

## Appendix 4G

### Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

**Total Brain Limited (ASX:TTB)**

ABN / ARBN

**24 094 069 682**

Financial year ended:

**30 June 2019**

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.totalbrain.com/investors/>

The Corporate Governance Statement is accurate and up to date as at **30 August 2019** and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: **30 August 2019**

Name of ~~Director or~~ Secretary authorising lodgement: **Harvey Bui**

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<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

**ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES**

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Compliance Manual at <a href="http://www.brainresource.com/investor/corporate-governance">http://www.brainresource.com/investor/corporate-governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
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.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> in our Corporate Governance Compliance Manual at <a href="http://www.brainresource.com/investors.html">http://www.brainresource.com/investors.html</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Compliance Manual at <a href="http://www.brainresource.com/investors.html">http://www.brainresource.com/investors.html</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> on our website at <a href="http://www.brainresource.com/investors.html">http://www.brainresource.com/investors.html</a> and in our Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> in our Corporate Governance Compliance Manual at <a href="http://www.brainresource.com/investors.html">http://www.brainresource.com/investors.html</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> on our website at <a href="http://www.brainresource.com">http://www.brainresource.com</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> in our Corporate Governance Compliance Manual at <a href="http://www.brainresource.com/investors.html">http://www.brainresource.com/investors.html</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

**Appendix 4G**

**Key to Disclosures Corporate Governance Council Principles and Recommendations**

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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.	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

**Appendix 4G**

**Key to Disclosures Corporate Governance Council Principles and Recommendations**

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Compliance Manual at <a href="http://www.brainresource.com/investors.html">http://www.brainresource.com/investors.html</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in our Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> in the Remuneration Report in our Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

**Appendix 4G**

**Key to Disclosures Corporate Governance Council Principles and Recommendations**

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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## 2019 Corporate Governance Statement

The Board of Directors of Total Brain Limited (Total Brain or the Company) is responsible for protecting the rights and interests of shareholders, by whom the Board is elected and to whom it is accountable, through the implementation of sound strategies and action plans, and the development of an integrated framework of controls over the consolidated entity's resources, functions and assets. Corporate governance is an important matter to the Company and the Board of Directors strives for high standards in this regard. Total Brain's corporate governance practices, which are summarised below, are reviewed and amended by the Board at appropriate intervals (at least annually), including prior to the finalisation of the Annual Report.

The Board draws on relevant best practice principles, particularly those issued by the Australian Securities Exchange (ASX) Corporate Governance Council's third edition of the publication, "Corporate Governance Principles and Recommendations", which was released in March 2014 and is referred to for guidance purposes. While Total Brain attempts to adhere to the principles proposed by the ASX and the Directors believe that the Company complies with the underlying guidelines of the ASX, it is mindful that there are some instances where compliance is not practicable for a company of its size. However, all listed companies are required to produce a corporate governance statement that discloses the extent to which the entity has followed the recommendations, and to identify any recommendations that have not been followed, the period during which it was not followed, the reasons for not doing so and any alternative governance practices that have been adopted in lieu of the recommendation.

This Corporate Governance Statement was prepared in accordance with ASX Listing Rule 4.7. Total Brain's Board of Directors has recently reviewed the recommendations, and approved the Company's Corporate Governance Statement as at 30 August 2019. In many cases Total Brain was already achieving the standard required. In other cases the Company has considered other arrangements to enable compliance. In a limited number of instances, Total Brain has determined not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous and costly for a company of its size. The Board has approved and adopted policies and charters with which Directors and management are required to comply, and which contain the information recommended by the ASX. The Company's written policies on corporate governance matters are included in its Corporate Governance Compliance Manual, which can be found on the Investors section of Total Brain's website at <http://www.brainresource.com/investors.html>. The following section sets out the Company's position relative to each of the eight principles contained in the ASX Corporate Governance Council's third edition publication.

### **Principle 1: Lay solid foundations for management and oversight**

Total Brain has disclosed the respective roles and responsibilities of its Board and management, including those matters expressly reserved to the Board and those delegated to management.

The roles and responsibilities of the Company's Board include:

- ensuring that Total Brain conducts itself with the highest ethical standards. All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company;
- overseeing and monitoring organisational performance, including assessing risk, on behalf of Total Brain's shareholders;
- reviewing and approving corporate strategies, the annual budget, and financial and business plans;
- monitoring financial performance, including approval of the annual and half-year financial reports, and liaising with the Company's Auditor;
- appointing and assessing the performance of the CEO and the other members of the senior management team;
- ensuring that there are effective management processes in place and approving major corporate initiatives; and

- 
- enhancing and protecting the reputation of Total Brain.

The roles and responsibilities of the Chairman include:

- formulating with the Board the vision and strategy of the Company, developing action plans to achieve this vision and reporting regularly to the Board on progress made;
- setting Board meeting agendas with the other Directors and Company Secretary, ensuring that Directors receive all relevant information needed, chairing meetings and dealing with conflicts;
- chairing the Annual General Meeting (AGM) and ensuring that shareholders have the opportunity to speak on relevant matters, ensuring that the audit partner attends;
- being the spokesperson on Total Brain matters;
- being the primary point of contact between the Board and external parties, keeping fully informed on major matters; and
- initiating Board and Committee performance appraisals, ensuring that agreed composition is maintained and Director induction plans are in place.

The CEO's roles and responsibilities include:

- providing leadership to the management team and employees, appointing and negotiating terms of employment of senior staff members (with Board approval where necessary), developing a succession plan, and ensuring procedures are in place for education and training to ensure compliance with laws and policies. The process for evaluating the performance of executives and staff members has been developed by the CEO, the Board and the Remuneration Committee;
- the successful implementation of the Company's product commercialisation;
- bringing matters requiring review / approval to the Board, advising them on the changes in Total Brain's risk profile, providing certification regarding the financial statements for the quarterly, half-year and annual reports, reporting to the Board on a monthly basis the performance of the Company and ensuring the education of the Directors on relevant matters; and
- working with the Board to refine and implement the vision and strategy of Total Brain, and the action plans to achieve this vision, and reporting regularly to the Board on progress in this regard.

The roles and responsibilities of management include:

- the operation and administration of the Company, as delegated by the Board;
- implementing the strategic objectives of Total Brain and operating within the risk appetite set by the Board;
- complying with all other aspects of the day-to-day running of the Company; and
- providing the Board with accurate, timely and clear financial and other information to enable the Board to perform its responsibilities.

Total Brain undertakes appropriate checks before proposing and appointing a person, or putting forward to shareholders a candidate for election, as a Director, and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. The Company has a written agreement with each Director and senior executive setting out the terms of their appointment. The Company Secretary of Total Brain is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The Company has a policy concerning trading in its securities by Directors and executives, who must consult with the Chairman before dealing in Total Brain shares. Purchases or sales of the Company's shares by Directors and executives are carried out in the "window", being the period commencing two days, and ending 30 days, following the date of announcement of Total Brain's annual, half-yearly and quarterly results, its presentation to the AGM or a major announcement leading, in the opinion of the Board, to an informed market.

The Company has a Diversity Policy, which includes requirements for the Board to set measurable objectives for achieving gender diversity, and to assess annually both the objectives and Total Brain's progress in achieving them. The Company has disclosed its Diversity Policy, which can be found in its Corporate Governance Compliance Manual on the Investors section of the Company's website at [www.totalbrain.com](http://www.totalbrain.com). Total Brain has not disclosed, as at the end of each reporting period, the measurable objectives for achieving gender diversity set by the Board in accordance with the Company's Diversity Policy or its progress towards achieving them. Total Brain has not set formal measurable objectives at this stage, but continues to be in a dynamic growth phase. As it builds its US presence and the size of the organisation increases, and when it achieves certain outstanding regulatory approvals, the Company will be in a better position to accurately set and state specific objectives that are appropriate, aligned and achievable. At least once every 12 months the Board and / or Remuneration Committee reviews the Diversity Policy, including the diversity objectives, and will in future review the progress on the achievement of the diversity objectives. Total Brain respects the diversity of all its employees, consultants and contractors, and cultivates an environment of fairness, respect and equal opportunity. As at the end of the last reporting period, the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are five men and no women on the Board, there are seven men in senior executive positions and one women. The Company defines "senior executive" for these purposes as the directors, the CEO, the Chief Science Officer and the director of finance and operations further information of which can be found in the Remuneration Report section of the Annual Report.

Total Brain has a process for periodically evaluating the performance of the Board, its committees and individual Directors using evaluation questionnaires, and a process for evaluating senior executives. When the Board questionnaire is completed it is anonymously tabulated and the results are discussed at the following Board meeting. In relation to the recent reporting period, a performance evaluation was undertaken in accordance with that process. The members of the Board agree that, at the current stage of the Company's development, it has an appropriate balance of experienced Directors and senior executives. The Board periodically reviews its composition to determine whether its membership is appropriate to support the expected future business development. The Board of Directors of Total Brain believes it is important that it review its own performance and that of its committees, with a view to achieving a high level of performance by the Board. Directors may at any time discuss with the Chairman any issue concerning Board performance. All one-on-one discussions are confidential, unless otherwise agreed by the Director concerned. The Board may engage external consultants to: evaluate its performance in accordance with this policy; implement recommendations made by the Board as a result of any evaluation; and suggest or provide appropriate training or courses for the Board or certain Directors. The Company's Board has a small management team reporting to it, which allows for open dialogue consistent with Total Brain's size and type.

## **Principle 2: Structure the Board to add value**

The Board of the Company does not have a nomination committee. The Board takes the view that because of the small size of Total Brain and its limited financial capacity, there is no added benefit that will accrue at this stage from compliance with the requirement to have a separate nomination committee and, accordingly, the Board carries out the functions of a nomination committee. The processes the Company 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 include discussing the current structure and potential new Directors at Board meetings and with Total Brain's advisors. The Company also has, and reviews, a Board skills matrix setting out the mix of skills and diversity that the Board currently has in its membership.

The Directors considered by the Board to be Independent Directors during the recent reporting period were: Dr Stephen Koslow (until 1 June 2019), Mr Matthew Morgan and Mr Ajay Arora. Dr Stephen Koslow has served as a consultant and collaborator to Total Brain since 2006 on the iSPOT study, but the Board does not consider that these professional services represent consulting that would impinge on his independence because of the quantum of this work.

A majority of the Board of Total Brain is made up of Independent Directors (until 1 June 2019). The Chairman of the Board of the Company is not an Independent Director but the Board considers the wealth of knowledge, expertise and leadership of Dr Evian Gordon is crucial to the Company in this stage for him to assume the role of Chairman of the Board. As its next step towards compliance, the Board intends to consider its opportunities to appoint an independent chairman or an independent director as the deputy chair.

The Company has a programme for inducting new Directors. New and current Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. This includes, in the case of a Director who does not have appropriate accounting skills or knowledge, the opportunity to develop the requisite accounting standards training needed to perform their financial review role as Directors effectively. Total Brain has sought to maintain a Board with a common vision and complementary relevant experience. Each Director of the Company has the right to seek independent professional advice at the expense of Total Brain. This requires the prior approval of the Chairman, but will not be unreasonably withheld.

### **Principle 3: Act ethically and responsibly**

The Company has a Corporate Code of Conduct for its Directors, senior executives and employees to guide compliance with legal and other obligations, and has disclosed that Code in its Corporate Governance Compliance Manual in the Investors section of its website at [www.totalbrain.com](http://www.totalbrain.com). The Board of Directors continues to review the Code and Total Brain's situation to determine if it contains the most appropriate and effective operational procedures for a company of its size. The Company believes that good corporate governance depends on the personal integrity of those on its Board and in management, and clearly articulates in its Corporate Code of Conduct what it regards as acceptable business practices for its Directors, senior executives and employees. Total Brain's Corporate Code of Conduct is a meaningful statement of its core values and is promoted as such across the organisation, and is reinforced by proper training and proportionate disciplinary action if it is breached.

### **Principle 4: Safeguard integrity in corporate reporting**

The Board of the Company has an Audit Committee that commenced the recent reporting period with Mr Matthew Morgan (Committee Chairman) Dr Evian Gordon. The Audit Committee did not comply with the recommendation that it should have at least three members or that all such members be Non-Executive Directors, a majority of whom are Independent Directors, as Mr Dan Segal and Dr Evian Gordon were / are not Independent, Non-Executive Directors. This continues to be reviewed by Total Brain, but alternatives are limited due to the size constraints of the Company and Board (three Directors), and based on the availability and relevant experience of Total Brain's Directors. The Audit Committee does, however, comply with the recommendation that it be chaired by an Independent Director who is not the chair of the Board. The Audit Committee has a formal charter that sets out the Committee's role, responsibilities, composition, structure and membership requirements, which is disclosed in its Corporate Governance Compliance Manual in the Investors section of its website at [www.totalbrain.com](http://www.totalbrain.com). The Audit Committee has disclosed the relevant qualifications and experience of the members of the Committee on its website in the Investors section and in its Annual Report. In relation to the last reporting period, the Audit Committee met twice and all members attended these meetings, and this has also been disclosed in the Report of the Directors section of the Annual Report.

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



The Company ensures that its external Auditor attends its AGM and is available to answer questions from security holders relevant to the audit, and this has been supported by Total Brain's audit partner at Grant Thornton. The Company recognises that the opportunity for security holders to question Total Brain's external Auditor at the AGM is an important safeguard for the integrity of the corporate reporting process. The Audit Committee members, who are suitably qualified in financial matters, meet with the Company's external Auditor at least once during each half-year, and report back to the Board prior to the finalisation of the financial statements and prior to the signing of the Audit Report.

**Principle 5: Make timely and balanced disclosure**

Total Brain has a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules and discloses that policy in its Corporate Governance Compliance Manual in the Investors section of its website at [www.brainresource.com](http://www.brainresource.com). The Board is very aware of the ASX's continuous disclosure requirements, and operates in an environment where strong emphasis is placed on full and appropriate disclosure to the market. Written systems ensure accountability at a senior management level for that compliance. A regular review takes place to ensure compliance with ASX Listing Rule 3.1, which requires a listed entity, subject to certain exceptions, to disclose to ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The Company's policy is directed to ensuring that it complies with this obligation so that all investors have equal and timely access to material information concerning Total Brain, including its financial position, performance, ownership and governance. The Company maintains a register of matters considered for possible market disclosure.

**Principle 6: Respect the rights of security holders**

Total Brain provides information about itself and its governance to investors via its website. In the Investors section of the Company's website information and links can be found to Total Brain's corporate governance, including the names, qualifications and brief biographical information of its Directors and Company Secretary, Investor Communication presentations, the Corporate Governance Compliance Manual (containing the charters of each of its Board Committees and other corporate governance policies and materials) and the Corporate Governance Statement, as well as links to the Company's ASX announcements, Annual Reports and interim reports, and Investor Contact information (including contact details for its share registry). Information is also provided on Total Brain's website about the Company's main products, being MyBrainSolutions and iSPOT, and a Publications link is provided that lists academic papers in peer-reviewed scientific journals that Total Brain has either published or directly contributed to. A Contact Us link, with information on Total Brain's USA and Australian offices, as well as enquiry details, is also provided.

The Company has designed and implemented an investor relations programme to facilitate effective two-way communication with investors, which includes actively engaging with security holders at the AGM, meeting with them upon request and responding to any enquiries they may make from time-to-time. When analysts are briefed on aspects of Total Brain's operations, new material used in the presentation is released to the ASX and is also posted under Investor Communication in the Investors section of the Company's website. Total Brain's investor relations programme is tailored to the individual circumstances of the Company, and allows investors and other financial market participants to gain a greater understanding of Total Brain's business, governance, financial performance and prospects.

The Company has policies and processes in place to facilitate and encourage participation at meetings of shareholders and they are disclosed in its Corporate Governance Compliance Manual. Security holders can provide questions or comments ahead of these meetings. Written policies that Total Brain has made on shareholders participation at meetings cover disclosure of price-sensitive information and ensure that the requirements of continuous disclosure are met. These written policies and procedures are designed to enable appropriate communication with, and participation by, shareholders. The Company views its meetings of shareholders as an important forum for two-way communication between Total Brain and its shareholders. They provide an opportunity for the Company to impart to shareholders a greater understanding of its business, governance, financial



performance and prospects, as well as to discuss areas of concern or interest to the Board and management. These meetings also provide an opportunity for shareholders to express their views to the Board and management about any areas of concern or interest for them.

Total Brain gives security holders the option to receive communications from, and send communications to, the Company and its share registry electronically via the Investor Contact part of the Investors section of its website and on the Contact Us link. Total Brain recognises that many security holders appreciate the speed, convenience and environmental friendliness of electronic communications, compared with more traditional methods of communication.

#### **Principle 7: Recognise and manage risk**

Whilst the Board of the Company does not have a separate committee to oversee risk, it does have processes it employs for overseeing Total Brain's risk management framework, and while at this stage no formal policy on the oversight and management of material business risks is in place, as the business grows, this will be reviewed, and policies on risk oversight and management of risk will be implemented. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively. Company and business risk factors are an agenda item at each Board meeting, and the CEO and director of finance and operations periodically reported to the Board on risk management, internal controls and the Company's insurance programme. The Audit Committee also includes risk management as an ongoing agenda item, where financial elements of risk are reviewed. Under the Corporations Act, Total Brain is required to include in the operating and financial review in the Directors' Report of its Annual Report, a discussion of the main internal and external risk sources that could adversely affect the Company's prospects for future financial years.

The Board reviews Total Brain's risk management framework, at least annually, to satisfy itself that it continues to be sound, and discloses, in relation to each reporting period, whether such a review has taken place. This review has taken place in the recent reporting period at a number of Board meetings and the Board is satisfied that it is operating within the risk appetite that it has set for itself. The insights that the Company has gained from this latest review confirm the suitability of Total Brain's risk management framework based on its current scale of activities and no changes were required to be made to its risk management framework as a result of this review. The Audit Committee also periodically checks that the Company is operating within the risk appetite set by the Board and this is reflected in the charter of the Audit Committee.

Total Brain does not have an internal audit function. The processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes include a review of its actual versus budget variances in revenue and expenses by the Board, and the full Board reviews and approves the Chairman and CEO's expense claims. The Chairman of the Audit Committee periodically reviews Total Brain's controls to ensure that the necessary procedures have been followed.

The Company believes that it does not have any material exposure to economic, environmental or social sustainability risks. Total Brain operates with a long-term perspective in order to achieve a level of economic growth utilising the experience of a Board of Directors who have achieved success in business at a senior executive level. The Company has a goal of not compromising the health of the ecosystems in which it operates over the long term. Total Brain has worked, and continues to work, in a manner that meets accepted social norms and needs, and intends to continue to do so into the future. The Company has not identified any potential material sustainability risks. Total Brain believes that how it conducts its business activities impacts directly on a range of stakeholders, including security holders, employees, customers, suppliers, creditors, consumers, governments and the local communities in which it operates. The Company understands that whether or not it does so sustainably can impact in the longer term on society and the environment. Total Brain's business, in essence, aims to address certain environmental, social sustainability and economic risks, as it responds to the mainstream demand for brain products that empower people's lives. The Company has established the first and largest international human brain database to make sense of the brain's

complexities and provide a coherent model for measuring brain health. Total Brain empowers clinicians, employers, researchers, pharmaceutical companies, health plans and individuals with access to personalised, validated and actionable data. The Company creates brain products for everyday life that help people train for peak brain health and fitness, reduce stress simply and objectively, provide rapid assessment of brain strengths and weaknesses, and enable landmark tests to predict treatment in Depression and ADHD. By assisting people with such tools that aim to benefit their mental wellbeing, Total Brain is in turn helping people to be more likely to function well and stay in employment, which has an impact on the economy, as well as sustaining the social fabric of society. The Company's leadership team brings with it decades of experience in the fields of Integrative Neuroscience, Finance, Health Care Provision, Genetics, and Product and Business Development. Total Brain has a global network of academics, scientists, researchers and leading universities, which keeps its support network widespread and less volatile. The Company's products meet the growing need for brain solutions for a wide range of users, including consumers, corporates, clinicians and research.

#### **Principle 8: Remunerate fairly and responsibly**

The Board of Total Brain has a Remuneration Committee, which does not have the recommended minimum of three members due to the fact that the Directors believe that having two members is sufficient to discharge the Board's mandate effectively for a small company of its size. During the reporting period, the Remuneration Committee included an Executive Director, Mr Dan Segal until he ceased to be a Director on 13 October 2016. At that time, Non-Executive Director Dr Stephen Koslow joined the Committee. The Committee now comprises the two Independent Directors as members, Mr Matthew Morgan (Committee Chairman) and Dr Stephen Koslow. Accordingly, since the appointment of Dr Stephen Koslow, the requirement that the majority of Committee members are Independent Directors is met because both members are independent. The Company has disclosed the charter of this Committee in the Corporate Governance Compliance Manual in the Investors section of Total Brain's website at [www.brainresource.com](http://www.brainresource.com), where it clearly sets out its role and confers on it all necessary powers to perform that role. This includes the right to interview management, obtain information and seek advice from external consultants or specialists where the Committee considers that necessary or appropriate. As at the end of each reporting period, the Remuneration Committee discloses in the Report of Directors in the Company's Annual Report, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings. The Committee did not meet during the last reporting period. The Directors believe that the size of Total Brain makes individual salary negotiation more appropriate than formal remuneration policies. The Company's Remuneration Committee determines remuneration levels on an individual basis. The role of the Remuneration Committee is: to review and make recommendations to the Board in relation to Total Brain's remuneration framework for Directors, including the process by which any pool of Directors' Fees approved by security holders is allocated to Directors; the remuneration packages to be awarded to senior executives; equity-based remuneration plans for senior executives and other employees; superannuation arrangements for Directors, senior executives and other employees; and whether or not there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees.

In order to facilitate an open dialogue with its security holders on remuneration matters, the Company clearly articulates and separately discloses its respective remuneration policies and practices regarding the remuneration of Non-Executive Directors on the one hand, and the remuneration of Executive Directors and other senior executives on the other. Those policies and practices appropriately reflect the different roles and responsibilities of Non-Executive Directors compared with Executive Directors and other senior executives. The disclosures regarding the remuneration of Executive Directors and other senior executives include a summary of Total Brain's policies and practices regarding performance-based remuneration. In accordance with Corporations Act requirements, the Company makes detailed disclosure of the fees or salaries paid to all Directors in the Remuneration Report section of its Annual Report, which is subject to an advisory vote by security holders and a "two-strikes rule". Non-Executive Directors are remunerated by way of fees.

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Under the ASX Listing Rules, Total Brain is required to obtain security holder approval for the issue of securities to Directors or their associates under any equity-based incentive scheme. The Company is not required under the Corporations Act or the ASX Listing Rules to obtain security holder approval for an equity-based incentive scheme involving the issue of securities to senior executives or other employees who are not Directors. Total Brain has an equity-based remuneration scheme and the Company's policy is that it does not permit participants in the scheme to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme. The rules of the Employee Share Option Plan were set out in the Notice of Extraordinary General Meeting released to ASX on 14 June 2017. The Corporations Act prohibits the key management personnel of ASX-listed companies established in Australia, or closely-related parties of such personnel, from entering into arrangements that would have the effect of limiting their exposure to risks relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.