

CORPORATE GOVERNANCE STATEMENT

This statement has been approved by the Board of the Company. The statement has been prepared as at 27 July 2017 with reference to the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 1.1

A listed entity should disclose:

- (a) the respective roles and responsibilities of its Board and management; and**
- (b) those matters expressly reserved to the Board and those delegated to management**

The Board of Directors has been charged by shareholders with overseeing the affairs of the Company to ensure that they are conducted appropriately and in the interests of all shareholders. The Board defines the strategic goals and objectives of the Group, as well as broad issues of policy and establishes an appropriate framework of Corporate Governance within which the Board members and management must operate. The Board reviews and monitors management and the Group's performance. The Board has also taken responsibility for establishing control and accountability systems/processes and for monitoring senior executive performance and implementation of strategy.

The roles and responsibilities of the Board are set out in a Board Charter which was adopted by the Board on 17 July 2014 and is available on the Company's website.

The Board has specifically identified the following matters for which it will be responsible:

- (a) reviewing and determining the Company's strategic direction and operational policies;
- (b) review and approve business plans, budgets and forecasts and set goals for management;
- (c) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (d) appoint and remunerate senior staff (if any);
- (e) review performance of senior staff (if any);
- (f) review financial performance against Key Performance Indicators on a quarterly basis;
- (g) approve acquisition and disposal of assets, products and technology;
- (h) approve clinical trial programs;
- (i) approve operating budgets, capital, development and other large expenditures;
- (j) review risk management and compliance;
- (k) oversee the integrity of the Company's control and accountability systems;
- (l) Oversee the Company's processes for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's shares
- (m) reporting to shareholders;
- (n) ensure compliance with environmental, taxation, Corporations Act and other laws and regulations; and
- (o) monitoring the effectiveness of the Company's governance practices.

Management is charged with the day to day running and administration of the Company consistent with the objectives and policies as set down by the Board. Within this framework, the Managing Director is directly accountable to the Board for the performance of the management team.

RECOMMENDATION 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and**
- (b) provide security holders with all material information in its possession relevant to a decision whether or not to elect or re-elect a Director.**

The Company does undertake detailed checks before it appoints a person, or puts forward to shareholders a new candidate for election, as a Director. These checks include references as to the person's character, experience and education. The Company does not propose to check criminal records or the bankruptcy history for potential new Board members however may consider such checks where necessary or appropriate in the future.

The Company will include all material information in its possession relevant to a decision whether or not to elect or re-elect a Director in the relevant Notice of Meeting. Information relating to each of the Directors is also provided on the Company's website.

RECOMMENDATION 1.3

A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.

The Company has not established written agreements with each director which set out the terms of their appointment. The appointment of Directors is governed by the relevant provisions of the Company's Constitution.

Directors are not appointed for a fixed term but are, excluding any Managing Director, subject to re-election by shareholders at least every three years in accordance with the Constitution of the Company.

A Director appointed to fill a casual vacancy or as an addition to the Board, only holds office until the next general meeting of shareholders and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding the Managing Director) must retire at each Annual General Meeting of shareholders.

The Company does maintain written agreements with each of its senior executives which set out the terms of their appointment.

RECOMMENDATION 1.4

The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary has been appointed on the basis that he will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

All Directors of the board have access to the Company Secretary who is appointed by the Board. The Company Secretary reports to the Chairman, in particular to matters relating to corporate governance.

RECOMMENDATION 1.5

A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the Board to set measurable objectives for achieving gender**

- diversity and to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and**
 - (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:**
 - (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or**
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**

Due to the scope and size of the Company's operations, the Board does not have a formal diversity policy in line with the ASX's Corporate Governance guidelines.

The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice.

The Board acknowledges the benefits of and will seek to achieve diversity during the process of employment at all levels without detracting from the principal criteria for selection and promotion of people to work within the Company based on merit.

The Board believes that there is no detriment to the Company in not adopting a formal diversity policy or in not setting gender diversity objectives as the Company is committed to providing all employees with fair and equal access to employment opportunities and nurturing diversity within the Company. This is evident by women occupying a number of important positions within the Company. Ms. Elizabeth Hopkins is a Non-Executive Director, Ms. Gill Webster is the Company's Chief Scientific Officer, Margaret Rhoades is the Company's Quality Assurance Manager, Ms. Janette Dixon is the Company's Vice President for Business Development and Claudia Mansell is Senior Research Scientist. Nine of the Company's fifteen part time/full time employees/officers are women.

The Board will regularly review the size of its operations and will, if necessary, adopt a formal diversity policy and gender diversity objective as appropriate.

RECOMMENDATION 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Company does not have a formal process for evaluating the performance of the board, its committees or individual Directors. The Board has adopted a self-evaluation process to measure its own performance. The Chairman evaluates the performance of each director and the Board evaluates the performance of the Chairman on an ongoing basis. All performance evaluations will be measured against budget, goals and set objectives.

The Board believes that this approach is appropriate given its size and the geographic split with four of the Directors being based overseas.

A Director is expected to resign if the remaining Directors recommend that a Director should not continue in office, but is not obliged to do so.

No formal performance evaluation was undertaken during the reporting period.

RECOMMENDATION 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

Currently, the Board does not have a formal policy for the evaluation of the performance of its senior executives.

The Board is currently responsible for monitoring the performance of senior executives with reference to the Company's budgets, goals and set objectives. As the Company expands, the Board intends to establish formal, quantitative and qualitative performance evaluation procedures.

No formal performance evaluation of senior executives was undertaken during the reporting period.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

RECOMMENDATION 2.1

The Board of a listed entity should:

- (a) have a nomination committee which:**
 - (1) has at least three members, a majority of whom are independent Directors, and**
 - (2) is chaired by an independent director; and disclose**
 - (3) the charter of the committee**
 - (4) the members of the committee; and**
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively**

Due to the small size of the Company and the number of Board members, the Board does not have a formal nomination committee structure. Any new Directors will be selected according to the needs of the Company at that particular time, the composition and the balance of experience on the Board as well as the strategic direction of the Company.

Should the need arise to consider a new Board member, some or all of the Directors will form the committee to consider the selection process and appointment of a new Director.

At each annual general meeting, the following Directors retire:

- i. one third of Directors (excluding the Managing Director or Chief Executive Officer, if he/she is a Director, if any);

- ii. Directors appointed by the Board to fill casual vacancies or otherwise; and
- iii. Directors who have held office for more than three years since the last general meeting at which they were elected.

The Board consists of 6 Directors, but up to 10 Directors can serve on the Board. There is one Executive Director, Simon Wilkinson, who is Chief Executive Officer of the Company, and 5 Non-Executive Directors (Christopher Collins, Elizabeth Hopkins, Michael Quinn, Andrew Sneddon and Robert Peach):

Michael Quinn	Non-Executive Chairman
Simon Wilkinson	Executive Director and Chief Executive Officer
Christopher Collins	Non-Executive Director
Elizabeth Hopkins	Non-Executive Director
Andrew Sneddon	Non-Executive Director
Robert Peach	Non-Executive Director

RECOMMENDATION 2.2

A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

The Company does not have a formal Board skills matrix which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

The composition of the Board is reviewed from time to time taking into account the length of service on the Board, age, qualification and experience, any requirements of the Company's constitution, and in light of the needs of the Company and direction of the Company, together with such other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.

Details of each Directors experience and length of service can be found on the Company's website and are reported in the Company's Financial Report on an annual basis.

RECOMMENDATION 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the Board to be independent Directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and
- (c) the length of service of each Director.

Michael Quinn, Elizabeth Hopkins, Andrew Sneddon and Robert Peach are considered Independent Directors.

In addition, the Board has adopted a series of safeguards to ensure that independent judgement is applied when considering the business of the Board:

- (i) Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld.
- (ii) Directors having a conflict of interest with an item for discussion by the Board must absent themselves from a Board meeting where such item is being discussed before commencement of discussion on such topic.

- (iii) The Independent Directors confer on a "needs" basis with the Chairman, if warranted and considered necessary by the Independent Directors.

The Board considers Non-Executive Directors to be independent even if they have minor dealings with the Company, provided they are not a substantial shareholder. Transactions with a value in excess of 5% of the Company's annual operating costs are considered material. A Director will not be considered independent if he/she is involved in transactions with the Company that are in excess of this materiality threshold.

Details of each Directors experience and length of service can be found on the Company's website and are reported in the Company's Financial Report on an annual basis.

RECOMMENDATION 2.4

A majority of the Board of a listed entity should be independent Directors.

Michael Quinn, Elizabeth Hopkins, Andrew Sneddon and Robert Peach are considered Independent Directors and accordingly a majority of the Board are independent Directors.

RECOMMENDATION 2.5

The chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.

Michael Quinn is the Chairman of the Board. He is an independent Director and not the same person as the CEO.

The Chairman's role includes:

- i. providing effective leadership on formulating the Board's strategy;
- ii. representing the views of the Board to the public;
- iii. ensuring that the Board meets at regular intervals throughout the year and that minutes of meeting accurately record decisions taken and where appropriate the views of individual Directors;
- iv. guiding the agenda, information flow and conduct of all Board meetings;
- v. reviewing the performance of the Board of Directors; and
- vi. monitoring the performance of the senior management of the Company.

RECOMMENDATION 2.6

A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively

The Company has not established a formal program for inducting new Directors however new Directors would be provided with all relevant Company policies and procedures including.

Directors are encouraged to pursue appropriate professional development opportunities to develop and maintain their skills and knowledge in order to perform their role as Directors effectively.

All Board members have access to professional independent advice at the Company's expense, provided they first obtain the Chairman's approval, with such approval not being withheld unreasonably.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

RECOMMENDATION 3.1

A listed entity should:

- (a) have a code of conduct for its Directors, senior executives and employees; and**
- (b) disclose that code or a summary of it.**

The Board approved a Code of Conduct and Ethics on 17 July 2014 which applies to all Directors, senior executives and employees and is available on the Company's website.

In making decisions, the Directors, senior executives and employees of the Company, take into account the needs of all stakeholders, including

- (i) the Company;
- (ii) Shareholders;
- (iii) Employees;
- (iv) Creditors;
- (v) Contractors;
- (vi) Community, including potential patients and their caregivers who may benefit from the Company's drug development programs; and
- (vii) Governments, which are relevant to the Company's business and operations.

The Directors, senior executives and employees of the Company are expected to:

- (i) comply with the laws and regulations both by the letter and in spirit;
- (ii) act honestly and with integrity;
- (iii) avoid conflicts of interest by not placing themselves in situations which result in divided loyalties;
- (iv) use the Company's assets responsibly and in the interests of the Company, not take advantage of property, information or position for personal gain or to compete with the Company;
- (v) to keep non-public information confidential except where disclosure is authorised or legally mandated; and
- (vi) be responsible and accountable for their actions and report any unethical behaviour.

It is the Company's objective to create wealth for its shareholders and provide a safe and challenging environment for employees and for the Company to be a valuable member of the community as a whole.

The Company's core values are summarised as follows:

- (i) provide value to its shareholders through growth in its market capitalisation;
- (ii) act with integrity and fairness;
- (iii) create a safe and challenging workplace;
- (iv) be participative and recognise the needs of the community, including the needs of patients who may be beneficiaries of the Company's drug development programs;
- (v) protect the environment;
- (vi) be commercially competitive; and
- (vii) strive for high quality performance and development.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

RECOMMENDATION 4.1

The Board of a listed entity should:

(a) have an audit committee which:

- (1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and**
- (2) is chaired by an independent Director, who is not the chair of the Board, and disclose:**
- (3) the charter of the committee;**
- (4) the relevant qualifications and experience of the members of the committee; and**
- (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has established an audit committee which comprises Elizabeth Hopkins and Andrew Sneddon. Due to the small size of the Company and the number of Board members, the committee is not comprised of three members.

Andrew Sneddon acts as Chairman of the audit committee. Mr. Sneddon is an independent Director and not the Chair of the Board.

The role of the audit committee is to:

- (i) monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;**
- (ii) review the Company's internal financial control system and risk management systems;**
- (iii) monitor, review and oversee the external audit function including, matters concerning appointment and remuneration, independence and non-audit services;**
- (iv) monitor and review compliance with the Company's Corporate Governance Statement; and**
- (v) perform such other functions as assigned by law or the Company's Constitution.**

The audit committee may seek provision of educational information on accounting policies and other financial topics relevant to the Company to assist in fulfilling its duties. Further, the audit committee may seek explanations and additional information from the Company's external auditors, without management present, when required.

When considered necessary or appropriate, the audit committee may conduct or authorise investigations and may retain independent legal, accounting or other advisors.

Other matters relating to the operation and authority of the audit committee are set of in the Audit Committee Charter, which shall be posted on the Company's website.

Details relating to the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings are set out on an Annual Basis in the Directors Report contained in the Company's Year End Financial Report which is released to the market and posted on the Company's website.

RECOMMENDATION 4.2

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's Chief Executive Officer and Chief Financial Officer have reported in writing to the Board on a yearly and half-yearly basis confirming that:

- (i) the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards;
- (ii) the Company's financial statements are complete and present a true and fair view, in all material respects, of the financial condition and performance of the Company; and
- (iii) the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal controls are operating effectively in all material respects.

RECOMMENDATION 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company's external auditor attends the AGM and is available to answer questions from shareholders relevant to the conduct of the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION 5.1

A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and**
- (b) disclose that policy or a summary of it.**

The Company has procedures in place to identify matters that are likely to have a material effect on the price of the Company's securities and to ensure those matters are notified to the Australian Securities Exchange in accordance with its listing rule disclosure requirements.

The distribution of information to the market and media is handled by the Chairman, the Chief Executive Officer or the Company Secretary. The Company Secretary has been nominated as the person responsible for communications with Australian Securities Exchange. This role includes responsibility for compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules and overseeing and coordinating information disclosures to Australian Securities Exchange, analysts, brokers, shareholders the media and the public.

All disclosures to the Australian Securities Exchange will be posted on the Company's website soon after clearance has been received from the Australian Securities Exchange.

The Chief Executive Officer and Company Secretary will monitor information in the marketplace to ensure that a false market does not emerge in the Company's securities.

The Board approved a Continuous Disclosure Policy on 17 July 2014 which is available on the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

RECOMMENDATION 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Information about the Company and its governance are available on the Company's website. The Company's website provides detailed corporate information and has a specific section relating to corporate governance.

RECOMMENDATION 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

It is the Company's communication policy to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company.

The information will be communicated to the shareholders through:

- (i) continuous disclosure announcements made to the Australian Securities Exchange;
- (ii) posting of half-yearly results and all Australian Securities Exchange announcements on the Company's website;
- (iii) posting of all results of clinical trials;
- (iv) posting of all media announcements on the Company's website; and
- (v) the calling of annual general meetings, and other meetings of shareholders, as required, and to obtain approval for Board action, as considered appropriate.

Investors and other stakeholders are invited to subscribe to an email alert facility on the Company's website so that they can receive material announcements which have been released by the Company to the market via an email in a timely manner.

RECOMMENDATION 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company does not have formal policies or process in place to facilitate or encourage participation at shareholder meetings. The Company will despatch a Notice of Meeting and Explanatory Statement to shareholders in accordance with statutory requirements. In addition details of any shareholder meeting will be posted on the Company's website.

At any meeting of shareholders, shareholders will be encouraged to ask questions of the Board of Directors in relation to the matters to be considered at such meeting and where appropriate relating to the operation of the Company.

RECOMMENDATION 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company provides shareholders with the option to receive communications from, and send communications to, the entity and its security registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATION 7.1

The Board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:**
 - (1) has at least three members, a majority of whom are independent Directors; and**
 - (2) is chaired by an independent director, and disclose:**
 - (3) the charter of the committee;**
 - (4) the members of the committee; and**
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.**

In light of the nature of the Company's operations and activities, formal and informal policies for the oversight and management of the various business risks associated with the Company's activities are conducted at the Board level by all of the Directors.

Responsibility for day to day control and risk management lies with the Directors and Chief Financial Officer (financial risk). The Board will monitor risks including, but not limited to, compliance with licensing or other regulatory approval requirements, tendering, contracting and development, quality, safety, strategic issues, financial risk, joint venture, accounting and insurance. Any changes in the risk profile for the Company will be communicated to its stakeholders via an announcement to the Australian Securities Exchange.

RECOMMENDATION 7.2

The Board or a committee of the Board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and**
- (b) disclose, in relation to each reporting period, whether such a review has taken place.**

There are inherent risks associated with design, manufacture, trial and commercialisation of medicines. The Board continuously reviews the activities of the Group to identify key business and operational risks and, where possible, will implement policies and procedures to manage such risks.

The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise.

RECOMMENDATION 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or**
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.**

In light of the nature and extent of the Company's operations and activities, the Company has not established an internal audit function.

The Board continuously reviews the activities of the Group to identify key business and operational risks and, where possible, will implement policies and procedures to address such risks and where approval to establish appropriate internal control processes.

The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise.

RECOMMENDATION 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

In light of the nature and extent of the Company's operations its business activities have limited sustainability implications at this stage of its business strategy.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1

The Board of a listed entity should:

- (a) have a remuneration committee which:**
 - (1) has at least three members, a majority of whom are independent Directors; and**
 - (2) is chaired by an independent director, and disclose:**
 - (3) the charter of the committee;**
 - (4) the members of the committee; and**
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.**

The Board has established a Remuneration Committee which throughout the year was comprised of Michael Quinn and Christopher Collins. Dr. Robert Peach was appointed to the Remuneration Committee on 28 July 2016.

Christopher Collins is the Chairman of the Remuneration Committee. Christopher Collins is not regarded as independent because he is a substantial shareholder of the Company and consequently, the Remuneration Committee is not comprised of a majority of independent Directors and is not chaired by an independent Director.

The Board has approved a Remuneration Committee Charter which is posted on the Company's website.

Details relating to the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings are set out on an Annual Basis in the Directors Report contained in the Company's Year End Financial Report which is released to the market and posted on the Company's website.

The function of the Remuneration Committee is to fulfil its corporate governance responsibilities with respect to remuneration by reviewing:

- (i) remuneration packages of executive Directors, non-executive Directors and senior executives; and
- (ii) employee incentive and equity based plans including the appropriateness of performance hurdles and total payments proposed.

The responsibilities of the Remuneration Committee include a review of:

- (i) the Company's remuneration policy and framework;
- (ii) senior executives' remuneration and incentives;
- (iii) superannuation arrangements; and
- (iv) remuneration by gender.

RECOMMENDATION 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.

Directors

- (a) The Non-Executive Directors including the Chairman are eligible to receive a fixed Directors' fee. The maximum aggregate amount of fees which could be paid to Non-Executive Directors is set by the Company in general meeting and, until such time, is determined by the Directors. The objective of the Company's remuneration policies, processes and practices are to attract and retain appropriately qualified and experienced Directors who will add value by adopting competitive remuneration and reward programmes which are fair and responsible and aligned with shareholder objectives. Remuneration is also determined having regard to how Directors are remunerated for other similar companies, the time spent on the Company's matters and the performance of the Company.
- (b) Simon Wilkinson is the Chief Executive Officer (CEO) of the Company and he is charged with the responsibility of managing the Company's day-to-day business. Certain responsibilities are delegated to the CEO and are set out below.
- (c) The Board has no retirement or termination benefits.

Senior Executives

- (a) The objective of the Company's remuneration policies, processes and practices as they relate to senior executives are to attract and retain appropriately qualified and experienced employees who will add value by adopting competitive remuneration and reward programmes which are fair and responsible and aligned with shareholder objectives. Remuneration is also determined having regard to how senior executives are remunerated for other similar companies and the performance of the Company.
- (b) The CEO is responsible for managing the Company's day-to-day business. The key functions and responsibilities of the CEO, which have been delegated by the Board, focus on the commercial aspects of developing the Company's products.
- (c) The company also retains a small but experienced staff with specialist skills in immunology and GMP manufacturing and related regulatory affairs. They include Gill Webster as Chief Scientific Officer, Margaret Rhoades as Quality Assurance Manager and Ken Tucker as Production Manager.

Each of the Company's senior executives report directly to the CEO. The Board and the CEO closely monitor the performance of individual senior executives.

Formal performance evaluation of senior executives has not been undertaken. The senior executive team is small and works closely with the Board as required allowing Board members to continuously and directly monitor the performance of individual senior executives and to provide input directly where appropriate.

RECOMMENDATION 8.3

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and**
- (b) disclose that policy or a summary of it.**

The Company has an Employee Share Option Plan (ESOP) which is open to any person who is employed by, or is a director, officer, executive or engaged as a consultant of the Company or any related body corporate of the Company and whom the Remuneration Committee determines is eligible to participate in the Option Plan.

Key management personnel are prohibited from entering into agreements or transactions which operate to limit the economic risk of participating in the ESOP.