and

TABLE OF CONTENTS

Vice-President of Geron, where he initiated and managed programs in telomerase diagnostics, oligonucleotide-based telomerase inhibition as anti-tumor therapy, and the cloning and use of telomerase in telomerase-mediated therapy wherein telomerase is utilized to immortalize human cells. From 1995 to 1998 Dr. West organized and managed the research between Geron and its academic collaborators James Thomson and John Gearhart that led to the first isolation of human embryonic stem and human embryonic germ cells. Dr. West received a B.S. Degree from Rensselaer Polytechnic Institute in 1976, an M.S. Degree in Biology from Andrews University in 1982, and a Ph.D. from Baylor College of Medicine in 1989 concentrating on the biology of cellular aging.

Dr. West is an internationally renowned pioneer and expert in stem cell research, and has extensive academic and business experience in age-related degenerative diseases, telomerase molecular biology, and human embryonic stem cell research and development. Dr. West brings to our Board of Directors the proven ability to conceive of and manage innovative research and development programs that have made scientifically significant discoveries in the field of human embryonic stem cells, and the ability to build companies focused on the great potential of regenerative medicine.

Director Independence

Our Board of Directors has determined that Andrew Arno, Andrew Last, and Cavan Redmond qualify as independent in accordance with Section 803(A) of the NYSE MKT Company Guide. The members of our Audit Committee meet the additional independence standards under Section 803(B)(2) of the NYSE MKT Company Guide and Section 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and the members of our Compensation Committee meet the additional independence standards under Section 805(c)(1) of the NYSE MKT Company Guide. Our independent directors received no compensation or remuneration for serving as directors except as disclosed under CORPORATE GOVERNANCE—Compensation of Directors. None of these directors, nor any of the members of their families, have participated in any transaction with us that would disqualify them as independent directors under the standards described above.

William Annett does not qualify as independent because he is our full time employee, Aditya Mohanty and Michael D. West do not qualify as independent because they are full-time employees of our parent BioTime, and Alfred D. Kingsley does not qualify as independent because during the past three years he received compensation for serving as our Executive Chairman.

CORPORATE GOVERNANCE

Controlled Company

BioTime, Inc. (BioTime) beneficially owns more than 50% of our common stock and voting power. As a result, we are a controlled company within the meaning of the NYSE MKT corporate governance standards. Under the NYSE MKT corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance standards, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that the company have a compensation committee that is composed entirely of independent directors, and (3) the requirement that the company have a nominating and corporate governance committee that is composed entirely of independent directors. We plan to utilize certain of these exemptions, and as a result we will not have a majority of independent directors on our Board of Directors. Accordingly, our shareholders will not have the same protections afforded to shareholders of companies that are subject to all of the NYSE MKT corporate governance requirements. In the event that we cease to be a controlled company, we will be required to comply with these provisions within the transition periods specified in the NYSE MKT corporate governance rules. Nevertheless, under the NYSE MKT corporate governance standards, we will still be required to have an Audit

Committee composed of at least three independent directors with a written charter addressing the Audit Committee's purpose and responsibilities. Also, we have elected to designate a Compensation Committee comprised of three directors who qualify as independent in accordance with Section 803(A) and Section 805(c) of the NYSE MKT Company Guide, and a Nominating/Corporate Governance Committee comprised of three directors who qualify as independent in accordance with Section 803(A) of the NYSE MKT Company Guide though we will not be required by the NYSE MKT to maintain the Compensation Committee or the Nominating/Corporate Governance Committee so long as we are a controlled company.

TABLE OF CONTENTS

Directors Meetings

During the fiscal year ended December 31, 2015, our Board of Directors met 13 times. None of our current directors attended fewer than 75% of the meetings of the Board and the committees on which they served.

Directors are also encouraged to attend our annual meetings of shareholders, although they are not formally required to do so.

Meetings of Non-Management Directors

Our non-management directors meet no less frequently than quarterly in executive session, without any directors who are OncoCyte officers or employees present. These meetings allow the non-management directors to engage in open and frank discussions about corporate governance and about our business, operations, finances, and management performance.

Shareholder Communications with Directors

If you wish to communicate with the Board of Directors or with individual directors, you may do so by following the procedure described on our website www.oncocyte.com.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics (Code of Ethics) that applies to our principal executive officers, our principal financial officer and accounting officer, our other executive officers, and our directors. The purpose of the Code of Ethics is to promote (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with or submit to the SEC and in our other public communications; (iii) compliance with applicable governmental rules and regulations; (iv) prompt internal reporting of violations of the Code of Ethics to an appropriate person or persons identified in the Code of Ethics; and (v) accountability for adherence to the Code of Ethics. A copy of our Code of Ethics has been posted on our internet website and can be found at www.oncocyte.com. We intend to disclose any future amendments to certain provisions of our Code of Ethics, and any waivers of those provisions granted to our principal executive officers, principal financial officer, principal accounting officer or controller or persons performing similar functions, by posting the information on our website within four business days following the date of the amendment or waiver.

Board Leadership Structure

Our leadership structure bifurcates the roles of Chief Executive Officer and Chairman of the Board. In other words, although William Annett is our Chief Executive Officer and is a member of our Board, Alfred D. Kingsley currently serves as Chairman of the Board. Mr. Kingsley previously served as Executive Chairman but is no longer serving in an executive capacity. As Chairman of the Board Mr. Kingsley plays an active role in the structuring and oversight of our financings and the growth of our business. This structure allows our Chief Executive Officer to focus on innovation in our research and development programs and planning for the completion of development and commercialization of our initial cancer diagnostic tests. The Chairman of the Board serves as an active liaison between the Board and our Chief Executive Officer and our other senior management. The Chairman of the Board also interfaces with our other non-management directors with respect to matters such as the members and chairs of Board committees, other corporate governance matters, financing, strategic planning, and potential business acquisitions.

The Board's Role in Risk Management

The Board has an active role, as a whole, in overseeing management of the risks of our business. The Board regularly reviews information regarding our credit, liquidity, and operations, as well as the risks associated with our research and development activities and our plans to expand our business. The Audit Committee provides oversight of our financial reporting processes and the annual audit of our financial statements. In addition, the Audit Committee also reviews and must approve any business transactions between OncoCyte and its executive officers, directors, and shareholders who beneficially own 5% or more of our outstanding shares of common stock.

TABLE OF CONTENTS

Committees of the Board

The Board of Directors has an Audit Committee, a Compensation Committee, and a recently formed Nominating/Corporate Governance Committee. The members of each of these committees are independent in accordance with Section 803(A) of the NYSE MKT Company Guides and Section 10A-3 under the Exchange Act. The members of the Audit Committee and Compensation Committee must also meet the independence tests applicable to members of those committees under the NYSE MKT Company Guide.

Audit Committee

The members of the Audit Committee are Andrew Arno (Chairman), Andrew Last, and Cavan Redmond. The Audit Committee was established in September 2015 and held two meetings during 2015. The purpose of the Audit Committee is to recommend the engagement of our independent registered public accountants, to review their performance and the plan, scope, and results of the audit, and to review and approve the fees we pay to our independent registered public accountants. The Audit Committee also will review our accounting and financial reporting procedures and controls, and all transactions between us and our executive officers, directors, and shareholders who beneficially own 5% or more of our outstanding shares of common stock. The Audit Committee has a written charter that requires the members of the Audit Committee to be directors who are independent in accordance with Section 803(A) and Section 803(B) of the NYSE MKT Company Guide and Section 10A-3 under the Exchange Act. A copy of the Audit Committee Charter has been posted on our internet website and can be found at www.oncocyte.com.

Our Board of Directors has determined that Andrew Arno meets the criteria of an audit committee financial expert within the meaning of the SEC's regulations based on his many years of experience in the investment banking industry, and his audit committee service at another company, including the evaluation of financial statements.

Compensation Committee

Our Board of Directors formed a Compensation Committee during September 2015. The members of the Compensation Committee are Cavan Redmond (Chairman), Andrew Arno, and Andrew Last. The Compensation Committee met four times during 2015. All of the members of the Compensation Committee qualify as independent in accordance with Section 803(A) and Section 805(c)(1) of the NYSE MKT Company Guide. The Compensation Committee oversees our compensation and employee benefit plans and practices, including executive compensation arrangements and incentive plans and awards of stock options and other equity-based awards under our Employee Stock Option Plan. The Compensation Committee will determine or recommend to the Board of Directors the terms and amount of executive compensation and grants of equity-based awards to executives, key employees, consultants, and independent contractors. A copy of the Compensation Committee Charter has been posted on our internet website and can be found at www.oncocyte.com.

Report of the Audit Committee on the Audit of Our Financial Statements

The following is the report of the Audit Committee with respect to OncoCyte's audited financial statements for the year ended December 31, 2015.

The information contained in this report shall not be deemed soliciting material or otherwise considered filed with the SEC, and such information shall not be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, except to the extent that OncoCyte specifically incorporates such information by reference in such filing.

The members of the Audit Committee held discussions with our management and representatives of OUM & Co., LLP, our independent registered public accountants, concerning the audit of our financial statements for the year ended December 31, 2015. The independent public accountants are responsible for performing an independent audit of our consolidated financial statements and issuing an opinion on the conformity of those audited financial statements with generally accepted accounting principles. Our auditors also audit our internal control over financial reporting. The Audit Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of OncoCyte's financial statements.

TABLE OF CONTENTS

The Audit Committee members reviewed and discussed with management and representatives of the auditors the audited financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2015. Our auditors also discussed with the Audit Committee the adequacy of OncoCyte's internal control over financial reporting.

The Audit Committee members discussed with the auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees). Our auditors submitted to the Audit Committee the written disclosures and the letter mandated by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence. Based on the reviews and discussions referred to above, the Audit Committee unanimously approved the inclusion of the audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission.

The Audit Committee also met on a quarterly basis with the auditors during 2015 to review and discuss our financial statements for the quarter and the adequacy of internal control over financial reporting.

The Audit Committee: Andrew Arno (*Chairman*), Andrew Last, and Cavan Redmond.

Nomination of Candidates for Election as Directors

Nominating and Corporate Governance Committee and Nominating Policies and Procedures

During April 2016, the Board of Directors established a Nominating/Corporate Governance Committee and appointed Andrew Last (Chairman), Andrew Arno, and Cavan Redmond to the newly formed Committee. The current nominees for election as directors at the Meeting named in this Proxy Statement were nominated by the full Board of Directors prior to the formation of the Nominating/Corporate Governance Committee.

The purpose of the Nominating/Corporate Governance Committee is to recommend to the Board of Directors individuals qualified to serve as directors and on committees of the Board, and to make recommendations to the Board on issues and proposals regarding corporate governance matters. The Nominating/Corporate Governance Committee will also consider nominees proposed by shareholders, provided that they notify the Nominating/Corporate Governance Committee of the nomination in writing at least 120 days before the date of the next annual meeting and they and the nominee provide the Nominating/Corporate Governance Committee with all information that the Nominating/Corporate Governance Committee may reasonably request regarding the nominee, no later than 90 days prior to the annual meeting. A copy of the Nominating/Corporate Governance Committee Charter has been posted on our internet website and can be found at www.oncocyte.com.

The Board and the Nominating/Corporate Governance Committee have not set any specific minimum qualifications that a prospective nominee would need in order to be nominated to serve on the Board of Directors. Rather, in evaluating any new nominee or incumbent director, the Nominating/Corporate Governance Committee will consider whether the particular person has the knowledge, skills, experience, and expertise needed to manage our affairs in light of the skills, experience, and expertise of the other members of the Board as a whole. The Committee will also consider whether a nominee or incumbent director has any conflicts of interest with OncoCyte that might conflict with our Code of Ethics or that might otherwise interfere with their ability to perform their duties in a manner that is in the best interest of OncoCyte and its shareholders. The Committee will also consider whether including a prospective director on the Board will result in a Board composition that complies with (a) applicable state corporate laws, (b) applicable federal and state securities laws, and (c) the rules of the SEC and each stock exchange on which our shares are listed.

The Board of Directors and the Nominating/Corporate Governance Committee have not adopted specific policies with respect to a particular mix or diversity of skills, experience, expertise, perspectives, and background that nominees should have. However, the present Board was assembled with a focus on attaining a Board comprised of people with substantial experience in bioscience, the pharmaceutical or diagnostic industry, corporate management, and finance. The Board believes that this interdisciplinary approach will best suit our needs as we work to develop and commercialize cancer diagnostic tests.

Some of the factors considered by the Committee and the Board in selecting the Board's nominees for election at the Meeting are discussed in this Proxy Statement under **ELECTION OF DIRECTORS—Directors**.

TABLE OF CONTENTS

Executive Officers

William Annett, Karen Chapman, Kristine C. Mechem and Russell L. Skibsted are our only executive officers. Karen Chapman is the wife of Michael West, a member of our Board of Directors. Alfred D. Kingsley served as our Executive Chairman during 2015 but is no longer an executive officer and is serving as Chairman of the Board of Directors in a non-executive role.

Karen B. Chapman has been Vice President of Research since March 2015. Dr. Chapman served as Director of Bioinformatics at OncoCyte from April 2011 to March 2015 leading the biomarker discovery group. She has focused her business career on biotechnology and medical applications of genetic technologies. While a scientist at Geron Corporation of Menlo Park, California, from 1994 to 1997, Dr. Chapman participated in the cloning of human telomerase and has been issued approximately 25 patents. Dr. Chapman was a co-founder of Origen Therapeutics, a company focused on the manufacture of therapeutic proteins in transgenic animal systems. She was also Senior Scientist and Associate Director of Business Development at Ocata Inc. where she managed research efforts in the epigenetic and telomere status of embryonic stem cells and business contract negotiations. Dr. Chapman received her Ph.D. from Johns Hopkins University School of Medicine in 1991.

Kristine C. Mechem joined OncoCyte Corporation as Vice President of Marketing in August 2015 after serving as a commercialization consultant assisting in the areas of portfolio management, launch planning and forecasting from April 2015 until joining OncoCyte. Dr. Mechem served as a Director of Business Insights and Analytics at Abbott Diabetes Care, from 2011 until 2014, leading a team of analysts and forecasters supporting the business planning process and developing monthly key performance indicators for its senior management. Dr. Mechem brings to OncoCyte extensive experience within the biotechnology and diagnostics industry. Dr. Mechem's leadership and industry experience includes: marketing, planning and analytic roles. Her experience spans from smaller early stage diagnostic companies such as Corra Life Sciences, to larger biopharma companies like Abbott Laboratories and Genentech. At Corra Life Sciences, a prenatal diagnostics company, she was a co-founder and served as Vice President of Business Development and Marketing from 2006 until 2007. Dr. Mechem provided business development and marketing support working to secure co-development partners and license intellectual property from three prominent universities. At Genentech from 2009 until 2010, Dr. Mechem supported the portfolio management and led the business planning process for a \$400 million annual revenue product. Her increasing roles of responsibility included long range planning, commercial opportunity assessments, and target product profile market research. Dr. Mechem holds a Ph.D. from the University of Chicago, where she was a National Institute of Child Health and Human Development (NICHD) fellow. She also completed the Stanford Business School Executive Program in Strategy and Organization.

Russell L. Skibsted was appointed as our Chief Financial Officer and Chief Financial Officer of BioTime during November 2015, and since March 2016 he has also served as Chief Financial Officer of BioTime's subsidiary Asterias Biotherapeutics, Inc. Mr. Skibsted came to OncoCyte and BioTime from Proove Biosciences, Inc. where he served as Chief Financial Officer from 2013 to November 2014. From 2013 to 2014 Mr. Skibsted was Managing Director and Chief Financial Officer of RSL Ventures, where he provided financial consulting services to public and private companies in the life sciences sector. Mr. Skibsted served as Senior Vice President, Chief Financial Officer and Secretary of Aeolus Pharmaceuticals, a publicly traded biopharma company, from 2010 to 2013, and was Senior Vice President and Chief Business Officer of Spectrum Pharmaceuticals, a publicly traded, biopharmaceutical company, from 2006 to 2009. Previously, from 2004 to 2006, Mr. Skibsted served as Chief Financial Officer of Hana Biosciences, and from 2000 to 2004 he served as Chief Financial Officer and Portfolio Management Partner of Asset Management Company, a venture capital firm. Mr. Skibsted holds a B.A. in economics from Claremont McKenna College and an MBA from the Stanford Graduate School of Business.

Other Key Management Team Members

Lyssa Friedman joined OncoCyte as a consultant in April 2014 and was named Vice President of Clinical and Regulatory Affairs in September 2015. Ms. Friedman started her career as a registered nurse specializing in oncology, and has led clinical research operations teams for more than 15 years. Ms. Friedman was a founding team member at Veracyte, Inc. and worked there from 2008 to 2014, where she executed a 49-site, 4000-subject clinical validation study that resulted in the launch of the *Afirma*[®] Gene Expression Classifier. She later oversaw clinical utility studies that contributed to positive coverage decision from the Centers for Medicare and Medicaid Services and major U.S private insurers. Ms. Friedman is an author of about a dozen peer-reviewed publications and is a frequent speaker on diagnostic development, clinical and regulatory affairs, and reimbursement. Ms. Friedman received her masters in Public Administration from the University of San Francisco.

TABLE OF CONTENTS

Lyndal Hesterberg began providing consulting services to OncoCyte in 2015 and was named Vice President of Development in February of 2016. Dr. Hesterberg is an industry consultant to medical and biotech companies providing counsel on clinical trial design, product development and corporate strategy. Until 2012, Dr. Hesterberg was the Chief Technology Officer of Crescendo Biosciences where he was responsible for clinical trial, laboratory operations, manufacturing and quality systems and helped bring to market Vectra DA. Previously, he was the president and Chief Executive Officer of Barofold, Inc., where he led the company from product conception through its clinical stage, and recruited a senior leadership team that developed a pipeline of proprietary drug candidates. Dr. Hesterberg received his Ph.D. in biochemistry from the University of St. Louis and a Bachelor of Sciences from the University of Illinois.

William K. Seltzer began providing consulting services to OncoCyte in September 2014 and has since been appointed Vice President of Clinical Services. Dr. Seltzer provides consulting services to companies in the diagnostic industry and is a board certified clinical molecular geneticist with 30 years commercial and academic experience in clinical diagnostic services, clinical diagnostic products development and commercialization, quality assurance and regulatory compliance. As an Associate Professor of Pediatrics at Colorado, he founded and directed the University's DNA Diagnostic Laboratory. Later, as a member of the executive management team at Athena Diagnostics, Inc. and as senior Laboratory Director, Dr. Seltzer was responsible for the successful launch and oversight of clinical services for over 100 laboratory diagnostic tests in the fields of neurology, endocrinology and nephrology.

Dr. Seltzer established the clinical diagnostic laboratory at Veracyte, Inc. which developed and launched the first molecular cytology test in the country and later served as laboratory director and site director at Counsyl, Inc. a health technology company. He has published more than 50 articles in peer-reviewed scientific journals and is co-inventor on patents for molecular diagnostics and methods.

Dr. Seltzer received his Ph.D. in Pharmacology and Nutrition from the University of Southern California and completed a clinical fellowship in molecular genetics at the University of Colorado School of Medicine.

DIRECTOR COMPENSATION

Directors and members of committees of the Board of Directors who are salaried employees of OncoCyte or BioTime are entitled to receive compensation as employees but are not compensated for serving as directors or attending meetings of the Board or committees of the Board. All directors are entitled to reimbursements for their out-of-pocket expenses incurred in attending meetings of the Board or committees of the Board.

Non-employee directors, other than the Chairman of the Board of Directors, received an annual fee of \$15,000 in cash during 2015, and will receive an annual cash fee of \$20,000 for 2016, plus \$1,000 for each regular or special meeting of the Board of Directors attended or \$500 for each meeting attended by telephone conference call. In addition to cash fees, non-employee directors received options to purchase 10,000 shares of common stock under our 2010 Stock Option Plan (the Plan) during 2015, and will receive options to purchase 20,000 shares of common stock during 2016. For 2016, our Chairman will receive an annual cash fee of \$50,000, plus \$1,000 for each regular or special meeting of the Board of Directors attended or \$500 for each meeting attended by telephone conference call, and an annual award of options to purchase 20,000 shares of OncoCyte common stock.

The annual fee of cash will be paid, and the stock options granted will vest and become exercisable, in four equal quarterly installments, provided that the non-employee director remains a director on the last day of the applicable quarter. The options will expire if not exercised five years from the date of grant.

Directors who serve on the Audit Committee or the Compensation Committee shall receive, in addition to other fees payable to them as directors, the following annual fees:

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- Audit Committee Chairman: \$10,000
- Audit Committee Member other than Chairman: \$7,000
- Compensation Committee Chairman: \$7,500
- Compensation Committee Member other than Chairman: \$5,000

Members of Audit Committee and Compensation Committee will also receive \$1,000 for each committee meeting attended in person, and \$500 for each committee meeting attended by telephone.

TABLE OF CONTENTS

Compensation for service on the Nominating/Corporate Governance Committee during 2016 has not yet been determined by the Board.

The following table summarizes certain information concerning the compensation paid during the past fiscal year to each of the persons who served as directors during the year ended December 31, 2015 and who were not our employees on the date the compensation was earned.

| Name | Fees Earned Or Paid in Cash | Option Awards⁽¹⁾ | Total |
|--------------------|--|--|--------------|
| William Annett | 9,000 | \$ 13,262 ⁽²⁾ | \$ 22,262 |
| Andrew Arno | 21,000 | \$ 12,988 ⁽³⁾ | \$ 33,988 |
| Alfred D. Kingsley | 14,000 ⁽⁴⁾ | \$ 197,333 ⁽⁵⁾ | \$ 211,333 |
| Andrew J. Last | 5,500 | \$ 21,244 ⁽⁶⁾ | \$ 26,744 |
| Cavan Redmond | 19,250 | \$ 18,508 ⁽⁷⁾ | \$ 37,758 |
| Michael D. West | — | \$ 328,843 ⁽⁸⁾ | \$ 328,843 |

Options granted will vest and become exercisable in equal quarterly installments over a one-year period or other vesting periods, but must be reported here at the aggregate grant date fair value, as if all options were fully vested and exercisable at the date of grant. Values are computed in accordance with FASB Accounting Standards

(1) Codification (ASC) Topic 718. We used the Black-Sholes-Merton Pricing Model to compute option fair values based on applicable exercise and stock prices, an expected option term, volatility assumptions, and bond equivalent yield discount rates.

(2) Mr. Annett received 10,000 stock options for serving as a director of which 5,000 stock options vested prior to his resignation from the board upon being appointed as OncoCyte's President and Chief Executive Officer. We used the following variables to compute the value of the options: stock price and exercise price of \$2.20, expected term of 5.30 years, volatility of 71.13%, and bond equivalent yield discount rate of 1.45%. For compensation information as OncoCyte's President and Chief Executive Officer, refer to the summary of executive compensation table on page 15.

(3) Mr. Arno received 10,000 stock options. We used the following variables to compute the value of the options: stock price and exercise price of \$2.20, expected option term of 5.30 years, volatility of 68.87%, and bond equivalent yield discount rate of 1.63%.

The amount shown reflects cash paid to Mr. Kingsley as a non-employee director after November 15, 2015.

(4) Information concerning Mr. Kingsley's compensation for services as Executive Chairman prior to that date is shown in the EXECUTIVE COMPENSATION section of this proxy statement.

(5) Mr. Kingsley received 75,000 stock options. The options will vest and become exercisable in 48 equal monthly installments. We used the following variables to compute the value of the options: stock price of \$3.16, exercise price of \$2.20, expected option term of 9.15 years, volatility of 80.34%, and bond equivalent yield discount rate of 2.13%. The value of these options is also included in the Summary Compensation Table in the EXECUTIVE COMPENSATION section of this Proxy Statement.

(6) Mr. Last received 10,000 stock options. We used the following variables to compute the value of the options: stock price and exercise price of \$3.60, expected option term of 5.30 years, volatility of 68.69%, and bond equivalent yield discount rate of 1.71%.

(7) Mr. Redmond received 10,000 stock options. We used the following variables to compute the value of the options: stock price and exercise price of \$3.16, expected option term of 5.30 years, volatility of 68.32%, and bond equivalent yield discount rate of 1.53%.

(8) Dr. West received 125,000 stock options. The options will vest and become exercisable in 48 equal monthly installments. We used the following variables to compute the value of the options: stock price of \$3.16, exercise price of \$2.20, expected option term of 9.15 years, volatility of 80.32%, and bond equivalent yield discount rate

of 2.13%.

12

TABLE OF CONTENTS

EXECUTIVE COMPENSATION

Emerging Growth Company

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. Accordingly, this Proxy Statement includes reduced disclosure about our executive compensation arrangements and does not include a non-binding shareholder advisory vote on executive compensation.

Compensation Committee Interlocks and Insider Participation in Compensation Decisions

We created a Compensation Committee in September 2015. The members of our Compensation Committee are Andrew Arno, Andrew Last, and Cavan Redmond, each of whom qualify as independent in accordance with Section 803(A) and Section 805(c) of the NYSE MKT Company Guide. Mr. Arno, Mr. Last and Mr. Redmond are not current or former officers or employees of OncoCyte or BioTime or any of BioTime's other subsidiaries, nor did any of them have any relationship with OncoCyte, BioTime or any of BioTime's other subsidiaries requiring disclosure in this Report under Item 404 of SEC Regulation S-K.

Prior to the formation of our Compensation Committee, executive compensation was determined by our Board of Directors, subject to approval by the Board of Directors or Compensation Committee of BioTime in the case of any OncoCyte officer or director who was also an officer or director of BioTime.

During last fiscal year, none of our executive officers served as (a) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our Compensation Committee, (b) a director of another entity, one of whose executive officers served on our Compensation Committee, or (c) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our Board of Directors, except that Mr. Arno serves as a director and member of the Compensation Committee of Asterias Biotherapeutics, Inc. (Asterias), a subsidiary of BioTime, and Michael D. West served as a Vice President of Asterias until December 2015. Robert W. Peabody, our former Chief Financial Officer, served as Chief Financial Officer of Asterias until November 2015.

Except for grants of stock options, our executive officers who were also executive officers of BioTime did not receive any direct compensation from us during 2015 and 2014. Instead, those executive officers and directors were compensated by BioTime in their respective capacities. BioTime allocated to us as an expense a portion of the compensation paid to our executive officers.

Executive Employment Agreements and Change of Control Provisions

We have entered into Employment Agreements with our Chief Executive Officer William Annett, our Vice President of Marketing Kristine Mechem, and our Vice President of Research Karen Chapman. Mr. Skibsted has an Employment Agreement with BioTime, and BioTime allocates a portion of his compensation to us as an allocated cost under the Shared Facilities Agreement.

Pursuant to his Employment Agreement, Mr. Annett was entitled to receive a base annual salary of \$320,000 during 2015, which was prorated based on his commencement of employment during June 2015. For 2016, Mr. Annett's base salary has been increased to \$380,000. He is eligible to receive annual cash incentive bonus awards determined by the

Board of Directors, with a target bonus of not less than 35% of his base salary, based on his achievement of specific, objectively determinable, performance goals at target levels for the year. If the specified performance goals are achieved at maximum levels, the amount of the annual bonus will be up to 150% of Mr. Annett's base salary as determined by the Board of Directors in its sole discretion. During January 2016, Mr. Annett was awarded a discretionary bonus in the amount of \$93,333 for his performance during 2015. In addition to cash compensation, Mr. Annett's Employment Agreement entitled him to receive a grant of 605,000 stock options exercisable at a price of \$2.20 per share under the Plan.

Mr. Annett's employment agreement contains provisions entitling him to severance benefits under certain circumstances. If we terminate Mr. Annett's employment without cause or if he resigns for good reason as those terms are defined in his employment agreement, he will be entitled to receive as a severance benefit six

TABLE OF CONTENTS

months base salary, a pro rates portion of the target bonus for the year, payable on the date that annual bonuses would otherwise be payable to executives, and any unvested stock options that would have vested during the six months following termination of his employment (the Severance Period) will vest, and the period during which his vested options may be exercised will be extended to earlier of the date twelve months after termination of his employment or the expiration date of the option. If Mr. Annett s employment is terminated without cause or if he resigns for good reason within twelve months following a Change of Control, he will be entitled to twelve months base salary and the Severance Period will be twelve months rather than six months. In addition, if Mr. Annett elects continued health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) we will reimburse him for or we will directly pay the premiums for that coverage until the earlier of the end of the Severance Period or the date on which he receives equivalent health care insurance in connection with new employment. In order to receive the severance benefits, Mr. Annett must execute a general release of all claims against us and must return all our property in his possession.

Change of Control means (A) the acquisition of our voting securities by a person or an Affiliated Group entitling the holder to elect a majority of our directors; provided, that an increase in the amount of voting securities held by a person or Affiliated Group who on the date of the Employment Agreement beneficially owned (as defined in Section 13(d) of the Exchange Act, and the regulations thereunder) more than 10% of our voting securities shall not constitute a Change of Control; and provided, further, that an acquisition of voting securities by one or more persons acting as an underwriter in connection with a sale or distribution of voting securities shall not constitute a Change of Control, (B) the sale of all or substantially all of our assets; or (C) a merger or consolidation in which we merge or consolidate into another corporation or entity in which our shareholders immediately before the merger or consolidation do not own, in the aggregate, voting securities of the surviving corporation or entity (or the ultimate parent of the surviving corporation or entity) entitling them, in the aggregate (and without regard to whether they constitute an Affiliated Group) to elect a majority of the directors or persons holding similar powers of the surviving corporation or entity (or the ultimate parent of the surviving corporation or entity). A Change of Control shall not be deemed to have occurred if all of the persons acquiring our voting securities or assets, or merging or consolidating with us, are one or more of our direct or indirect subsidiaries or parent corporations. Affiliated Group means (A) a person and one or more other persons in control of, controlled by, or under common control with, such person; and (B) two or more persons who, by written agreement among them, act in concert to acquire voting securities entitling them to elect a majority of our directors. Person includes both people and entities.

Mr. Annett s Employment Agreement also provides that if any of the payments to him would constitute parachute payments under applicable provisions of the Internal Revenue Code and would be subject to excise tax, we will use our best efforts to obtain shareholder approval of the payment, or Mr. Annett may elect to accept a reduced amount that would not be subject to the excise tax on parachute payments.

Pursuant to her Employment Agreement, Kristine Mechem was entitled to receive a base annual salary of \$200,000 for 2015, which was prorated based on her commencement of employment during August 2015. For 2016, Ms. Mechem s base salary has been increased to \$210,000. She is eligible to receive annual cash incentive bonus awards determined by the Board of Directors, with a target bonus of not less than 30% of her base salary, based on her achievement of objectively determinable performance goals for the year. During January 2016, Ms. Mechem was awarded a discretionary bonus in the amount of \$25,000 for her performance during 2015. In addition to cash compensation, Ms. Mechem s Employment Agreement entitled her to receive a grant of 100,000 stock options exercisable at a price of \$3.16 per share under the Plan.

If we terminate Ms. Mechem s employment without cause as defined in her Employment Agreement, she will be entitled to receive, as a severance benefit, payment of three months base salary if she has been employed by us for one year or less, or six months base salary, if she has been employed by us for more than one year. The severance compensation may be paid in a lump sum or, at our election, in installments consistent with the payment of her salary

while employed by us. In order to receive the severance benefits, Ms. Mechem must execute a general release of all claims against us and must return all our property in her possession.

Pursuant to her Employment Agreement, Karen Chapman's base annual salary was set by the Board of Directors at \$200,000 for 2015. Dr. Chapman also received a grant of 100,000 stock options exercisable at a price of \$2.20 per share under the Plan. For 2016, Dr. Chapman's base salary has been increased to \$230,000.

TABLE OF CONTENTS

She is eligible to receive annual bonus awards as may be approved by the Board of Directors in its discretion, based on her achievement of goals or milestones set by the Board of Directors. During January 2016, Dr. Chapman was awarded a discretionary bonus in the amount of \$55,000 for her performance during 2015.

If we terminate Ms. Chapman's employment without cause as defined in her Employment Agreement, she will be entitled to receive, as a severance benefit, payment of three months base salary. The severance compensation may be paid in a lump sum or, at our election, in installments consistent with the payment of her salary while employed by us. In order to receive the severance benefits, Ms. Chapman must execute a general release of all claims against us and must return all our property in her possession.

The following tables show certain information relating to the compensation of our current and former Chief Executive Officers and the two highest paid individuals who were serving as executive officers at year end, and two other individuals who served as executive officers but were no longer serving at year end, in each case if their total compensation exceeded \$100,000 during 2015. We refer to such executive officers referred to as our Named Executive Officers. Joseph P. Wagner served as our Chief Executive Officer through May 29, 2015, and William Annett became our current Chief Executive Officer during June 2015. Alfred D. Kingsley served as Executive Chairman until October 2015. Robert W. Peabody served as our Chief Financial Officer until November 18, 2015.

SUMMARY COMPENSATION TABLE

| Name and principal position | Year | Salary | Bonus | Option Awards⁽¹⁾ | All other Compensation⁽²⁾ | Total |
|---|-------------|---------------|--------------|------------------------------------|---|--------------|
| William Annett President and Chief Executive Officer | 2015 | \$ 173,333 | \$ 93,333 | \$ 852,206 ⁽³⁾ | \$ 21,262 ⁽⁴⁾ | \$ 1,140,134 |
| Joseph P. Wagner Former President and Chief Executive Officer | 2015 | \$ 147,411 | — | \$ 112,704 ⁽⁵⁾ | \$ 6,255 | \$ 266,370 |
| | 2014 | \$ 267,800 | \$ 75,000 | \$ — | \$ 12,614 | \$ 355,414 |
| Karen Chapman VP of Research | 2015 | \$ 186,732 | \$ 55,000 | \$ 145,424 ⁽⁶⁾ | \$ 8,642 | \$ 395,798 |
| | 2014 | \$ 149,565 | \$ 25,000 | \$ — | \$ 6,727 | \$ 181,292 |
| Kristine Mechem VP of Marketing | 2015 | \$ 83,333 | \$ 25,000 | \$ 201,633 ⁽⁷⁾ | \$ 3,333 | \$ 313,300 |
| Alfred D. Kingsley ⁽⁸⁾ Former Executive Chairman | 2015 | \$ 79,167 | \$ 100,000 | \$ 197,333 ⁽⁹⁾ | \$ 3,958 ⁽⁹⁾ | \$ 380,458 |
| | 2014 | \$ 100,000 | \$ — | \$ — | \$ 4,333 | \$ 104,333 |
| Robert W. Peabody ⁽¹⁰⁾ Former Chief Financial Officer | 2015 | \$ 57,454 | \$ 6,750 | \$ 197,356 ⁽¹¹⁾ | \$ 34,460 ⁽¹²⁾ | \$ 296,020 |
| | 2014 | \$ 40,001 | \$ 13,485 | \$ — | \$ 1,209 | \$ 54,695 |

(1) Option awards were granted under the Plan and are valued at the aggregate grant date fair value, as if all options were fully vested and exercisable at the date of grant. Except as otherwise indicated below, one quarter of the

options will vest upon completion of 12 full months of continuous employment measured from the grant date, and the balance of the options shall vest in 36 equal monthly installments commencing on the first anniversary of the date of grant, based upon the completion of each month of continuous employment. Values are computed in accordance with FASB Accounting Standards Codification (ASC) Topic 718. Except as otherwise indicated below, we used the Black-Sholes-Merton Pricing Model to compute option fair values based on applicable exercise and stock prices, an expected option term of six to nine years, volatility ranging from 68.43% to 80.34%, and bond equivalent yield discount rates ranging from 1.45% to 2.16% depending on the date of grant and expected term.

TABLE OF CONTENTS

- Except as otherwise indicated below, other compensation consists entirely of employer contributions to employee
- (2) accounts under BioTime’s 401(k) plan in which employees of BioTime subsidiaries, including OncoCyte, are entitled to participate.
 - (3) Mr. Annett was appointed as our Chief Executive Officer on June 16, 2015. Mr. Annett was granted 605,000 options exercisable at an exercise price of \$2.20 per share of which 5,000 options vested on the date of grant. Other compensation also includes 10,000 stock options, with a fair market value of \$13,262, granted as partial
 - (4) compensation for serving on the Board of Directors of which 5,000 stock options were forfeited before Mr. Annett was appointed President and Chief Executive Officer.
 - (5) Dr. Wagner served as our Chief Executive Officer until May 29, 2015. Dr. Wagner was granted 75,000 stock options that were forfeited as a result of his resignation.
 - (6) Dr. Chapman was granted 100,000 stock options. The options are exercisable at an exercise price of \$2.20 per share.
 - (7) Dr. Mechem was granted 100,000 stock options. The options are exercisable at an exercise price of \$3.16 per share.
 - (8) Mr. Kingsley was paid a salary as Executive Chairman through November 15, 2015. He was compensated by BioTime but we reimbursed BioTime for a portion of that compensation allocable to his services to us, which is shown in the table.
Mr. Kingsley was granted 75,000 stock options. The options are exercisable at an exercise price of \$2.20 per share. The options will vest and become exercisable in 48 equal monthly installments. We used the
 - (9) Black-Sholes-Merton Pricing Model to compute option fair values based on applicable exercise and stock prices, an expected option term of 9.15 years, volatility of 80.34%, and bond equivalent yield discount rate of 2.13%.
Mr. Peabody was paid a salary as Chief Financial Officer through November 18, 2015. Mr. Peabody was
 - (10) compensated by BioTime but we reimbursed BioTime for a portion of that compensation allocable to his services to us, which is shown in the table.
Mr. Peabody was granted 75,000 stock options. The options are exercisable at an exercise price of \$2.20 per share. The options will vest and become exercisable in 48 equal monthly installments. We used the
 - (11) Black-Sholes-Merton Pricing Model to compute option fair values based on applicable exercise and stock prices, an expected option term of 9.15 years, volatility of 80.32%, and bond equivalent yield discount rate of 2.16%.
Other compensation also includes \$33,228 of severance payments to Mr. Peabody allocated from BioTime in
 - (12) connection with the termination of his employment as Chief Financial Officer. The amount shown in the table is the portion of the total severance payments from BioTime allocated to us with respect to Mr. Peabody’s service as our Chief Financial Officer.

TABLE OF CONTENTS**Stock Options Outstanding at Year End**

The following table summarizes certain information concerning stock options granted by us under the Plan, and held as of December 31, 2015 by our Named Executive Officers:

OUTSTANDING EQUITY AWARDS AT YEAR-END

| Name | Number of Securities Underlying Unexercised Options Exercisable | Option Awards | | Option Exercise Price | Option Expiration Date |
|--------------------|---|--|--|-----------------------|------------------------|
| | | Number of Securities Underlying Unexercised Options Unexercisable ⁽¹⁾ | | | |
| William Annett | 5,000 | — | | \$2.20 | January 8, 2025 |
| | 5,000 | | | \$2.20 | June 15, 2025 |
| | | 600,000 ⁽²⁾ | | \$2.20 | June 15, 2025 |
| Karen Chapman | 200,000 | — | | \$1.50 | March 31, 2021 |
| | | 100,000 ⁽³⁾ | | \$2.20 | January 8, 2025 |
| Alfred D. Kingsley | 125,000 | — | | \$1.34 | December 28, 2020 |
| | | 75,000 ⁽⁴⁾ | | \$2.20 | January 8, 2025 |
| Kristine Mechem | — | 100,000 ⁽⁵⁾ | | \$3.16 | August 3, 2025 |
| Robert W. Peabody | 125,000 | — | | \$1.34 | December 28, 2020 |
| | | 75,000 ⁽⁴⁾ | | \$2.20 | January 8, 2025 |

(1) Except as otherwise indicated below, one quarter of the options shall vest upon completion of 12 full months of continuous employment measured from the date of grant, and the balance of the options will vest in 36 equal monthly installments commencing on the first anniversary of the date of grant, based upon the completion of each month of continuous employment.

(2) The date of grant was June 15, 2015.

(3) The date of grant was January 9, 2015.

(4) The date of the grant was January 9, 2015. One quarter of the option shall vest 12 months from the date of grant, and the balance of the options will vest in 36 equal monthly installments commencing on the first anniversary of the date of the grant.

(5) The date of grant was August 8, 2015.

Stock Option Plan

We have adopted the Plan pursuant to which we may grant options to purchase, or we may sell as restricted stock, up to a total of 4,000,000 shares of common stock. The following summary of the Plan is qualified in all respects by reference to the full text of the Plan, a copy of which has been filed as an exhibit to our registration statement on Form 10.

Administration of the Plan

The Plan is administered by our Board of Directors, which recommends to the Board of Directors which of our officers, directors, employees, consultants, and independent contractors should be awarded options or restricted stock, the number of shares subject to the options granted or shares of restricted stock to be sold, the exercise price of the options or purchase price of restricted stock, and certain other terms and conditions of the options and restricted stock. As permitted by the Plan, the Board of Directors has delegated administration of the Plan to the Compensation Committee.

TABLE OF CONTENTS

No options may be granted under the Plan more than ten years after the date the Plan was adopted by the Board of Directors, and no options granted under the Plan may be exercised after the expiration of ten years from the date of grant.

Terms of the Options

Options granted under the Plan may be either incentive stock options within the meaning of Section 422(b) of the Internal Revenue Code of 1986, as amended (the Code), or non-qualified stock options. Incentive stock options may be granted only to our employees and employees any parent or subsidiary company. The exercise price of incentive stock options granted under the Plan must be equal to not less than 85% of the fair market of our common stock on the date the option is granted. In the case of an optionee who, at the time of grant, owns more than 10% of the combined voting power of all classes of our capital stock, the exercise price of any incentive stock option must be at least 110% of the fair market value of the common stock on the grant date, and the term of the option may be no longer than five years. The aggregate fair market value of the common stock (determined as of the grant date of the option) with respect to which incentive stock options become exercisable for the first time by an optionee in any calendar year may not exceed \$100,000.

The options exercise price may be payable in cash or in shares of common stock having a fair market value equal to the exercise price, or in a combination of cash and common stock.

Options granted under the Plan are nontransferable (except by will or the laws of descent and distribution) and may vest upon the satisfaction of reasonable conditions determined by the Board of Directors or Compensation Committee. Incentive stock options may be exercised only during employment or within three months after termination of employment, subject to certain exceptions in the event of the death or disability of the optionee, provided, that the Board of Directors or Compensation Committee may waive this provision.

Certain Adjustments to Number of Shares and Exercise Price

The number of shares of common stock covered by the Plan, and the number of shares of common stock and the exercise price per share of each outstanding option, shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of common stock resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of issued and outstanding shares of common stock effected without receipt of consideration by us.

Corporate Reorganization or Liquidation

In the event of the dissolution or liquidation of OncoCyte, or in the event of a reorganization, merger, or consolidation of OncoCyte as a result of which OncoCyte common stock is changed into or exchanged for cash or property or securities not issued by us, or upon a sale of substantially all of our property to, or the acquisition of stock representing more than eighty percent 80% of the voting power of our capital stock then outstanding by, another corporation or person, the Plan and all options granted under the Plan shall terminate, unless provision can be made in writing in connection with such transaction for either the continuance of the Plan and/or for the assumption of options granted under the Plan, or the substitution for such options by options covering the stock of a successor corporation, or a parent or a subsidiary of a successor corporation, with appropriate adjustments as to the number and kind of shares and prices.

Restricted Stock Sales

In lieu of granting options, we may enter into restricted stock purchase agreements with employees under which they may purchase common stock subject to certain vesting and repurchase restrictions. We have the right to repurchase unvested shares at the shareholder's cost upon the occurrence of specified events, such as termination of employment. The price at which shares may be sold under restricted stock purchase agreements will be not less than 85% of fair market value, or 100% of fair market value in the case of stock sold to a person who owns capital stock representing more than 10% of the combined voting power of all classes of our capital stock. We may permit employees or consultants, but not executive officers or directors, who purchase stock under restricted stock purchase agreements to pay for their shares by delivering a promissory note that is secured by a pledge of their shares.

Other Compensation Plans

We do not have any pension plans, defined benefit plans, or non-qualified deferred compensation plans. We do make contributions to 401(k) plans for participating executive officers and other employees.

TABLE OF CONTENTS

Risk Considerations and Recoupment Policies

The Compensation Committee considers, in establishing and reviewing the executive compensation program, whether the program encourages unnecessary or excessive risk taking. Our executive compensation arrangements include a fixed salary that provides a steady income so that executives do not feel pressured to focus exclusively on stock price performance or short term financial targets to the detriment of our long-term operational and strategic objectives. We supplement fixed salaries with discretionary bonus awards based on the executive's performance as well as the performance of OncoCyte. Most of the stock options that we have granted to our executive officers under our Employee Stock Option Plan vest over four years, assuring that the executives take a long-term perspective in viewing their equity ownership.

Because we have adopted compensation plans, or made incentive awards, based on quantified financial performance measures, we have not adopted specific policies regarding the adjustment or recovery of awards or payments if the relevant performance measures are restated or otherwise adjusted in a manner that would reduce the size of an award or payment. We may adopt such policies, however, if we adopt incentive compensation plans or grant incentive bonuses based on financial performance measures or if we are required to do by the rules of any national securities exchange or interdealer quotation system on which our common stock or other equity securities are listed.

Tax Considerations

Section 162(m) of the Internal Revenue Code places a \$1 million limit on the amount of compensation that a company can deduct in any one year for compensation paid to its chief executive officer and the three most highly-compensated executive officers employed by the company at the end of the year, other than the company's chief financial officer. The \$1 million deduction limit does not apply to compensation that is performance-based and provided under a shareholder-approved plan. The Compensation Committee has never awarded cash compensation, in the form of salary and bonuses, in excess of the \$1 million limit. Our stock option awards are designed to qualify for tax deductibility. Notwithstanding the foregoing, we may elect to pay compensation to executive officers that may not be fully deductible if we believe that is necessary to attract, retain and reward high-performing executives.

TABLE OF CONTENTS**PRINCIPAL SHAREHOLDERS**

The following table sets forth information as of April 20, 2016 concerning beneficial ownership of our common stock by each shareholder known by us to be the beneficial owner of 5% or more of our outstanding shares of common stock.

Security Ownership of Certain Beneficial Owners

| Shareholder | Number of Shares | Percent of Total |
|--|-----------------------------|-------------------------|
| BioTime, Inc. 1010 Atlantic Avenue, Suite 102 Alameda, California 94501 | 14,866,888 ⁽¹⁾) | 58.5 % |
| George Karfunkel 126 East 56 th Street/15 th Floor New York, New York 10022 | 3,659,860 | 14.4 % |
| Bernard Karfunkel c/o The Sabr Group 126 East 56 th Street/15 th Floor New York, New York 10022 | 2,536,666 | 9.9 % |

(1) Includes 192,644 shares issuable to BioTime's subsidiary Asterias Biotherapeutics, Inc.

TABLE OF CONTENTS

The following table sets forth information as of April 20, 2016 concerning beneficial ownership of our common stock by each member of the Board of Directors, all Named Executive Officers, and all executive officers and directors as a group.

| | Number of Shares | Percent of Total | |
|---|-----------------------------|-----------------------------|---|
| William Annett ⁽¹⁾ | 160,000 | | * |
| Karen B. Chapman ⁽²⁾ | 573,485 | 2.2 | % |
| Kristine C. Mechem ⁽³⁾ | — | | * |
| Russell L. Skibsted | — | | * |
| Michael D. West ⁽⁴⁾ | 573,485 | 2.2 | % |
| Alfred D. Kingsley ⁽⁵⁾ | 603,515 | 2.4 | % |
| Andrew Arno ⁽⁶⁾ | 15,000 | | * |
| Cavan Redmond ⁽⁶⁾ | 15,000 | | * |
| Andrew J. Last ⁽⁶⁾ | 15,000 | | * |
| Aditya Mohanty | — | | * |
| Joseph P. Wagner | 3,000 | | * |
| Robert W. Peabody ⁽⁷⁾ | 167,350 | | * |
| All executive officers and directors as a group (12 persons) ⁽⁸⁾ | 1,552,350 | 5.9 | % |

*Less than 1%

(1) Includes 10,000 shares that may be acquired through the exercise of stock options that are presently exercisable and 150,000 shares that may be acquired upon the exercise of certain stock options that may become exercisable within 60 days. Excludes 700,000 shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.

(2) Includes 289,063 shares that may be acquired by Dr. West and 231,250 shares that may be acquired by Dr. Chapman through the exercise of stock options that are presently exercisable, and 5,208 shares that may be acquired by Dr. West and 4,167 shares that may be acquired by Dr. Chapman upon the exercise of certain stock options that may become exercisable within 60 days. Excludes 80,729 shares that may be acquired upon the exercise of certain stock options held by Dr. West and 124,583 shares that may be acquired upon the exercise of certain stock options held by Dr. Chapman that are not presently exercisable and that will not become exercisable

within 60 days. Dr. West and Dr. Chapman are husband and wife.

- (3) Excludes 160,000 shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days
Includes 231,250 shares that may be acquired by Dr. Chapman and 289,063 shares that may be acquired by
- (4) Michael D. West through the exercise of stock options that are presently exercisable, and 4,167 shares that may be acquired by Dr. Chapman and 5,208 shares that may be acquired by Dr. West upon the exercise of

TABLE OF CONTENTS

certain stock options that may become exercisable within 60 days. Excludes 124,583 shares that may be acquired by Dr. Chapman and 80,729 shares that may be acquired by Dr. West, upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days. Dr. West and Dr. Chapman are husband and wife.

Includes 212,500 shares that may be acquired through the exercise of stock options that are presently exercisable.
(5) Excludes 37,500 shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.

Includes 15,000 shares that may be acquired through the sale of options that are presently exercisable. Excludes
(6) 15,000 shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.

Includes 148,437 shares that may be acquired through the sale of options that are presently exercisable and 3,125
(7) shares that may be acquired upon the exercise of certain stock options that may become exercisable within 60 days. Excludes 48,438 shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.

Includes 1,098,748 shares that may be acquired upon the exercise of certain stock options that are presently
(8) exercisable or that may become exercisable within 60 days. Excludes 1,196,252 shares that may be acquired upon the exercise of certain stock options that are not presently exercisable and that will not become exercisable within 60 days.

Certain Relationships and Related Transactions

In May 2015, we entered into Subscription Agreements with George Karfunkel and Bernard Karfunkel (the Investors) and BioTime (the Subscription Agreements). Under the Subscription Agreements, we sold 1,500,000 shares of our common stock for \$3.3 million in cash, including 500,000 shares sold to George Karfunkel, and 1,000,000 shares sold to Bernard Karfunkel. Concurrently, BioTime purchased 1,500,000 shares of our stock in exchange for the cancellation of \$3.3 million of our indebtedness owed to BioTime, and we delivered to BioTime a convertible promissory note (the Note) with regard to an additional \$3.3 million of our outstanding indebtedness to BioTime. The Note bore interest at the rate of 1% per annum and was payable on November 30, 2016. Originally, BioTime had the right to convert the principal amount of the Note plus accrued interest into shares of our common stock at a conversion price of \$2.20 per share commencing on a future date. On November 19, 2015, the Note was amended to permit BioTime to convert the Note into shares of our common stock at any time prior to payment in full of the principal balance and accrued interest and on November 20, 2015 BioTime converted the Note into 1,508,095 shares of our common stock.

In June 2015, after the sale of stock under the Subscription Agreements was completed, we entered into a second agreement with the Investors. Under the second agreement, the Investors agreed that if on or before June 30, 2016 we conduct another rights offering to our shareholders at a pre-offer valuation of at least \$40.0 million, the Investors will purchase shares in that offering with an aggregate purchase price equal to the lesser of (a) a percentage of total amount of capital which we then seek to raise in the rights offer and in any concurrent offering to third parties equal to the Investors aggregate pro rata share of outstanding OncoCyte common stock on the record date for the rights offering, determined on a fully diluted basis, and (b) \$3.0 million, or such lesser amount requested by us.

The Investors also agreed that, for a period of one year from the date of the second agreement, neither of them shall invest or engage, directly or indirectly, whether as a partner, equity holder, lender, principal, agent, affiliate, consultant or otherwise, in any business anywhere in the world that develops products for the diagnosis and treatment of cancer or otherwise competes with us in any way; provided, however, that the passive ownership of less than 5% of the outstanding stock of any publicly-traded corporation will not be deemed, solely by reason thereof, to be in violation of that agreement.

Under the second agreement, we agreed that if shares of our common stock were not publicly traded on any stock exchange or over the counter market by January 15, 2016, we would issue to the Investors, warrants to purchase, in the aggregate, 1,500,000 shares of common stock at an exercise price of \$0.02 per share. OncoCyte common stock began trading on the NYSE MKT on a when issued basis on December 30, 2015 in connection with BioTime's distribution of a portion of its OncoCyte shares to BioTime shareholders, extinguishing the contingent obligation to issue the warrants.

TABLE OF CONTENTS

During September 2015, we entered into Subscription Agreement with BioTime pursuant to which BioTime purchased 2,710,857 shares of our common stock for \$8.3 million in cash.

We have entered into a Registration Rights Agreement, as amended, pursuant to which we have agreed to register for sale under the Securities Act, at our expense, shares of common stock sold to the Investors and BioTime. We have agreed to file a registration statement following a written request for registration from any holder or group of holders of not less than 25% of the shares covered by the Registration Rights Agreement, but not earlier than one year after we complete an initial public offering of our common stock registered under the Securities Act (an IPO). If, after we complete an IPO, we propose to register any of our securities for sale under the Securities Act, other than with respect to a subscription rights offer to our shareholders or registration statements on Form S-8, the holders of registration rights may include their shares in our registration statement, to the extent that their shares are not eligible for sale under SEC Rule 144 and subject to certain other limitations. We and the holders of the registration rights have agreed to indemnify each other from certain liabilities in connection the registration, offer, and sale of securities under a registration statement, including liabilities arising under the Securities Act.

Shared Facilities Agreement and Relationship with BioTime

Since inception, BioTime has provided us with the use of office and laboratory facilities, laboratory and office equipment and supplies, utilities, insurance, and the services of its employees and contractors, for which we have reimbursed BioTime, either through cash payments, shares of our common stock, or delivering convertible promissory notes.

We have entered into a Shared Facilities Agreement with BioTime through which BioTime will continue to provide us with the use of its facilities, equipment and supplies, utilities, and personnel at its cost plus 5%. However, to date BioTime has not charged us the 5% markup. As of December 31, 2015, we owed BioTime approximately \$807,000 under the Shared Facilities Agreement.

BioTime is not required to hire any additional personnel or to acquire any additional equipment or supplies for our use. We expect to hire our own personnel and to acquire our own equipment and supplies for our own exclusive use as the need arises.

The Shared Facilities Agreement will remain in effect from year to year, unless either party gives the other party written notice stating that this agreement shall terminate on December 31 of that year, or unless the agreement is otherwise terminated under another provision of the agreement.

Either party may terminate the Shared Facilities Agreement immediately upon the occurrence of a default by the other party. A default will be deemed to have occurred if a party (i) fails to pay any sum due under the Shared Facilities Agreement, or fails to perform any other obligation under the agreement, and the failure continues for a period of 5 days after written notice from the party seeking to terminate the agreement; (ii) becomes the subject of any order for relief in a proceeding under any Debtor Relief Law; (iii) becomes unable to pay, or admits in writing the party's inability to pay, its debts as they mature; (iv) makes an assignment for the benefit of creditors; (v) applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitation, or similar officer for the party or for all or any part of the party's property or assets, or any such officer is appointed for such party or any part of its assets without the party's consent and such appointment is not dismissed or discharged within 60 calendar days; (vi) institutes or consents to any proceeding under any Debtor Relief Law with respect to the party or all or any part of the party's property or assets, (vii) becomes subject to any proceeding under any Debtor Relief Law without the consent of the party if such case or proceeding continues undismissed or unstayed for 60 calendar days; or (viii) dissolves or liquidates or takes any action to dissolve or liquidate. As used in the Shared Facilities Agreement, the term Debtor Relief Law means the Bankruptcy Code of the United States of America, as amended, or

any other similar debtor relief law affecting the rights of creditors generally.

Under the Shared Facilities Agreement, we have agreed to defend, indemnify, and hold harmless BioTime, BioTime's shareholders, directors, officers, employees, and agents against and from any and all claims arising from our use of BioTime's office and laboratory facilities, and from any of our work or other activities there, including all activities, work, and services performed by BioTime employees, contractors, and agents for us. The scope of our indemnification obligations also includes any and all claims arising from any breach or default on our part in the performance of any of our obligations under the terms of the Shared Facilities Agreement, or

TABLE OF CONTENTS

arising from any act or omission (including, but not limited to negligent acts or omissions) of us or any of our officers, agents, employees, contractors, guests, or invitees acting in that capacity. We are also assuming all risk of damage to property or injury to persons in, upon, or about the BioTime's office and laboratory facilities, from any cause other than BioTime's willful malfeasance or sole gross negligence. BioTime will not be liable to us for any loss or damages of any kind caused by, arising from, or in connection with (i) the performance of services by BioTime personnel for us, or the failure of any BioTime employee, contractor, or agent to perform any services for us, or (ii) any delay, error, or omission by any BioTime employee, contractor, or agent in the performance of services for us, except to the extent the loss or damage is the result of fraud, gross negligence or willful misconduct by a BioTime employee, contractor, or agent.

Approval by the Board of Directors

All of the transactions described above were reviewed directly by the Board of Directors, and the Board of Directors determined whether to approve or withhold approval of each transaction. The Board of Directors applied such criteria as it determined to be appropriate in connection with its evaluation of each proposed transaction on a transaction by transaction basis, and did not have any written guidelines governing the Board of Directors' exercise of its discretion. The directors considered such factors as they deemed relevant to the particular transaction.

Related Person Transaction Policy

We have adopted a Related Person Transaction Policy that applies to transactions exceeding \$120,000 in which any of our officers, directors, beneficial owners of more than 5% of our outstanding shares of common stock, or any member of their immediate family, has a direct or indirect material interest, determined in accordance with the policy (a Related Person Transaction). A Related Person Transaction must be reported to our outside legal counsel, our Chief Operating Officer, and our Chief Financial Officer, and will be subject to review and approval by our Audit Committee prior to effectiveness or consummation, to the extent practical. In addition, any Related Person Transaction that is ongoing in nature will be reviewed by the Audit Committee annually to ensure that the transaction has been conducted in accordance with any previous approval and that all required disclosures regarding the transaction are made.

As appropriate for the circumstances, the Audit Committee will review and consider:

- the interest of the officer, director, beneficial owner of more than 5% of our common stock, or any member of their immediate family (Related Person) in the Related Person Transaction;
- the approximate dollar value of the amount involved in the Related Person Transaction;
- the approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the transaction with the Related Person is proposed to be, or was, entered into on terms no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to the transaction to us; and
- any other information regarding the Related Person Transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee will review all relevant information available to it about a Related Person Transaction. The Audit Committee may approve or ratify the Related Person Transaction only if the Audit Committee determines that, under all of the circumstances, the transaction is in, or is not in conflict with, our best interests. The Audit Committee may, in its sole discretion, impose such conditions as it deems appropriate on us or the Related Person in connection with approval of the Related Person Transaction.

A copy of our Related Person Transaction Policy can be found on our website at www.oncocyte.com.

TABLE OF CONTENTS**COMPLIANCE WITH SECTION 16(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Section 16(a) of Exchange Act, requires our directors and executive officers and persons who own more than ten percent (10%) of a registered class of our equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other OncoCyte equity securities. Officers, directors and greater than ten percent beneficial owners are required by SEC regulations to furnish us with copies of all reports they file under Section 16(a).

To our knowledge, based solely on our review of the copies of such reports furnished to us, all Section 16(a) filing requirements applicable to our officers, directors, and greater than ten percent beneficial owners were complied with during the fiscal year ended December 31, 2015, except that Forms 3 were filed late by Andrew Arno, BioTime, Inc., Karen Chapman, Alfred D. Kingsley, Aditya Mohanty, Cavan Redmond, Judith Segall, Russell Skibsted, and Michael D. West.

**RATIFICATION OF THE SELECTION OF OUR INDEPENDENT REGISTERED
PUBLIC ACCOUNTANTS**

The Board has selected OUM & Co., LLP (OUM) as our independent registered public accountants. The Board proposes and recommends that the shareholders ratify the selection of the firm of OUM to serve as our independent registered public accountants for the fiscal year ending December 31, 2016. Approval of the selection of OUM to serve as our independent registered public accountants requires the affirmative vote of a majority of the shares of common stock present and voting on the matter at the Meeting, provided that the affirmative vote cast constitutes a majority of a quorum. Unless otherwise directed by the shareholders, proxies will be voted **FOR** approval of the selection of OUM to audit our consolidated financial statements.

We expect that a representative of OUM will be present at the Meeting, in person or by conference telephone, and will have an opportunity to make a statement if he or she so desires and may respond to appropriate questions from shareholders.

**The Board of Directors Recommends a Vote FOR Ratification of the Selection of OUM as Our Independent
Registered Public Accountants**

OUM served as our independent registered public accountants and audited our annual financial statements for the fiscal years ended December 31, 2015 and 2014.

Audit Fees, Audit Related Fees, Tax Fees and Other Fees

The following table sets forth the aggregate fees billed to us during the fiscal years ended December 31, 2015 and 2014 by OUM:

| | 2015 ⁽¹⁾ | 2014 ⁽¹⁾ |
|-----------------------------------|---------------------|---------------------|
| Audit Fees ⁽²⁾ | \$ 318,500 | \$ — |
| Audit Related Fees ⁽³⁾ | 64,063 | — |
| Tax Fees ⁽⁴⁾ | — | — |
| Total Fees | \$ 382,563 | \$ — |

(1) OUM was engaged as OncoCyte's independent registered public accountants during the fourth quarter of 2015 and audited OncoCyte's financial statements for the years ended December 31, 2014 and 2013 at that time in

connection with OncoCyte's Registration Statement on Form 10. Accordingly, 2015 fees paid to OUM include fees for the audit of OncoCyte's financial statements for the years ended December 31, 2015, 2014 and 2013 and for the review of OncoCyte's interim consolidated financial statements included in OncoCyte's Registration Statement on Form 10.

- Audit Fees consist of fees billed for professional services rendered for the audit of OncoCyte's consolidated annual financial statements included in our Registration Statement on Form 10 and in our Annual Report on Form (2) 10-K, and review of the interim consolidated financial statements included in our Registration Statement on Form 10, and services that are normally provided by our independent registered public accountants in connection with statutory and regulatory filings or engagements.

TABLE OF CONTENTS

Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the (3) performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees. This category includes fees related to non-routine SEC filings.

Tax Fees were billed for services including assistance with tax compliance and the preparation of tax returns, tax (4) consultation services, assistance in connection with tax audits and tax advice related to mergers, acquisitions and dispositions.

Pre-Approval of Audit and Permissible Non-Audit Services

Our Audit Committee requires pre-approval of all audit and non-audit services. Other than *de minimis* services incidental to audit services, non-audit services shall generally be limited to tax services such as advice and planning and financial due diligence services. All fees for such non-audit services must be approved by the Audit Committee, except to the extent otherwise permitted by applicable SEC regulations. The Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals, provided such approvals are presented to the Committee at a subsequent meeting. During 2015, 100% of the fees paid to OUM were approved by the Audit Committee or by our Board of Directors prior to the appointment of our Audit Committee.

PROPOSALS OF SHAREHOLDERS

Shareholders who intend to present a proposal for action at our 2017 Annual Meeting of Shareholders must notify our management of such intention by notice received at our principal executive offices not later than February 6, 2017 for such proposal to be included in our proxy statement and form of proxy relating to such meeting.

TABLE OF CONTENTS

ANNUAL REPORT

Our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2015, without exhibits, may be obtained by a shareholder without charge, upon written request to the Secretary of OncoCyte.

We may deliver only one annual report and Proxy Statement to multiple shareholders sharing an address, unless we receive notice from the instructions to the contrary from those shareholders. We will deliver separate copies of the Proxy Statement and annual report to each shareholder sharing a common address if they notify us that they wish to receive separate copies. If you wish to receive a separate copy of the Proxy Statement or annual report, you may contact us by telephone at (510) 775-0515, or by mail at 1010 Atlantic Avenue, Suite 102, Alameda, California 94501. You may also contact us at the above phone number or address if you are presently receiving multiple copies of the Proxy Statement and annual report but would prefer to receive a single copy instead.

By Order of the Board of Directors,

Judith Segall
Secretary

April 29, 2016

27

TABLE OF CONTENTS

HOW TO ATTEND THE ANNUAL MEETING

If you are a shareholder of record (meaning that you have a stock certificate registered in your own name), your name will appear on our shareholder list. You will be admitted to the Meeting upon showing your proxy card, driver's license, or other identification.

If you are a street name shareholder (meaning that your shares are held in an account at a broker-dealer firm) your name will not appear on our shareholder list. If you plan to attend the Meeting, you should ask your broker for a legal proxy. You will be admitted to the Meeting by showing your legal proxy. You probably received a proxy form from your broker along with your Proxy Statement, but that form can only be used by your broker to vote your shares, and it is not a legal proxy that will permit you to vote your shares directly at the Meeting. If you cannot obtain a legal proxy in time, you will be admitted to the Meeting if you bring a copy of your most recent brokerage account statement showing that you own OncoCyte shares. However, if you do not obtain a legal proxy, you can only vote your shares by returning to your broker, before the Meeting, the proxy form that accompanied your Proxy Statement.

TABLE OF CONTENTS

TABLE OF CONTENTS