
CORPORATE GOVERNANCE STATEMENT

Noxopharm Limited (Company)

ASX Corporate Governance Council Principles and Recommendations

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity commensurate with Company's needs.

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations. Section 7.2 contains a table setting out information in respect of the Company's compliance with *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council on 27 March 2014 (**Recommendations**).

A description of the Company's main corporate governance practices is set out below. The information provided in this statement relates to the year ended 30 June 2017 and is current as at 26 October 2017. This statement has been approved by the Board on 26 October 2017.

Copies of the Company's corporate governance procedures, policies and practices are available the Company website at www.noxopharm.com.

Board of Directors

The Board is responsible for corporate governance of the Company. The Board is responsible for the following matters:

- ensuring the Company's conduct and activities are ethical and carried out for the benefit of its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control systems and legal and regulatory compliance;
- monitoring senior executives' performance and implementation of strategy;
- determining appropriate remuneration policies;
- allocating resources and ensuring appropriate resources are available to management;
- approving and monitoring the budgets, progress of major capital expenditure, capital management and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the shareholders in a general meeting. However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

If any vacancies arise on the Board, all Directors will be involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when it has an appropriate mix of skills and experience. Any director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next annual general meeting and is then eligible for re-election by the shareholders.

Board charter and policies

The Board has adopted a charter, which formally recognised its responsibilities functions, power and authority and composition. This charter sets out other things which are important for effective corporate governance including:

- a detailed definition of ‘independence’;
- a framework for the identification of candidates for appointment to the Board and their selection (including undertaking appropriate background checks);
- a framework for individual performance review and evaluation;
- proper training to be made available to Directors both at the time of their appointment and on an on-going basis;
- basic procedures for meetings of the Board and its committees including frequency, agenda, minutes and private discussion of management issues among non-executive Directors;
- ethical standards and values (in a detailed code of corporate conduct);
- dealings in securities (in a detailed code for securities transactions designed to ensure fair and transparent trading by Directors and senior management and their associates); and
- communications with shareholders and the market.

Independent professional advice

In accordance to section 9.1 of the Board Charter, subject to approval from the Chairman, each Director has the right to seek independent legal or other professional advice at the Company’s expense on all matters necessary for that Director to make fully informed and independent decisions.

Remuneration arrangements

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors’ remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions

by each Non-Executive Director. The aggregate remuneration for Non-Executive Directors is set at \$500,000 per annum. Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Trading policy

The Board has adopted a securities trading policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel. The policy generally provides that written notification to the Company Secretary must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit and Risk committee

Where Director numbers permit, the Audit and Risk Committee will consist of at least two members. Where possible, members will be appointed by the Board from amongst the Non-Executive Directors, and the majority of which shall be independent Directors. In addition, the Audit and Risk Committee will comprise:

- at least one member who has an understanding of the industry in which the Company operates.
- members who can read and understand financial statements and are otherwise financially literate;

The committee's responsibilities include:

- reviewing the overall conduct of the external audit process, including the independence of all parties to the process;
- reviewing the performance of external auditors;
- considering the reappointment and proposed fees of the external auditor;
- where appropriate, seeking tenders for the audit and where a change of external auditor is recommended, arrange submissions to the shareholders for shareholder approval;
- corporate risk assessment (including economic, environmental and social sustainability risks) and compliance with internal controls;
- overseeing the risk management system;
- monitor and review the propriety of any related party transactions;
- reviewing the quality and accuracy of all published reports; and
- reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures.

Meetings, either physical or by circular resolution, shall be held at least quarterly to review and discuss financial issues and the financial statements. A broad agenda is laid down for each regular meeting according to an annual cycle. The committee may invite the external auditors to attend each of its meetings.

Remuneration and Nomination Committee

The purpose of this committee is to:

- assist the Board and report to it on remuneration and related policies and practices (including remuneration of senior management and non-executive Directors); and

- assist the Board and make recommendations to it about the appointment of new Directors (both executive and non-executive) and senior management.

The committee's functions include:

- review and evaluation of market practices and trends on remuneration matters;
- recommendations to the Board about the Company's remuneration policies and procedures;
- oversight of the performance of senior management and non-executive Directors;
- recommendations to the Board about remuneration of senior management and non-executive Directors; and
- review the Company's reporting and disclosure practices in relation to the remuneration of Directors and senior executives.

Meetings shall be held at least annually and more often as required

Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

Departures from Recommendations

The Board has assessed the Company's practice against the Guidelines and outlines its assessment below:

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the chair and management; and includes a description of those matters expressly reserved to the Board and those delegated to management.	Yes	<p>The Company has adopted a Corporate Governance Charter, which is available on the Company's website (www.noxopharm.com)</p> <p>The Corporate Governance Charter sets out, among other things, specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and management, Director's access to Company records and information, details of the Board's relationship with management.</p>
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and 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. 	Yes	<p>Appropriate checks have been undertaken in respect of each Director and information will be provided to security holder at the time of election or re-election as appropriate.</p>
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	<p>The Company has entered into written agreements with each director and senior executive.</p>
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.	Yes	<p>This is consistent with the Charter and corporate structure of the Company. The Company Secretary has a direct relationship with the Board in relation to these matters and operates independently of the executives.</p>
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> have a diversity policy which includes requirements for the Board: <ul style="list-style-type: none"> (i) to set measurable objectives for achieving gender diversity; and 	Partially	<p>The Company has adopted a diversity policy, a copy of which is available on the Company's website (www.noxopharm.com).</p> <p>The Board, in consultation with the Remuneration & Nomination Committee, will set measureable objectives for achieving diversity, in particular gender diversity, in accordance with this policy and the diversity targets set by the Board from time to time and will review the effectiveness and relevance of these measurable objectives on an annual</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION												
<ul style="list-style-type: none"> (ii) to assess annually both the objectives and the entity's progress in achieving them; disclose that policy or a summary of it; and disclose as at the end of each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: <ul style="list-style-type: none"> (a) 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 (b) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012. 		<p>basis. As the Company only recently listed on ASX in August 2016, measurable objectives have not yet been determined, it is intended that such objectives will be determined during the 2018 financial year.</p> <p>The Company's diversity gender as at 30 June 2017 and 13 September 2016 is detailed below:</p> <table border="1"> <tr> <th>Level</th><th>2017</th><th>2016</th></tr> <tr> <td>Women on the Board</td><td>0%</td><td>0%</td></tr> <tr> <td>Women in senior management roles</td><td>25%</td><td>50%</td></tr> <tr> <td>Women employees in the Group (excluding senior management roles)</td><td>100%</td><td>100%</td></tr> </table>	Level	2017	2016	Women on the Board	0%	0%	Women in senior management roles	25%	50%	Women employees in the Group (excluding senior management roles)	100%	100%
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<p>Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	Yes	<p>The Corporate Governance Charter sets out a process for performance evaluation processes. The Chairman determines the evaluation criteria and process, based on inputs from the Board and the Remuneration and Nomination Committee.</p> <p>The Board reviews at least annually its overall performance, as well as the performance of its committees and individual directors.</p> <p>Performance reviews were conducted during the 2017 financial year.</p>												
<p>Recommendation 1.7</p> <p>A listed entity should:</p>	Yes	<p>The Chairman, with assistance and inputs from the Remuneration and Nomination Committee, assesses the performance of senior executives at least annually.</p>												

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<ul style="list-style-type: none"> have and disclose a process for periodically evaluating the performance of its senior executives; and disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 		Performance reviews were conducted during the 2017 financial year.
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should: <ul style="list-style-type: none"> have a nomination committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are Independent Directors; and (ii) is chaired by an Independent Director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively. 	Yes	<p>A Remuneration and Nomination Committee has been established with its own Charter. The Committee comprises of the three Board members and is chaired by Independent Director, Ian Dixon.</p> <p>Copy of the Remuneration and Nomination Committee Charter is available from the company's website www.noxopharm.com</p> <p>Details of Board committee meetings held and meeting attendance of each member is set out in the Directors Report.</p>
Recommendation 2.2 A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the	Yes	<p>The Company's Corporate Governance Charter sets out the procedures for selecting and appointing Directors which includes a commitment to ensuring a balance of skill and experience necessary for the conduct of the Company's activities. The Board has developed a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and experience. The Board achieved its assessed skills rating for all criteria, being for skills in Financial/Audit, Legal/Governance, Investor Relations, Risk Management and Compliance, Human Resources/Remuneration,</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Board currently has or is looking to achieve in its membership.		IT/Technology, Marketing/Social Media, Strategic Planning, Government Affairs, Policy Development, Executive Management, International Experience, Listed Company Director Experience, Finance Arrangement (Corporate Structure) Experience, Investment/M&A/Business Disposal/Capital Raising Experience, People Management, Biotech Experience, Clinical Trial Experience and Cancer Research . Details of the Directors' skills, experience, expertise and attendance at meetings are set out in the Directors' Report in each year's Annual Report.
Recommendation 2.3 A listed entity should disclose: <ul style="list-style-type: none"> the names of the directors considered by the Board to be Independent Directors; if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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 the length of service of each director 	Yes	The Company considers the following Directors to be independent: <ul style="list-style-type: none"> Peter Marks – appointed 15 March 2016 (Independent Non-Executive Director) Ian Dixon – appointed 15 March 2016 (Independent Non-Executive Director) The Board notes the following directors are deemed not independent for the purposes of the Guidelines: <ul style="list-style-type: none"> Graham Kelly – appointed 27 October 2015 (Executive Director and Substantial shareholder)
Recommendation 2.4 A majority of the Board of a listed entity should be Independent Directors.	Yes	
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.	Yes	The Chair of the Company is Peter Marks, an independent Director and the Managing Director and Chief Executive Officer is Graham Kelly.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	Yes	This is consistent with the Board Charter. The Company is committed to procuring appropriate professional development opportunities for Directors so that they may develop and maintain the skill and knowledge needed to perform their roles effectively, whether this be by informal program or otherwise.

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Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: <ul style="list-style-type: none"> have a code of conduct for its directors, senior executives and employees; and disclose that code or a summary of it. 	Yes	The Company's Corporate Governance Charter includes a Code of Conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance. A copy of the Corporate Governance Charter is available at the Company's website (www.noxopharm.com)
Principle 4: Safeguard integrity in corporate reporting		
Recommendation 4.1 The Board of a listed entity should: <ul style="list-style-type: none"> have an audit committee which: <ul style="list-style-type: none"> (i) has at least three members, all of whom are Non-Executive Directors and a majority of whom are Independent Directors; and (ii) is chaired by an Independent Director, who is not the chair of the Board, and disclose: <ul style="list-style-type: none"> (iii) the Charter of the Committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) 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 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. 	Yes	The Company has established an Audit and Risk Management Committee to assist and report to the Board. The Committee comprises of the three Board members and is Chaired by Independent Director, Ian Dixon. Copy of the Audit and Risk Committee Charter can be obtained from the company's website www.noxopharm.com . Details of Board committee meetings held and meeting attendance of each member is set out in the Directors Report.

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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 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.	Yes	This is consistent with the approach adopted by the Audit and Risk Committee and Board.
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.	Yes	Noxopharm's auditor attends the AGM and shareholders are entitled to ask questions in accordance with the Corporations Act and these Guidelines.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: <ul style="list-style-type: none"> have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and disclose that policy or a summary of it. 	Yes	The Company has a written Communication and Disclosure Policy which forms part of its Corporate Governance Charter, copy of which can be obtained from the Company's website www.noxopharm.com
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.	Yes	Information about the Company and its governance is available in the Corporate Governance Charter which can be found on the Company's website www.noxopharm.com
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Communication and Disclosure Policy which forms part of its Board Charter, copy of which is available at the Company's website www.noxopharm.com

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
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.	Yes	The Communication and Disclosure Policy referred to above, contains policies and processes aimed to facilitate and encourage participation at meetings. Links are made available at the Company's website to information released to the ASX. Shareholders are encouraged to participate in, and raise questions at, all shareholder meetings.
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.	Yes	The Company has instructed its share registry to facilitate this option for investors, as well as future shareholders at appropriate times. Shareholders can elect to receive communications from the Company by email and the majority of communications to the Company can be made by email.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: <ul style="list-style-type: none"> have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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 if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework. 	Yes	The Company has a combined Audit and Risk Committee to oversee risk. The Committee comprises of the three Board members and is chaired by Independent Director, Ian Dixon. Copy of the Audit and Risk Committee Charter can be obtained from the company's website www.noxopharm.com . Details of Board committee meetings held and meeting attendance of each member is set out in the Directors Report.
Recommendation 7.2 The Board or a committee of the Board should:	Yes	The risk management framework is established within the Audit and Risk Committee Charter. The Committee review the Company's risk profile and processes at least quarterly and report to the Board.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<ul style="list-style-type: none"> review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the Board; and disclose in relation to each reporting period, whether such a review has taken place. 		
Recommendation 7.3 A listed entity should disclose: <ul style="list-style-type: none"> if it has an internal audit function, how the function is structured and what role it performs; or 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. 	Yes	<p>The Company does not have an internal audit function due to the Company's limited number of employees and relative nature and scale of its operations, and the costs of having an internal audit function.</p> <p>Adequate risk management policies and internal control processes are in place. The Audit and Risk Committee is responsible to evaluate the effectiveness of its risk management systems and internal control processes, and it reports directly to the Board.</p>
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.	Yes	<p>The entity does not have material exposure in these areas, other than as disclosed in the key risks section of the Company's Prospectus dated 24 June 2016. The Company reviews risks applicable to its operations in accordance with its risk management policies.</p>
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: <ul style="list-style-type: none"> have a remuneration committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and 	Yes	<p>The Board has established a Remuneration & Nomination Committee to assist the Board to discharge its responsibilities in relation to remuneration and issues relevant to remuneration policies and practices, including those for senior management and nonexecutive Directors. The Committee comprises of the three Board members and is chaired by Independent Director, Ian Dixon.</p> <p>Copy of the Remuneration and Nomination Committee Charter is available from the company's website www.noxopharm.com</p> <p>Details of Board committee meetings held and meeting attendance of each member is set out in the Directors Report.</p>

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<p>(v) 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> <ul style="list-style-type: none"> 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>Recommendation 8.2</p> <p>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 and ensure that the different roles and responsibilities of Non-Executive Directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	Yes	<p>The remuneration policies are set out in the Board Charter and the remuneration report of the Company's annual report disclose the Company's policies and practices regarding the remuneration of executive, non-executive and senior management.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> 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 disclose that policy or a summary of it. 	Yes	<p>In accordance with the Company's share trading policy, participants in any equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.</p>