CORPORATE GOVERNANCE STATEMENT

This statement has been approved by the Board of the Company. The statement has been prepared as at 22 July 2021 with reference to the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 1.1

A listed entity should have and disclose a board charter setting out:

(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 Company has a Board Charter. The roles and responsibilities of the Board are set out in a Board Charter which is available on the Company's website.

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

The Board is responsible for the overall direction of the Company. The primary goal set by the Board is the enhancement of long term shareholder value. In the pursuit of its stated goal, the ATX Board is responsible for:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- appointing, removing and monitoring the performance of the CEO or Managing Director;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and/or Company Secretary;
- input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- approving and monitoring financial and other reporting; and
- corporate governance.

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

The Board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;

- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing annual budgets, recommending it to the Board for approval and managing day-to-day operations within the budget;
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board;
- making recommendations for the appointment of senior management, determining terms of appointment, evaluating performance, and developing and maintaining succession plans for senior management roles; and
- approval of capital expenditure and business transactions within predetermined limits set by the Board.

RECOMMENDATION 1.2

A listed entity should:

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

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

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

RECOMMENDATION 1.3

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

The Company has established written agreements with each director which set out the terms of their appointment.

Directors are not appointed for a fixed term but are, excluding any Managing Director, subject to re-election by shareholders at least every three years in accordance with the Constitution of the Company. A Director appointed to fill a casual vacancy or as an addition to the Board, only holds office until the next general meeting of shareholders and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding any Managing Director) must retire at each Annual General Meeting of shareholders.

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

RECOMMENDATION 1.4

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

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

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

RECOMMENDATION 1.5

A listed entity should:

(a) have and disclose a diversity policy;

(b) through its board or a committee of the board30 set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and

(c) disclose in relation to each reporting period:
- **(1) the measurable objectives set for that period to achieve gender diversity;**
- **(2) the entity's progress towards achieving those objectives; and**
- **(3) either:**
  - **(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or**
  - **(B) 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.31**

Due to the scope and size of the Company's operations, the Board does not have a formal diversity policy.

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

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

The Board believes that there is no detriment to the Company in not adopting a formal diversity policy or in not setting gender diversity objectives given the current nature and scale of its operations.

Following the appointment of Mrs. Jane Bell as a Director on 12 April 2021, the Board is currently comprised of 4 men and 1 woman.

The Company has 4 senior executives who report directly to the CEO and Managing Director. Of these 4 senior executives 3 are men and 1 is a woman.

RECOMMENDATION 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and
(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company does not have a formal process for evaluating the performance of the Board, its committees or individual Directors. The Board has adopted a self-evaluation process to measure its own performance. The Chairman evaluates the performance of each director and the Board evaluates the performance of the Chairman on an ongoing basis.

The Chairman meets periodically with individual Directors to discuss the performance of the Board.

In addition, an evaluation is undertaken by the Chairman of the contribution of Directors retiring by rotation prior to the Board endorsing their candidature.

The self-evaluation process involves consideration of all of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability, skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the overall management of the business.

The Board believes that this approach is appropriate given its size and the nature of the Company's operations.

No formal performance evaluation was undertaken during the reporting period.

RECOMMENDATION 1.7

A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Remuneration Committee establishes Key Performance Indicators (KPI) for the CEO and Managing Director and assesses performance against those KPI on an annual basis. These KPI are established with reference to the Company's goals, budgets, and set objectives.

The CEO and Managing Director establishes KPI for the Chief Science Officer and the Director, Operations in consultation with the Remuneration Committee and assesses performance against those KPI on an annual basis.

Formal performance evaluations of all senior executives were undertaken during the reporting period.

PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

RECOMMENDATION 2.1

The Board of a listed entity should:

(a) have a nomination committee which:

(1) has at least three members, a majority of whom are independent Directors, and
(2) is chaired by an independent director;

and disclose

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

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the

appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively

Due to the small size of the Company and the number of Board members, the Board does not have a formal nomination committee structure. Any new Directors will be selected according to the needs of the Company at that particular time, the composition and the balance of experience on the Board as well as the strategic direction of the Company. Where a vacancy arises or it is considered appropriate to vary the composition of the Board of Directors, the full Board generally participates in any review of the Board's composition and the qualifications and experience of candidates. Directors are selected upon the basis of their specialist skills and business background so as to provide an appropriate mix of skills, perspective and business experience.

At each annual general meeting, the following Directors retire and may offer themselves for re-election:

i. one third of Directors (excluding the MD or CEO, if he/she is a Director, if any);
ii. Directors appointed by the Board to fill casual vacancies or otherwise; and
iii. Directors who have held office for more than three years since the last general meeting at which they were elected.

RECOMMENDATION 2.2

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

The Company has prepared a formal Board skills matrix which identifies the mix of skills that the Board currently has or is looking to achieve in its membership.

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

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

RECOMMENDATION 2.3

A listed entity should disclose:

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

Dr. Robert Peach and Mrs. Jane Bell are both considered by the Board to be independent directors as they are free from any business or other relationship that could materially interfere, or reasonably be perceived to interfere, with the independent exercise of their judgement.

Dr. Warwick Tong and Dr. Chris Burns are also considered by the Board to be independent Directors. Dr. Tong and Dr. Burns were original vendors of the Amplia business in May 2018 which is now more than 3 years ago.

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

(i) Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld.
(ii) Directors having a conflict of interest with an item for discussion by the Board must absent themselves from a Board meeting where such item is being discussed before commencement of discussion on such topic.
(iii) The independent Directors confer on a "needs" basis with the Chairman, if warranted and considered necessary by the independent directors.

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

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

RECOMMENDATION 2.4

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

As at the date of this statement a majority of the Board are considered to be independent Directors.

RECOMMENDATION 2.5

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

Dr. Warwick Tong was appointed to the Board on 4 May 2018 and was appointed as Chairman of the Board on 25 May 2018. Dr. Tong is now considered by the Board to be an independent Director and he is not the same person as the CEO.

Dr. Tong has 20 years of international clinical, commercial, and drug development leadership experience in both the pharmaceutical and biotechnology industries and accordingly has particularly relevant expertise and experience to chair the Board. The Board believes that Dr. Tongs' leadership is of particularly significant value to the Company as it advances through its clinical development phase.

RECOMMENDATION 2.6

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.

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

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

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

PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

RECOMMENDATION 3.1

A listed entity should articulate and disclose its values.

The Board has approved a statement of values which is disclosed on the Company's website.

RECOMMENDATION 3.2

A listed entity should:

(a) have and disclose a code of conduct for its directors, senior executives and employees; and
(b) ensure that the board or a committee of the board is informed of any material breaches of that code.

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

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

(i) comply fully with the content and spirit of all laws and regulations which govern the operations of the Company;
(ii) act with high standards of honesty, integrity, fairness and equity;
(iii) not knowingly participate in any illegal or unethical activity;
(iv) not enter into any arrangement or participate in any activity that would conflict with the interests of the Company or prejudice the performance of professional duties;
(v) use the Company's assets responsibly and in the interests of the Company, not take advantage of property, information or position for personal gain or to compete with the Company;
(vi) to keep non-public information confidential except where disclosure is authorised or legally mandated; and
(vii) be responsible and accountable for their actions and report any unethical behaviour.

The Code stipulates that the Secretary must notify the Board of any material breaches of the Code.

RECOMMENDATION 3.3

A listed entity should:

(a) have and disclose a whistleblower policy; and
(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Company has a Whistleblower Policy which is disclosed on the Company's website.

The Policy stipulates that the Board will be informed of any material incidents reported under the Policy, subject to the confidentiality provisions of the Policy.

RECOMMENDATION 3.4

A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and
(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Company has an Anti-Bribery and Corruption Policy which is disclosed on the Company's website.

The Policy stipulates that the Secretary must notify the Board of any material breach of this Policy.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

RECOMMENDATION 4.1

The board of a listed entity should:

(a) have an audit committee which:

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
(2) is chaired by an independent director, who is not the chair of the board,

and disclose:

(3) the charter of the committee;
(4) the relevant qualifications and experience of the members of the committee; and
(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

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

The Audit Committee is currently comprised of Mrs. Jane Bell and Dr. Warwick Tong. Due to the small size of the Company and the number of Board members, the committee is not comprised of three members.

Mrs. Bell is the Chair of the Audit Committee and is an independent director.

The role of the Audit Committee is to:

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

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

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

Other matters relating to the operation and authority of the Audit Committee are set out in the Audit Committee Charter, which is available on the Company's website.

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

RECOMMENDATION 4.2

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

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

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

RECOMMENDATION 4.3

A listed entity 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.

The Company is required to release quarterly cashflow statements to the market which are not audited or reviewed by an external auditor. These cashflow statements are reviewed by the Audit Committee prior to their release to the market.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION 5.1

A listed entity should:

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company has a Continuous Disclosure Policy which is available on the Company's website.

RECOMMENDATION 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Company Secretary ensures that the Board receives copies of all material market announcements promptly after they have been made.

RECOMMENDATION 5.3

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.

The Company Secretary ensures any new and substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

RECOMMENDATION 6.1

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

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

RECOMMENDATION 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

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

The information will be communicated to the shareholders through:

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

Investors and other stakeholders are invited to subscribe to an email alert facility on the Company's website so that they can receive material announcements which have been released by the Company to the market via an email in a timely manner. The Company's website also provides links for direct email contact with the Company's CEO and Managing Director, CFO and Company Secretary.

RECOMMENDATION 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

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

Shareholders are encouraged to ask questions of the Board of Directors in relation to the matters to be considered at shareholders meetings and where appropriate relating to the operation of the Company.

RECOMMENDATION 6.4

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.

The Company does ensure that all substantive resolutions at all shareholders meetings are decided by a poll rather than by a show of hands.

RECOMMENDATION 6.5

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

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

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATION 7.1

The Board of a listed entity should:

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

(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,

and disclose:

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

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

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

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

RECOMMENDATION 7.2

The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

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

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

The Board is in the process of establishing a Risk Register to assist in the identification and likelihood of risks to the Company, their risk impact and actions required to mitigate the risks.

No formal review of the Company's risk management framework was undertaken during the year ended 31 March 2021.

RECOMMENDATION 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

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

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

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

RECOMMENDATION 7.4

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

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

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1

The Board of a listed entity should:

(a) have a remuneration committee which:
- **(1) has at least three members, a majority of whom are independent directors; and**
- **(2) is chaired by an independent director,**

and disclose:

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

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has a Remuneration Committee. The Remuneration Committee Charter is available on the Company's website.

The Remuneration Committee is comprised of Dr. Robert Peach and Dr. Christopher Burns. Due to the small size of the Company and the number of Board members, the committee is not comprised of three members.

Dr. Robert Peach is the Chairman of the Remuneration Committee and is an independent Director. Dr. Christopher Burns is also regarded as an independent Director and accordingly the committee is comprised of a majority of independent Directors.

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

The primary purpose of the Remuneration Committee is to assist the Board in fulfilling its oversight responsibilities relating to the remuneration of officers, directors, and executives of the Company. The Committee also advises the Board regarding the Company's remuneration philosophies, practices, and procedures and will additionally advise the Board regarding key senior management succession planning.

RECOMMENDATION 8.2

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

Directors

(a) The Non-Executive Directors including the Chairman are eligible to receive a fixed Directors' fee. The maximum aggregate amount of fees which could be paid to Non-Executive Directors is set determined by shareholders at a general meeting of the Company. The objective of the Company's remuneration policies, processes and practices are to attract and retain appropriately qualified and experienced Directors who will add value by adopting competitive remuneration and reward programmes which are fair and responsible and aligned with shareholder objectives. Remuneration is also determined having regard to how Directors are remunerated for other similar companies, the time spent on the Company's matters and the performance of the Company.

Non-Executive Directors are entitled to receive Directors Fees of $20,000 per annum. Directors Fees of $30,000 per annum are paid to the Chairman, Dr. Warwick Tong. No retirement or termination benefits are payable to Non-Executive Directors.

Where the amount of Directors Fees are below market benchmarks the Company has (subject to shareholder approval) elected from time to time to grant options to non-executive Directors designed to further align the interests of Directors with those of the Company and its shareholders whilst also preserving the Company's cash resources to achieve its clinical trial objectives. The Board considers the issue of the options to Non-Executive Directors to be an effective means to compensate them more adequately at no cash cost to the Company, allowing it to constrain the levels of fees otherwise payable and to still attract suitably skilled and qualified persons to become and remain members of the Board.

(b) Dr. John Lambert was appointed as CEO effective from 24 June 2019. Dr. Lambert was appointed as a Director of the Company on 6 February 2020. Remuneration policies and practices for the CEO are set out below.

Senior Executives

(a) The objective of the Company's remuneration policies, processes and practices as they relate to senior executives are to attract and retain appropriately qualified and experienced employees who will add value by adopting competitive remuneration and reward programs which are fair and responsible and aligned with shareholder objectives. Remuneration is also determined having regard to how senior executives are remunerated for other similar companies and the performance of the Company.

The Company has (subject to shareholder approval) elected from time to time to grant options to the CEO and Managing Director as part of the overall remuneration package designed to further align the interests of the CEO and Managing Director with those of the Company and its shareholders whilst also preserving the Company's cash resources. The ASX Corporate Governance Council - Corporate Governance Principles and Recommendations recognise that options can be an effective form of remuneration, when they are linked to hurdles that are aligned to the Company's objectives. The Board believes that the granting of options to the CEO is an effective tool to provide an incentive to the CEO and to also promote the interests of the Company and its shareholders.

The Remuneration Committee is responsible for approving remuneration packages applicable to executive directors and other KMP of the Group. The Remuneration Committee is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of high quality and standard.

Executive Directors of the Company do not receive director's fees and are not currently provided with retirement benefits.

(b) Executive Directors and KMP are remunerated primarily by means of cash benefits and may receive cash bonuses based on the achievement of individually set key performance indicators. However, the Group's need to preserve cash may result in the cash component of remuneration being insufficient to match that which is offered by other companies to personnel in comparable positions or with similar skill sets. Accordingly, the Group may use share options where necessary to mitigate this and to also provide for medium term shareholder and KMP goal alignment.

To enable share options to be included as part of Director and KMP remuneration, an Employee Share Option Plan was approved by the Board of Directors 12 November 2013 and subsequently approved by shareholders at the Company's Annual General Meeting on 30 August 2019.

RECOMMENDATION 8.3

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

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

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

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