



CORPORATE GOVERNANCE STATEMENT

Exopharm Limited
ACN 163 765 991

Date adopted: 31 August 2022

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 explains how the Company complies with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations 4th Edition (Principles and Recommendations) in relation to the year ended 30 June 2022. The statement is current as at 31 August 2022 and has been approved by the Board.

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

1.1 Overview

Exopharm’s corporate governance policies and procedures have been designed to be generally consistent with the Principles and Recommendations, and are outlined below.

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

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

Charter / policy	Purpose
Anti-Bribery and Corruption Policy	<p>The purpose of the Anti-Bribery and Corruption Policy is to:</p> <ol style="list-style-type: none"> 1. set out the responsibilities of the Company and its personnel in observing and upholding the Company’s position on bribery, corruption and related improper conduct; 2. provide information and guidance on how to recognise, deal with and report instances of bribery and corruption; 3. establish a process for the reporting of any instances of bribery, corruption or material breaches of this Policy and ensure that any such reports are dealt with appropriately; and 4. ensure compliance applicable anti-bribery and corruption legislation and regulations, and with the ASX Corporate Governance Principles and Recommendations.
Board Charter	<p>The Board Charter sets out the various responsibilities of the Board with regard to the overall operation and stewardship of Exopharm.</p>
Code of Conduct	<p>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.</p>

Charter / policy	Purpose
Continuous Disclosure and Market Communications Policy	<p>The purpose of the Continuous Disclosure and Market Communications Policy is to:</p> <ul style="list-style-type: none"> (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; (b) provide Shareholders and the market with timely, direct and equal access to information issued by Exopharm; and (c) promote investor confidence in the integrity of Exopharm and its Securities.
Securities Trading Policy	<p>The Securities Trading Policy states the requirements for all Directors, senior executives, employees and consultants of Exopharm dealing in Exopharm's Securities.</p>
Shareholder Communications Policy	<p>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.</p>
Risk Management Policy	<p>The purpose of the Risk Management Policy is to:</p> <ul style="list-style-type: none"> (a) provide a framework for identifying, assessing, monitoring and managing risk; and (b) communicate the roles and accountabilities of participants in the risk management system.
Audit Policy	<p>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:</p> <ul style="list-style-type: none"> (a) monitor the integrity and quality of interim and annual financial reporting and disclosures; (b) identify key business, financial and regulatory risks; (c) monitor compliance with relevant laws, regulations, standards and codes; and (d) monitor the integrity of the external audit.

Charter / policy	Purpose
Nomination and Remuneration Policy	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.

1.4 Corporate governance compliance with the Principles and 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 Principles and Recommendations to the extent that they are currently applicable to Exopharm.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>Exopharm has adopted a Board Charter which discloses the roles and responsibilities of the Board and senior management. A copy of the Board Charter is available on the Company's website.</p> <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>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</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</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
(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.		by Shareholders. This information is also included on Exopharm's website in respect of existing Directors.
<p>Recommendation 1.3</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 that govern 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>Recommendation 1.4</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 Chair 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>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and</p>	No	<p>Due to Exopharm's current 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,</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation												
<p>workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>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</p> <p>B. 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>disability and marital/family status etc) brings in relation 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>The proportion of men and women across the business are as follows:</p> <table border="1" data-bbox="933 856 1469 1171"> <thead> <tr> <th></th> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>Senior Management</td> <td>80%</td> <td>20%</td> </tr> <tr> <td>Employees/Other</td> <td>45%</td> <td>55%</td> </tr> </tbody> </table>		Men	Women	Board	50%	50%	Senior Management	80%	20%	Employees/Other	45%	55%
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Senior Management	80%	20%												
Employees/Other	45%	55%												
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its</p>	<p>Yes</p>	<p>Exopharm has a process for the evaluation of the Board and individual Directors.</p> <p>The performance review is conducted via self-evaluation and feedback, which is then reviewed by the Directors.</p>												

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>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>A performance review of the Board and individual directors took place during the reporting period.</p>
<p>Recommendation 1.7</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>	<p>No</p>	<p>Exopharm does not have in place a formal process for evaluation of its key executives, however informal reviews were completed during the reporting period.</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>
<p>Principle 2: Structure the Board to be effective and add value</p>		
<p>Recommendation 2.1</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>Yes</p>	<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 four 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. A copy of the</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<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>Nomination and Remuneration Policy can be found on the Company's website.</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 Chair 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 nomination committee as Exopharm's operations grow and evolve.</p>
<p>Recommendation 2.2</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>Yes</p>	<p>Exopharm maintains a skills matrix setting out the mix of skills, experience and diversity of Board members. The skills and experience include:</p> <ul style="list-style-type: none"> • Financial/Audit; • Legal/Governance; • Investor Relations; • Risk Management and Compliance; • Human Resources/Remuneration; • IT/Technology; • Marketing/Social Media; • Strategic Planning; • Government Affairs; • Policy Development; • Executive Management;

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<ul style="list-style-type: none"> International experience; and Listed Company Director experience.
<p>Recommendation 2.3</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 is included in the annual report.</p> <p>The Board considers Mr Jason Watson, Ms Elizabeth McGregor and Dr Jennifer King to be independent Directors.</p> <p>Shareholder approval was received in November 2021 for the allotment of Performance Rights to Directors Mr Watson, Ms McGregor and Dr King. The Performance Rights were approved by Shareholders as reasonable remuneration, noting these are yet to be allotted.. Having regard to the nature and value of the Performance Rights as remuneration and the performance hurdles which are conditions to the rights vesting, the Board (excluding the conflicting Directors in respect to their own allotments) considers that the Performance Rights align with Mr Watson’s, Ms McGregor’s and Dr King’s interests with the interests of the entity as a whole and do not negatively impact upon each of their independence.</p> <p>The Board considers Dr King to be an independent Director. Dr King will continue in her role as a member of the Company’s Advisory Panel under her existing terms of appointment to the Panel. The Board considers the Advisory Panel role, which includes remuneration of \$7,000 for up to 20 hours per month with additional hours (if any) as previously disclosed, of the kind commonly included in engagements of this type to be consistent with being an independent non-executive Director.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<p>The Board considers Ms McGregor to be an independent Director. Ms McGregor was previously at the Automic Group, which has a business relationship with the Company for the provision of Company Secretarial and Registry Services. The Company considers that the business relationship with Automic Group is not material to either party and therefore considers that Ms McGregor's former role does not negatively impact her independence.</p> <p>The length of service of each Director is as follows:</p> <ul style="list-style-type: none"> • Ian Dixon – since 15 May 2013; • Jason Watson – since 10 August 2018; • Elizabeth McGregor – since 5 January 2021; and • Jennifer King – since 1 September 2021.
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>Yes</p>	<p>The Board currently comprises of a majority of independent Directors.</p> <p>The independent Directors of the Company includes:</p> <ul style="list-style-type: none"> • Mr Watson; • Ms McGregor; and • Dr King.
<p>Recommendation 2.5</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>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	Yes	Exopharm has an induction program for new Directors. The Board periodically reviews the needs and opportunities for professional development of Directors.
Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p>	Yes	Exopharm's values are articulated and published on its website.
<p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	Yes	<p>The Board believes that the success of Exopharm has been and will continue to be 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. Any material breaches of the Code will be reported to the Board.</p> <p>In addition to their obligations under the Corporations Act in relation to inside</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<p>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 Chair.</p>
<p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>Yes</p>	<p>The Company has adopted a Whistleblower Policy, which is published on its website.</p> <p>In accordance with the terms of the Policy and specifically the protections for whistleblowers, the findings of material incidents will be reported to the Board.</p>
<p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>Yes</p>	<p>The Company has an Anti-Bribery and Corruption Policy, which is available on the Company website.</p> <p>Any material breaches of the Policy material are reported to the Board.</p>
<p>Principle 4: Safeguard integrity in corporate reporting</p>		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p>	<p>Yes</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</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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</p>		<p>Board. As such, Exopharm has not established a separate audit committee.</p> <p>The audit function is performed by the full Board pursuant to the Audit Policy. A copy of the Audit Policy can be found on the Company's website.</p> <p>Following the completion of each half year review and annual audit review, the Company's external auditors confer with the Board on any matters identified during the course of the audit that have the potential to increase the Company's exposure to risks of material misstatements in its financial reports.</p> <p>Further, the Board devotes time to consider the robustness of various internally control systems in place to safeguard the integrity of the Company's financial reporting.</p> <p>In the absence of an Audit Committee, the Board assumes the responsibility for recommendations to shareholders on the appointment and/or removal of the external auditor. Audit partner rotations will be enforced in accordance with all relevant guidelines.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>the audit engagement partner.</p>		
<p>Recommendation 4.2</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, the Board of Exopharm is provided with declarations substantially in the form referred to in Recommendation 4.2. before its financial statements are approved.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Yes</p>	<p>Exopharm has a Continuous Disclosure and Market Communications Policy which sets out the process for review and release of announcements to the market. Any periodic corporate reports which are not reviewed by an external auditor (for example the Quarterly Report and Appendix 4C) are reviewed by the CFO and Managing Director prior to Board approval in accordance with this policy.</p>
<p>Principle 5: Make timely and balanced disclosure</p>		
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for</p>	<p>Yes</p>	<p>Exopharm has adopted a Continuous Disclosure and Market Communications Policy.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>complying with its continuous disclosure obligations under listing rule 3.1.</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 published on Exopharm’s website.</p>
<p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>Yes</p>	<p>The Directors receive copies of all Exopharm’s market announcements, shortly after the announcements are released by ASX.</p>
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>Yes</p>	<p>Before giving a new analyst or investor presentation, Exopharm releases the materials with the ASX Market Announcements Platform.</p>
<p>Principle 6: Respect the rights of security holders</p>		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Yes</p>	<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>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	<p>Yes</p>	<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"> • , through releases to the market via the ASX; • through Exopharm's website; • through information provided directly to Shareholders at briefing meetings open to all shareholders and the public; and • at general meetings.
<p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>Yes</p>	<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>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<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, including the external Auditor.</p> <p>Mechanisms for encouraging and facilitating Shareholder participation will be reviewed regularly to encourage the highest level of Shareholder participation.</p>
<p>Recommendation 6.4</p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>Yes</p>	<p>All substantive resolutions at Exopharm's general meetings are determined by a poll.</p>
<p>Recommendation 6.5</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>	<p>Yes</p>	<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 and the Company's share registry 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 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.</p> <p>Shareholders can contact the Company at investors@exopharm.com and the</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		Company's share registry at hello@automic.com.au
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <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; an</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>	Yes	<p>Exopharm does not have a separate risk management committee.</p> <p>The Board as a whole sets Exopharm's risk appetite and Risk Management Policy. A copy of the Risk Management Policy is available on the Company's website. The purpose of the policy is to:</p> <ul style="list-style-type: none"> provide a framework for identifying, assessing, monitoring and managing risk; and communicate the roles and accountabilities of participants in the risk management system. <p>The management team is responsible for internal compliance and internal controls to enable risk to be assessed and managed in accordance with Exopharm's Risk Management Policy.</p> <p>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.</p> <p>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.</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		<p>As Exopharm's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk</p>
<p>Recommendation 7.2</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>	<p>Yes</p>	<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>A review of the risk management framework for FY22 was undertaken prior to the date of this statement.</p>
<p>Recommendation 7.3</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>	<p>Yes</p>	<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>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 7.4</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>	<p>Yes</p>	<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 have been previously disclosed.</p> <p>The Company's Risk Management Policy details the risk management systems in identifying and managing potential or apparent risks to the Company.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the 	<p>Yes</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. As such, Exopharm has not established a separate remuneration committee.</p> <p>The role of the remuneration committee is undertaken by the full Board.</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 devotes time to consider all compensation arrangements for Directors and the Chief Executive Officer, whilst ensuring that such remuneration is appropriate and not excessive. The Board is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation</p>

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>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>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>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.</p>	Yes	<p>Exopharm's policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior executives are set out in the remuneration report contained in Exopharm's annual report for each financial year.</p>
<p>Recommendation 8.3</p> <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>	Yes	<p>Exopharm has a Performance Rights Plan, which was adopted by Shareholders on 29 October 2020.</p> <p>Exopharm's Securities Trading Policy sets out the circumstances in which Exopharm's directors, executives and employees (Designated Persons) are prohibited from dealing in Exopharm's securities.</p> <p>Under the Securities Trading Policy, Designated Persons are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in any equity-based remuneration scheme.</p>