



2021 Corporate Governance Statement



Corporate Governance Statement

This Corporate Governance Statement (“Statement”) outlines the key aspects of the governance framework and main governance practices of Actinogen Medical Limited (‘Actinogen Medical’ or ‘the Company’), a Company which is not included within the S&P/ASX 300 index. The Company’s charters, policies, and procedures are regularly reviewed and updated to comply with law and best practice. These charters and policies can be viewed on Actinogen Medical’s website located at www.actinogen.com.au.

This Statement is structured with reference to the Australian Securities Exchange Corporate Governance Council’s (“the Council’s”) “Corporate Governance Principles and Recommendations 4th Edition” (“the Recommendations”).

The Board of Directors has adopted the Recommendations to the extent that is deemed appropriate considering current the size and operations of the Company. Therefore, considering the size and financial position of the Company, where the Board considers that the cost of implementing a recommendation outweighs any potential benefits, those recommendations have not been adopted.

As at the date of this Statement, the Board of Actinogen Medical Limited consists of four Directors. All of the Non-Executive Directors are considered by the Board to be independent:

Dr Geoffrey Brooke Independent Non-Executive Chairman

Dr Steven Gourlay Managing Director

Dr George Morstyn Independent Non-Executive Director

Mr Malcolm McComas Independent Non-Executive Director

This Statement was approved by the Board of Directors and is current as at 30 August 2021.

Principle 1: Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its Board and management and regularly review their performance.

1.1 A listed entity should have and disclose a Board Charter setting out the respective roles of the Board and management and those matters expressly reserved to the Board and those delegated to management.

Actinogen Medical’s constitution (“Constitution”) provides that the business of the Company will be managed by or under the direction of the Board. The Board operates under a Board Charter, a copy of which is located on the Company’s website at www.actinogen.com.au.

The key roles and responsibilities of the Board along with the key roles and responsibilities of senior management, including those specifically delegated to the Managing Director are set out in the Board Charter. The Board is responsible for evaluating and setting the strategic direction for the Company, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the Company.

The principal functions and responsibilities of the Board include, but are not limited to, the following:

- Defining the Company’s purpose and setting its strategic objectives;
- Overseeing the Company, including its control and accountability systems;
- Demonstrating leadership;
- Approving the Company’s statement of values and code of conduct to underpin the Company’s culture;
- Appointing, evaluating, rewarding and if necessary, removing the Managing Director, the Company Secretary and senior management personnel;
- Appointing or removing the Chair;
- Ensuring the Company’s remuneration policies are aligned with its values, strategic objectives and risk appetite;
- In conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- Establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- Monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including reviewing and approving annual budgets;
- Holding to account and monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;

- Setting the Company's risk appetite, identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- Overseeing the management of safety, occupational health and environmental matters;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that relevant information is reported by the management to the Board and that proper operational, financial, compliance and internal control processes are in place and functioning appropriately;
- Ensuring the appropriate internal and external audit arrangements are in place and operating effectively;
- Having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the Code of Conduct;
- Reporting accurately to shareholders, on a timely basis; and
- Monitoring the effectiveness of the Company's governance practices.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board has delegated to the Managing Director responsibility for the management and operation of Actinogen Medical. The Managing Director is responsible for the day-to-day operations, financial performance and administration of Actinogen Medical within the powers authorised to him from time-to-time by the Board. The Managing Director may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of those delegated powers.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time, including Audit, Risk, Remuneration or Nomination Committees, preferring at this stage, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the Audit, Risk, Remuneration and Nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if appropriate.

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to obtain independent professional advice on any matter connected with the discharge of their responsibilities, with prior notice to the Chairman, at Actinogen Medical's expense.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter on the Actinogen Medical website.

1.2 A listed entity should undertake appropriate checks before appointing a Director or senior executive or putting someone forward for election as a Director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The Constitution of the Company sets out the process of appointment, retirement and rotation of directors.

The Company undertakes comprehensive reference checks prior to appointing a Director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of Director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

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

The appointment of any new Director (executive or non-executive) of Actinogen Medical and each senior executive is made by, and in accordance with, a formal letter of appointment or written agreement setting out the key terms and conditions relative at the time of appointment. All current agreements are made with the Director or senior executive personally.

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

In accordance with the Board Charter, the decision to appoint or remove the Company Secretary must be made or approved by the Board.

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

1.5 A listed entity should have and disclose a Diversity Policy; set measurable objectives for achieving gender diversity and disclose the measurable objectives set to achieve gender diversity.

The Board has adopted a Diversity Policy which is available on its website and provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The

Corporate Governance Statement

(continued)

Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board has not yet set measurable objectives for achieving gender diversity. The Board is acutely aware of the importance for gender diversity within the workforce and looks to achieve a culture of inclusion when assessing a suitable candidate for an open position and through its day-to-day practices

The participation of women in the Company at the date of this report is as follows:

- Women on the board: 0 of 4 (0%)
- Women in senior executive positions: 1 of 2 (50%)
- Women in the organisation: 5 of 12 (42%)

The Company is not a "relevant employer" under the Workplace Gender Equality Act.

The Company's Diversity Policy is available on its website.

1.6 A listed entity should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors.

On an annual basis, the Board conducts a review of its structure, composition and performance.

The annual review includes consideration of the following measures:

- the currency of the Directors' knowledge and skills if the Directors' performance has been impacted by other commitments;
- comparing the performance of the Board against the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- reviewing the Board's interaction with management;
- reviewing the type and timing of information provided to the Board by management;
- reviewing management's performance in assisting the Board to meet its objectives; and
- identifying any necessary or desirable improvements to the Board Charter.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

A Board performance review was conducted during the year in accordance with the above process.

1.7 A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives.

The Company has an annual performance review process in place for its Managing Director and other senior executives. On an annual basis, corporate objectives and individual key performance indicators (KPIs) are set. The Managing Director reviews the performance of senior executives and their delivery of corporate and individual objectives.

Performance reviews of senior executives were conducted during the year in accordance with the above process.

Principle 2: Structure the board to be effective and add value

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

2.1 The Board of listed entity should have a nomination committee or, if it does not have a nomination committee, disclose the fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skill, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board considers that the Company does not currently benefit from the establishment of a separate Nomination Committee. In accordance with the Company's Board Charter and operating within the boundaries of the Remuneration and Nomination Policy, the Board is responsible for the nomination and selection of directors.

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern Actinogen Medical. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process. When the need for a new director is identified, the required experience and competencies of the new director are defined in the context of the skills matrix and any gaps that may exist.

Generally a list of potential candidates is identified based on these skills required and other issues such as geographic location and diversity criteria. Candidates are assessed against the required skills and on their qualifications, backgrounds and personal qualities. In addition, candidates are sought who have a proven track record in creating security holder value and the required time to commit to the position.

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.

The Board has a skills matrix covering the competencies and experience of each Director. The results of the skills matrix assessment in relation to the Board as a whole is displayed on the Company's website at www.actinogen.com.au.

2.3 A listed entity should disclose the names of the Directors considered by the Board to be independent Directors and the length of service of each Director.

Director	Length of Service
Dr Geoffrey Brooke	Independent Non-Executive Chairman (appointed 1 March 2017) Executive Chairman (interim period 8 February 2021 to 24 March 2021)
Dr Steven Gourlay	Managing Director (appointed 24 March 2021) and; Chief Executive Officer & Chief Medical Officer (appointed 15 March 2021)
Dr George Morstyn	Independent Non-Executive Director (appointed 1 December 2017)
Mr Malcolm McComas	Independent Non-Executive Director (appointed 4 April 2019)
Dr Bill Ketelbey	Managing Director (appointed 18 December 2014, ceased 8 February 2021)

2.4 A majority of the Board should be independent Directors.

The Board, at the date of this statement is comprised of a majority of independent Directors. Dr Geoffrey Brooke, Dr George Morstyn and Mr Malcolm McComas are the current directors considered to be independent. Dr Steven Gourlay is not considered to be an independent Director by virtue of him being an executive of the Company. Actinogen Medical has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

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 Geoffrey Brooke is the Chairman of the Company and is considered by the Board to be independent and is not the same person as the CEO of the Company.

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.

In accordance with the Company's Procedures for Selection and Appointment of Directors, the Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

The Company Secretary is responsible for facilitating inductions and professional development that is tailored to the individual's needs.

Corporate Governance Statement

(continued)

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

3.1 A listed entity should articulate and disclose its values

Actinogen Medical has adopted a Statement of Values that underpins the commitment that each individual and the Company as a whole lives by each and every day and includes the following values:

1. Respect: Foster a respectful, dynamic and friendly work environment with support for all employees, contractors, collaborators, consultants, stakeholders and partners;
2. Patient-Focussed: Seek to improve the lives of patients by advancing healthcare and furthering the collective body of medical and scientific knowledge;
3. Innovation: Commit to pursue innovation in drug development, providing employees with an engaging and challenging workplace while creating compelling solutions for patients, caregivers, shareholders and the global medical, scientific and research communities;
4. Integrity: Model honest and ethical conduct and behaviour, always being fully accountable across all business operations, with no compromise to integrity;
5. Excellence: Inspire excellence and garner respect through strong leadership across the Company, taking pride in the quality of all processes and outputs; and
6. Value: Instil a foundation level of high-quality value while striving to deliver maximum value to shareholders.

3.2 A listed entity should have and disclose a Code of Conduct for its Directors, senior executives and employees and ensure that the Board or a committee of the Board is informed of any material breaches of that Code.

The Company has implemented a Code of Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

All employees and Directors are expected to:

- act honestly, in good faith and in the best interests of the Company as a whole;
- use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment;
- recognizes that their primary responsibility is to the Company's shareholders as a whole;
- protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company;
- not to take advantage of their position for personal gain, or the gain of their associates;
- disclose and deal appropriately with any conflicts between their personal interests and their duties as a Director, senior executive, KMP, officer or employee of the Company;
- not to take advantage of their position or the opportunities arising from their position for personal gain;
- not to take advantage of the property or confidential information of the Company or its customers for personal gain or to cause detriment to the Company or its customers. Confidential information can only be released or used with specific permission from the Company; and
- comply with the spirit, as well as the letter, of the law which affects its operations, wherever it operates, and with the principles of this code. Where the Company operates overseas, it shall comply with the relevant local laws as well as any applicable Australian laws.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary, or in his absence, the Chairperson. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

3.3 A listed entity should have and disclose a Whistleblower Policy and ensure that the Board or a committee of the Board is informed of any material incidents reported under that Policy.

The Company has adopted a Whistleblower Protection Policy which is available on the Company's website.

The Policy includes that the Board will be informed of any material incidents reported under that Policy.

3.4 A listed entity should have and disclose an Anti-Bribery and Corruption Policy and ensure that the Board or a committee of the Board is informed of any material breaches of that Policy.

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

The Policy includes that the Board will be informed of any material breaches of that Policy.

Principle 4: Safeguard integrity in corporate reporting

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

4.1 A Board of listed entity should have an audit committee or if it does not have an audit committee, disclose the 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 Board considers that the Company does not currently benefit from the establishment of a separate Audit Committee. The Board as a whole fulfills the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required. The external auditors attend Actinogen Medical's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

4.2 A Board of 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 Board has received certifications from the CEO and CFO Equivalent in connection with the financial statements for Actinogen Medical for the Reporting Period. The certifications state that the declaration provided in accordance with Section 295A of the Corporations Act as to the integrity of the financial statements is founded on a sound system of risk management and internal control which is operating effectively.

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.

In reviewing the quarterly cashflow reports and prior to lodgement with the ASX, the following process has been adopted:

- cash transactions for the quarter are provided by the accountant to the Chief Financial Officer (equivalent);
- cash transactions are matched against the bank statements; and
- quarterly figures are compiled and verified by the CFO (equivalent) and CEO.

A declaration is then provided by the CFO (equivalent) and CEO to the Board noting compliance section 286 of the Corporations Act 2001, the appropriate accounting standards and with Listing Rule 19.11A.

Principle 5: Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

5.1 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 outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

Corporate Governance Statement

(continued)

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. The Chairman, Managing Director and the Company Secretary are responsible for ensuring that:

- (a) All material market announcements are to be circulated to and reviewed by all members of the Board;
- (b) All announcements are clearly noted as to the authorising officer and in general, all material announcements are authorised for release by the Board;
- (c) All announcements are made in a timely manner, are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act;
- (d) All announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions; and
- (e) Any new and substantive investor or analyst presentation will be released on the ASX Market Announcements Platform ahead of the presentation

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

The Board receives copies of all material market announcements after they have been made.

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.

Any new and substantive investor or analyst presentation will be released on the ASX market announcements platform ahead of the presentation.

Principle 6: Respect the rights of security holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

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

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via the ASX, the Company's website, information emailed or mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

Actinogen Medical's register is maintained by a professional security registry, Automic Group. Shareholders are able to communicate with the Company and Automic via email and can register to receive communications and shareholder materials from the Company via its security registry electronically.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "contact us" page of the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

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

The Shareholder Communication Policy provides that security holders are encouraged to attend and participate at general meetings. To facilitate this, meetings will be held during normal business hours, at a place, or in a manner, convenient for the greatest possible number of security holders to attend either in person or electronically. Moreover, Actinogen Medical's Constitution allows, if permitted by law, shareholder meetings to be held electronically and provides each security holder with the right to appoint a proxy, attorney or representative to vote on their behalf.

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 has a policy that all substantive resolutions at a meeting of security holders are to be decided by a poll.

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 security holders the option to electronically receive communications from, and send communications to, the Company and its share registry, Automatic Registry Services. The Company encourages security holders to utilise electronic communications with the Company to facilitate speed, convenience and environmental friendliness of communications.

Principle 7: Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

7.1 The Board of a listed entity should have a committee or committees that oversee risk and if it does not have a risk committee or committees, disclose that fact and the processes it employs for overseeing the entity's risk management framework

The Board considers that the Company does not currently benefit from the establishment of a separate Risk Committee. In accordance with the Company's Board Charter and operating within the boundaries of the Risk Management and Internal Compliance and Control Policy, the Board carries out the duties that would ordinarily be carried out by the Risk Committee under the Risk Management and Internal Compliance and Control Policy.

The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework. Actinogen Medical has established policies for the oversight and management of material business risks.

Actinogen Medical's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

Actinogen Medical believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, Actinogen Medical is committed to the ongoing development of a strategic and consistent enterprise-wide risk management program, underpinned by a risk conscious culture.

Actinogen Medical accepts that risk is a part of doing business. Therefore, the Company's Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather Actinogen Medical's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks while ensuring we do not enter into unnecessary risks or enter into risks unknowingly.

Actinogen Medical assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, Actinogen Medical applies varying levels of management plans.

7.2 The Board or a committee of the Board should 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 disclose, in relation to each reporting period, whether such a review has taken place.

The Board reviews the Company's risk management framework at each scheduled Board meeting to ensure that it continues to effectively manage risk.

7.3 A listed entity should disclose if it has an internal audit function or if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

The Company does not have an internal audit function.

The Board has required management to design and implement a risk management and internal compliance and control system to manage Actinogen Medical's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks.
- formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls.

Corporate Governance Statement

(continued)

- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of Actinogen Medical's management of its material business risks at each scheduled Board meeting.

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.

The Board does not consider that the Company currently has any material exposure to environmental or social risks.

Principle 8: Remunerate fairly and responsibly

A listed entity should pay Director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

8.1 The Board of a listed entity should have a remuneration committee or 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 does not have a Remuneration Committee. The Board considers that the Company will not currently benefit from the establishment of a Remuneration Committee and as a whole fulfills the functions normally delegated to the Remuneration Committee as detailed in the Remuneration and Nomination Policy.

In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter, including devoting time annually to assess the level and composition of remuneration for Directors and senior executives.

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.

Actinogen Medical's Remuneration Policy was designed to recognise the competitive environment within which Actinogen Medical operates and also to emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in Actinogen Medical's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Actinogen Medical.

The key principles are to:

- link executive reward with strategic goals and sustainable performance of Actinogen Medical;
- apply challenging corporate and individual key performance indicators that focus on both short-term and long-term outcomes;
- motivate and recognise superior performers with fair, consistent and competitive rewards;
- remunerate fairly and competitively in order to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- through employee ownership of Actinogen Medical shares, foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the CEO, Non-Executive Directors and senior management based on an annual review.

Actinogen Medical's executive remuneration policies and structures and details of remuneration paid to Directors and senior managers are set out in the Remuneration Report contained within the Annual Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options. They do not receive any termination or retirement benefits, other than statutory superannuation.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$500,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

The total fees paid to Non-Executive Directors during the reporting period was \$231,000.

Executive Directors and other senior executives are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.

Further details in relation to the Company's remuneration policies are contained in the Remuneration Report, within the Directors' Report.

8.3 A listed entity which has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.

In accordance with the Company's Securities Trading Policy, participants in an equity-based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.