

## Appendix 4G

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

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

**Name of entity**

Exopharm Limited

**ABN / ARBN**

78 163 765 991

**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: [www.exopharm.com/corporate-compliance](http://www.exopharm.com/corporate-compliance)  
And Attached as an Annexure to this Appendix 4G

The Corporate Governance Statement is accurate and up to date as at 30 June 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 on behalf of the Board: David Parker, Company Secretary

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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 <i>[insert location]</i> ... 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"/> at <a href="http://www.exopharm.com/corporate-compliance">www.exopharm.com/corporate-compliance</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 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 <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 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 <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 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 <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 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 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 our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 <b>OR</b></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 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 <b>OR</b></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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (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 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>
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (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 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>

## 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 <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 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 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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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>	<p>... our board skills matrix:</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 <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

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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 <i>[insert location]</i> ... 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 <i>[insert location]</i> ... and the length of service of each director: <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
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<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
2.5	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 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 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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<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
<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 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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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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 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 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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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.	<p>... the fact that we follow this recommendation:</p> <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.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <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>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.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="http://www.exopharm.com/corporate-compliance">www.exopharm.com/corporate-compliance</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.	<p>... the fact that we follow this recommendation:</p> <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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <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 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.	<p>... the fact that we follow this recommendation:</p> <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

## 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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<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 <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 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 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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<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.</p>	<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 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 <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>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 <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>

## 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> 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><b>NOT APPLICABLE</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> 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><b>NOT APPLICABLE</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>



## **CORPORATE GOVERNANCE STATEMENT**

### **Exopharm Limited**

**ACN 163 765 991**

**Effective: 30 June 2019**

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The Directors and executives of Exopharm Limited (“Exopharm” or “the Company”) are committed to conducting the business of the Company in an ethical manner and in accordance with the highest standards of corporate governance.

This Corporate Governance Statement, which is current as at 30 June 2019 and has been approved by the Company’s Board, explains how the Company complies with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations- 3rd Edition published on 27 March 2014 (ASX Principles and Recommendations), in relation to the year ended 30 June 2019.

The Board has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by Exopharm. These documents are available in the Corporate Governance section of the Company’s

website (<http://www.exopharm.com>) (Website).

## **1. Corporate Governance**

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### **1.1 Overview**

Exopharm’s corporate governance policies and procedures have been designed to be generally consistent with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) (**ASX Recommendations**), and are outlined below.

Exopharm complies with a substantial number of, but not all of (given its early stage of development, operations and technology) the ASX Recommendations.

### **1.2 The Board**

The Board is responsible for the overall corporate governance of Exopharm. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision making.

### 1.3 Composition of the Board

The Constitution requires Exopharm to have a minimum number of 3 Directors. The maximum number of Directors is fixed by the Board but may not be more than 10, unless the members of Exopharm in a general meeting resolve otherwise.

The relevant provisions in the Constitution, the Corporations Act and the ASX Listing Rules determine the terms and conditions relating to the appointment and termination of Directors. All Directors, other than the managing director, are subject to re-election by rotation every 3 years.

Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

### 1.4 Charters and policies

Set out in the table below is a list of Exopharm's corporate governance charters and policies and a brief description of the purpose of each. Copies of the charters and policies are in the Corporate Governance section of Exopharm's website at [exopharm.com](http://exopharm.com).

As Exopharm's activities develop in size, nature and scope, the implementation of additional corporate governance policies will be given further consideration.

<b>Charter / policy</b>	<b>Purpose</b>
<b>Board Charter</b>	Sets out the various responsibilities of the Board with regard to the overall operation and stewardship of Exopharm.
<b>Code of Conduct</b>	The Code of Conduct aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the Directors, officers, employees and consultants in carrying out their roles for Exopharm.
<b>Continuous Disclosure and Market Communications Policy</b>	The purpose of the Continuous Disclosure and Market Communications Policy is to: <ul style="list-style-type: none"><li>(a) ensure that Exopharm, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and, as much as possible, seeks to achieve best practice;</li><li>(b) provide Shareholders and the market with timely, direct and equal access to information issued by Exopharm; and</li><li>(c) promote investor confidence in the integrity of Exopharm and its Securities.</li></ul>
<b>Securities Trading Policy</b>	The Securities Trading Policy states the requirements for all Directors, senior executives, employees and consultants of Exopharm dealing in Exopharm's Securities.
<b>Shareholder Communications Policy</b>	The Shareholder Communications Policy states the processes through which Exopharm will endeavour to ensure timely and accurate information is provided to all Shareholders and the broader market.

Charter / policy	Purpose
<b>Risk Management Policy</b>	The purpose of the Risk Management Policy is to: <ul style="list-style-type: none"> <li>(a) provide a framework for identifying, assessing, monitoring and managing risk; and</li> <li>(b) communicate the roles and accountabilities of participants in the risk management system.</li> </ul>
<b>Audit Policy</b>	The Audit Policy states the roles and responsibilities of the Board in performing its function to oversee Exopharm's external audit matters. The primary role of the function is to: <ul style="list-style-type: none"> <li>(a) monitor the integrity and quality of interim and annual financial reporting and disclosures;</li> <li>(b) identify key business, financial and regulatory risks;</li> <li>(c) monitor compliance with relevant laws, regulations, standards and codes; and</li> <li>(d) monitor the integrity of the external audit.</li> </ul>
<b>Nomination and Remuneration Policy</b>	The Nomination and Remuneration Policy sets out the Board's policy and procedures for nomination and remuneration of officers, including in relation to the Chief Executive Officer, to ensure that they are fair and meet market conditions.

## 1.5 Corporate governance compliance with ASX Recommendations

Exopharm sets out below its "if not, why not" report in relation to those matters of corporate governance where Exopharm's practice departs from the ASX Recommendations to the extent that they are currently applicable to Exopharm.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	Yes	Exopharm has adopted a Board Charter which discloses the roles and responsibilities of the Board and senior management. <p>Under the Board Charter, the Board is responsible for the overall operation and stewardship of Exopharm, including charting the direction, strategies and financial objectives for Exopharm, monitoring the implementation of those policies, strategies and financial objectives, and monitoring compliance with regulatory requirements and ethical standards.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>Exopharm will conduct specific checks of candidates prior to their appointment or nomination for election by Shareholders.</p> <p>Exopharm will include in its notices of meeting a brief biography of each Director who stands for election or re-election. The biography sets out the relevant qualifications and professional experience of the nominated Director for consideration by Shareholders. This information is also included on Exopharm's website in respect of existing Directors.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>Exopharm engages or employs its Directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by Exopharm.</p> <p>The Managing Director is employed pursuant to a written employment agreement with Exopharm and each Non-Executive Director is engaged under a letter of appointment.</p>
<p><b>Recommendation 1.4</b></p> <p>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.</p>	Yes	<p>The Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.</p> <p>The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures, and coordinates circulation of meeting agendas and papers.</p>
<p><b>Recommendation 1.5</b></p> <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</p>	No	<p>Given Exopharm's size and its stage of development, Exopharm has not adopted a formal diversity policy at this stage.</p> <p>Exopharm has a policy to select the best available officers and staff for each relevant position in a non-discriminatory manner based on merit.</p> <p>Notwithstanding this, the Board respects and values the benefits that diversity (e.g. gender, age, ethnicity, cultural background, disability and marital/family status etc) brings in relation</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>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 <i>Workplace Gender Equality Act</i>, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>		<p>to expanding Exopharm's perspective and thereby improving corporate performance, increasing Shareholder value and maximising the probability of achieving Exopharm's objectives.</p> <p>The Board is committed to developing a diverse workplace where appointments or advancements are made on a fair and equitable basis.</p>
<p><b>Recommendation 1.6</b></p> <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>No</p>	<p>Exopharm does not yet have in place a formal process for evaluation of the Board, its committees and individual Directors.</p> <p>The small size of the Board and the nature of Exopharm's activities make the establishment of a formal performance evaluation strategy unnecessary at this point in time.</p> <p>Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of senior management, Directors and the Board as a whole.</p>



ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 1.7</b></p> <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>	No	<p>Exopharm does not have in place a formal process for evaluation of its key executives.</p> <p>Performance evaluation is a discretionary matter for consideration by the Board and in the normal course of events the Board will review the performance of its senior executives.</p>
<b>Principal 2: Structure the Board to add value</b>		
<p><b>Recommendation 2.1</b></p> <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</p>	No	<p>Exopharm does not have a nomination committee at this stage. The Board considers that, given the current size and scope of Exopharm's operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee.</p> <p>The full Board, which comprises three members, considers that the matters and issues that would otherwise be addressed by a nomination committee in accordance with Exopharm's Nomination and Remuneration Policy.</p> <p>Under the Board Charter, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience.</p> <p>As a matter of practice, candidates for the office of Director are individually assessed by both the Chairman and Managing Director before appointment or nomination to ensure that they possess the relevant skills, experience or other qualities considered appropriate and necessary to provide value and assist in advancement of Exopharm's operations.</p> <p>The Board intends to reconsider the requirement for, and benefits of, a separate</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		<p>nomination committee as Exopharm's operations grow and evolve.</p>
<p><b>Recommendation 2.2</b></p> <p>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>	<p>No</p>	<p>Exopharm does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of Exopharm's operations. The Board may adopt such a matrix at a later time as Exopharm's operations grow and evolve.</p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>Yes</p>	<p>Disclosure of the names of Directors considered by the Board to be independent will be provided in the annual report.</p> <p>The Board considers Mr Jason Watson to be an independent Director. The Board is of the opinion that Mr Watson does not have any interests, associations or relationships as described in Box 2.3 that would compromise the independence of the Director.</p> <p>The length of service of each Director will be provided in the annual report and is as follows:</p> <ul style="list-style-type: none"> <li>• Ian Dixon – since 15 May 2013;</li> <li>• David Parker – since 26 June 2018; and</li> <li>• Jason Watson – since 10 August 2018.</li> </ul>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>No</p>	<p>The Board is not comprised of a majority of independent Directors.</p> <p>There is currently one Director who satisfies the criteria for independence for the purposes of ASX Recommendation 2.3, being Mr Jason Watson as Chairman. Mr Watson represents 33% of the Board.</p> <p>Given the nature, size and scope of Exopharm's operations, the Board considers</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<p>that it has relevant experience in biotechnology, intellectual property, capital raising and company management and that it is otherwise appropriately structured to discharge its duties in a manner that is in the best interests of Exopharm and its Shareholders from both a long-term strategic and operational perspective.</p> <p>The Board acknowledges that it is preferable that the majority of the Board be independent Non-Executive Directors. Accordingly, the Board intends to appoint at least one further independent Director as suitably qualified candidates are identified and as Exopharm's operations warrant such appointment.</p>
<p><b>Recommendation 2.5</b></p> <p>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.</p>	<p>Yes</p>	<p>The Chairman (Mr Watson) is an independent Non-Executive Director of the Company.</p> <p>The Managing Director (Dr Dixon) is an Executive Director and the Chief Executive Officer of the Company.</p>
<p><b>Recommendation 2.6</b></p> <p>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.</p>	<p>No</p>	<p>Exopharm does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of Exopharm's operations.</p> <p>All Directors are generally experienced in Company operations, albeit in different aspects (e.g. law, intellectual property matters, technical operations, finance, corporate governance etc), and at least two have listed company experience. One of the current Directors is also a director of other listed companies. The Board seeks to ensure that all of its members understand Exopharm's operations.</p>
<p><b>Principal 3: Act ethically and responsibly</b></p>		
<p><b>Recommendation 3.1</b></p>	<p>Yes</p>	<p>The Board believes that the success of Exopharm has been and will continue to be</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>		<p>enhanced by a strong ethical culture within the organisation.</p> <p>Accordingly, Exopharm has established a Code of Conduct which sets out the standards with which the Directors, officers, employees and consultants of Exopharm are expected to comply in relation to the affairs of Exopharm's business and when dealing with each other, Shareholders and the broader community.</p> <p>The Code also outlines the procedure for reporting any breaches of the Code and the possible disciplinary action Exopharm may take in respect of any breaches.</p> <p>In addition to their obligations under the Corporations Act in relation to inside information, all Directors, employees and consultants have a duty of confidentiality to Exopharm in relation to confidential information they possess.</p> <p>In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at Exopharm's expense after consultation with the Chairman.</p>

<b>Principal 4: Safeguard integrity in corporate reporting</b>		
<p><b>Recommendation 4.1</b></p> <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</p>	No	<p>Exopharm has not established a separate audit committee.</p> <p>The audit function is performed by the full Board pursuant to the Audit Policy.</p> <p>The Board does not consider that a separate audit committee is necessary given the current size and scope of Exopharm's operations and the size of its Board.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>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><b>Recommendation 4.2</b></p> <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>Yes</p>	<p>As a matter of practice, Exopharm obtains declarations from its Managing Director and Company Secretary before its financial statements are approved substantially in the form referred to in Recommendation 4.2.</p>
<p><b>Recommendation 4.3</b></p> <p>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.</p>	<p>Yes</p>	<p>It is Exopharm's practice to request that its external auditor attend each annual general meeting of Exopharm and be available to answer questions from Shareholders in relation to the conduct of the audit and the preparation and content of the auditor's report.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<b>Principal 5: Make timely and balanced disclosure</b>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Exopharm has adopted a Continuous Disclosure Policy.</p> <p>Exopharm is a “disclosing entity” pursuant to section 111AR of the Corporations Act and, as such, is required to comply with the continuous disclosure requirements of Chapter 3 of the Listing Rules and section 674 of the Corporations Act.</p> <p>Exopharm is committed to observing its disclosure obligations under the Corporations Act and its obligations under the Listing Rules. All announcements provided to ASX will be posted on Exopharm’s website.</p>
<b>Principal 6: Respect the rights of security holders</b>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>Information about Exopharm, including its corporate governance and copies of its various corporate governance policies and charters, is available on Exopharm’s website.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	<p>Exopharm has adopted a Shareholder Communications Policy, the purpose of which is to facilitate the effective exercise of Shareholders’ rights by communicating effectively with Shareholders, giving Shareholders ready access to balanced and understandable information about Exopharm and its corporate strategies and making it easy for Shareholders to participate in general meetings of Exopharm.</p> <p>Exopharm communicates with Shareholders:</p> <ul style="list-style-type: none"> <li>• following admission to ASX, through releases to the market via the ASX;</li> <li>• through Exopharm’s website;</li> </ul>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<ul style="list-style-type: none"> <li>through information provided directly to Shareholders at briefing meetings open to all shareholders and the public; and</li> <li>at general meetings.</li> </ul>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>Exopharm supports Shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation, including by ensuring that meetings are held at convenient times and places to encourage Shareholder participation.</p> <p>In preparing for general meetings of Exopharm, Exopharm will draft the notice of meeting and related explanatory information so that they provide all of the information that is relevant to Shareholders in making decisions on matters to be voted on by them at the meeting. This information will be presented clearly and concisely so that it is easy to understand and not ambiguous.</p> <p>Exopharm will use general meetings as a tool to effectively communicate with Shareholders and allow Shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting.</p> <p>Mechanisms for encouraging and facilitating Shareholder participation will be reviewed regularly to encourage the highest level of Shareholder participation.</p>
<p><b>Recommendation 6.4</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>Exopharm considers that communicating with Shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.</p> <p>Exopharm provides new Shareholders with the option to receive communications from Exopharm electronically and Exopharm encourages them to do so. Existing Shareholders are also encouraged to request communications electronically.</p> <p>All Shareholders that have opted to receive communications electronically are provided</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
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with notifications by Exopharm when an announcement or other communication (including an annual reports and notice of meeting) is uploaded to the ASX announcements platform.

## Principal 7: Recognise and manage risk

### Recommendation 7.1

Yes

Exopharm does not have a separate risk management committee.

The board of a listed entity should:

(a) have a committee or committees to oversee risk each of which:

(1) has at least three members, a majority of whom are independent directors; an

(2) is chaired by an independent director,

and disclose

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Exopharm's management team determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control to enable risk to be assessed and managed in accordance with Exopharm's Risk Management Policy.

The Board is responsible for supervising management's framework of control and accountability systems. Management is required to report to the Board on the efficiency and effectiveness of risk management, by benchmarking the Company's performance against industry standards on an annual basis.

The Board considers that, given the current size and scope of Exopharm's operations and that only one Director holds an executive position in Exopharm, efficiencies or other benefits would not be gained by establishing a separate risk management committee at present.

As Exopharm's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk management committee.

Exopharm has adopted a Risk Management Policy. The purpose of the policy is to:

- provide a framework for identifying, assessing, monitoring and managing risk; and



ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<ul style="list-style-type: none"> <li>communicate the roles and accountabilities of participants in the risk management system.</li> </ul>
<p><b>Recommendation 7.2</b></p> <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>	Yes	<p>The Board has responsibility for the monitoring of risk management and will review Exopharm's risk management framework on an annual basis to ensure Exopharm's risk management framework continues to be effective.</p> <p>Disclosure of the outcome of the annual risk management review will be included in the annual report.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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>	Yes	<p>Exopharm does not currently have an internal audit function.</p> <p>The Managing Director is charged with evaluating and considering improvements to Exopharm's risk management and internal control processes on an ongoing basis.</p> <p>The Company is engaging consultants with expertise in the regenerative medicine industry and the development of biologic products to conduct regular operational audits and to report directly to the Board.</p> <p>The Board considers that an internal audit function is not currently necessary given the current size and scope of Exopharm's operations.</p> <p>As Exopharm's operations grow and evolve, the Board will reconsider the appropriateness of adopting an internal audit function.</p>
<p><b>Recommendation 7.4</b></p> <p>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>	Yes	<p>Exopharm's business is regenerative medicine and in particular the development of its biologic product under the Development Program. These highly technical and specialised activities expose Exopharm to some particular economic, environmental and/or social sustainability risks, details of which are disclosed in section <b>Error! Reference source not found.</b></p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<b>Principal 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b></p> <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>	Yes	<p>Exopharm has not established a separate remuneration committee.</p> <p>The role of the remuneration committee is undertaken by the full Board, which has an independent Chairman.</p> <p>The Board considers that, given its current size and that only one Director holds an executive position in Exopharm, efficiencies or other benefits would not be gained by establishing a separate remuneration committee.</p> <p>Exopharm will set out the remuneration paid or provided to Directors and senior executives annually in the remuneration report contained within Exopharm's annual report to Shareholders. The full Board determines all compensation arrangements for Directors and the Chief Executive Officer. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover for Directors and the Chief Executive Officer.</p> <p>As Exopharm's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate remuneration committee.</p>
<p><b>Recommendation 8.2</b></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.</p>	Yes	<p>Exopharm's policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior executives will be set out in the remuneration report contained in Exopharm's annual report for each financial year.</p> <p>Exopharm has resolved to cap remuneration of non-executive directors at \$350,000 per annum.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 8.3</b>  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>Yes</p>	<p>At present Exopharm does not have an equity-based remuneration scheme.</p> <p>Exopharm's Securities Trading Policy sets out the circumstances in which Exopharm's directors, executives and employees (<b>Designated Persons</b>) are prohibited from dealing in Exopharm's securities.</p>