

## Appendix 4G

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

Name of entity

Cellmid Limited

ABN/ARBN

69 111 304 119

Financial year ended

30 June 2015

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

these pages of our annual report: \_\_\_\_\_

this URL on our website:

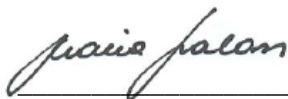
[http://www.cellmid.com.au/content\\_common/pg-corporate-governance-statements.seo](http://www.cellmid.com.au/content_common/pg-corporate-governance-statements.seo)

The Corporate Governance Statement is accurate and up to date as at 31 August 2015.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 31 August 2015

Sign here:



Director

Print name: Maria Halasz

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b><u>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</u></b>			
1.1	<p>A listed entity should disclose:</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>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p>✓ at this location:  <a href="http://www.cellmid.com.au/content_common/pg-board-of-charter.seo">http://www.cellmid.com.au/content_common/pg-board-of-charter.seo</a></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p>✓ at this location:  <a href="http://www.cellmid.com.au/content_common/pg-board-of-charter.seo">http://www.cellmid.com.au/content_common/pg-board-of-charter.seo</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:            _____  <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:            _____  <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location:  <a href="http://www.cellmid.com.au/content_common/pg-performance-evaluation-process.seo">http://www.cellmid.com.au/content_common/pg-performance-evaluation-process.seo</a></p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location:  <a href="http://www.cellmid.com.au/content_common/pg-performance-evaluation-process.seo">http://www.cellmid.com.au/content_common/pg-performance-evaluation-process.seo</a></p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<p>an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<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; <b>OR</b></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>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-nomination-committee-charter.seo">http://www.cellmid.com.au/content_common/pg-nomination-committee-charter.seo</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p>in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-board-of-charter.seo">http://www.cellmid.com.au/content_common/pg-board-of-charter.seo</a></p>	
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-board-of-charter.seo">http://www.cellmid.com.au/content_common/pg-board-of-charter.seo</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>2.3 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>... the names of the directors considered by the board to be independent directors:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-code-of-conduct.seo">http://www.cellmid.com.au/content_common/pg-code-of-conduct.seo</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-audit-committee-charter.seo">http://www.cellmid.com.au/content_common/pg-audit-committee-charter.seo</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input checked="" type="checkbox"/> at this location:  In the Directors' Report of the Annual Report - Page 8</p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	
<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>



Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-continuous-disclosure-policy.seo">http://www.cellmid.com.au/content_common/pg-continuous-disclosure-policy.seo</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>... information about us and our governance on our website:</p> <p>✓ at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-corporate-governance.seo">http://www.cellmid.com.au/content_common/pg-corporate-governance.seo</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location:</p> <p><a href="http://www.cellmid.com.au/content_common/pg-continuous-disclosure-policy.seo">http://www.cellmid.com.au/content_common/pg-continuous-disclosure-policy.seo</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.3	<p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b><u>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</u></b>		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<i>Insert location here</i>	
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 (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation:  ✓ in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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; <b>OR</b> (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>  [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:  ✓ in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	✓ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location: Annual Report pages 42 and 43</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
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; <b>OR</b> (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>[If the entity complies with paragraph (a):]            ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:            _____  <i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:            _____  <i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):]            ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... our policy on this issue or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at this location: The Directors' Report of the Annual Report pg 26	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b><u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u></b>		
- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

# CELLMID LIMITED

## CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement sets out the extent to which the Company has followed the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for the year ending 30 June 2015.

<b>Principles and Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
<b>1. Lay solid foundations for management and oversight</b>		
<b>1.1</b> A listed entity should disclose:	Complies	
a) The respective roles and responsibilities of its Board and management; and		The Company has established a Board Charter, which discloses the specific responsibilities of the Board and those of senior executives.
b) Those matters expressly reserved to the Board and those delegated to management.		The Board delegates responsibility for the day to day operations and administration of the Company to the Chief Executive Officer.  The Company's Board Charter is posted on the Company's website.
<b>1.2</b> A listed entity should:	Complies	
a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and		The Chairman and Chief Executive Officer are responsible for ensuring that appropriate checks are undertaken before a director candidate is appointed or put forward to security holders for election.
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		All material information in the Company's possession relevant to a decision on whether or not to elect or re- elect a director is provided to security holders in the notice of the meeting at which the director is to be put forward for election or re-election.

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## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p><b>1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complies	All directors and senior executives have in place written agreements with the Company setting out the terms of their appointment.
<p><b>1.4</b> 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>	Complies	The Company Secretary reports directly to the Chairman and Chief Executive Officer. The decision to appoint or remove the Company Secretary is made by the Board.
<p><b>1.5</b> A listed entity should:</p> <p>a) Have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>b) Disclose that policy or a summary of it; and</p> <p>c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, either;</p> <p>(1) The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined 'senior executive' for these</p>	Does Not Comply	<p>The Board believes that the Company benefits from diversity.</p> <p>Due to the size of the Company and small number of persons employed by the Company and its controlled entities, the Board has not established a formal diversity policy.</p> <p>Whilst the Company does not have a formal diversity policy a summary of the Company's measurable objectives is disclosed in this Corporate Governance Statement.</p> <p>As the Company does not have a formal diversity policy it is not able to disclose in its Annual Report the measurable objectives for achieving gender diversity in accordance with a diversity policy and progress towards achieving those objectives.</p> <p>The Company is able to disclose the following gender diversity statistics for the Company and its controlled entities as at the date of the Annual Report:</p> <p>(i) 67% of the Company's employees and consultants are female;</p> <p>(ii) 57% of the Company's senior executives are female; and</p> <p>(iii) 25% of the Board is female.</p>



# CELLMID LIMITED

## CORPORATE GOVERNANCE STATEMENT

purposes); or

- (2) If the entity is a ‘relevant employer’ under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators” as defined in and published under the Act.

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

### 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

Complies

The Company has a Performance Evaluation Policy which is posted to the Company’s website.

- b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Complies

There was an informal annual performance evaluation of the Board this year which was led by the Chair and followed an informal peer review process evaluating individual directors.

### 1.7 A listed entity should:

- a) Have and disclose a process for periodically evaluating the performance of its senior executives; and

Complies

The Chair reviewed the performance of the Chief Executive Officer and the Chief Executive Officer and the Remuneration Committee annually evaluate the performance of the Company’s Senior Executives.

- b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period and in accordance with that process

A formal performance evaluation was made during the reporting period on key management personnel.

## 2. Structure the Board to Add Value

### 2.1 The Board of a listed entity should:

- a) Have a nomination committee which:
- i) Has at least three members, a majority of whom are independent directors; and
  - ii) Is chaired by an independent director;

Complies

The Board has established a Nomination and Remuneration Committee.

The Nomination and Remuneration Committee for the period ending 30 June 2015 consisted of three members as follows:

- David King – Independent Non-Executive Director;

# CELLMID LIMITED

## CORPORATE GOVERNANCE STATEMENT

- Graeme Kaufman – Independent Non – Executive Director; and
- Mr Martin Rogers – Independent Non – Executive Director

Following the resignations of Messrs Kaufman and Rogers on 30 June 2015, Mr Bruce Gordon and Dr Fintan Walton were subsequently appointed to the Nomination Committee.

and disclose,

- iii) the charter of the committee
- iv) The members of the committee; and
- v) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

The Board has a Nomination Committee Charter, which can be located on the Company’s website.

Members of the Nomination and Remuneration Committee are disclosed in the Directors’ Report of the Annual Report.

The members of the Nomination and Remuneration Committee meet on an ad hoc basis as needed during the year, the attendance of the members at meetings of the Committee are disclosed in the Directors’ Report of the Annual Report.

- b) 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 skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Company has a Nomination and Remuneration Committee.

**2.2** 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.

Complies

The skills of each Board member are disclosed on the Company’s website and in the Company’s Annual Report for each year.

The Board Charter and the Nomination Committee Charter states the mix of skills and diversity the Board of directors is looking to achieve.

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## CORPORATE GOVERNANCE STATEMENT

The Board Charter and the Nomination Committee Charter can be found on the Company's website.

<b>2.3</b>	A listed entity should disclose:	Complies	<p>These details are disclosed in the Annual Report.</p> <p>For the period ending 30 June 2015, the Board was comprised of three independent non – executive directors (Dr David King, Mr Graeme Kaufman and Mr Martin Rogers) and one executive director (Ms Maria Halasz).</p> <p>Upon the resignations of Messrs Kaufman and Rogers, the Board is comprised of three independent directors, Dr David King, Independent Chairman, Mr Bruce Gordon, Non – Executive Director and Dr Fintan Walton, Non – Executive Director now sit on the Board as at the date of this report.</p>
	a) The names of the directors considered by the Board to be independent directors;		<p>In terms of managing conflicts, those Directors who have interests in specific transactions or potential transactions do not participate in any part of a Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.</p>
	b) If a director has an interest, position, association or relationship but the Board has the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and		<p>Mr David King - 7 years' service</p> <p>Ms Maria Halasz - 8 years' service</p> <p>Mr Bruce Gordon - 2 months' service</p> <p>Dr Fintan Walton - 1 months' service</p>
	c) The length of service of each director.		

<b>Principles and Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
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<b>2.4</b>	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.	Complies	The Company's Chairman, Dr David King is an independent director.
<b>2.5</b>	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role effectively.	Complies	<p>The company has a formal program for inducting a new director and the company secretary ensures that all directors are informed of changes in governance obligations. The current Board has the appropriate mix of skills and knowledge required to fulfil their responsibilities.</p> <p>The company also encourages attendances at professional development courses such as those held by AICD.</p>

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## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<b>3. Act Ethically and Responsibly</b>		
<b>3.1</b> A listed entity should:	Complies	The Board acknowledges and emphasizes the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.
a) Have a code of conduct for its directors, senior executives and employees; and		<p>A code of conduct has been established requiring directors and employees to:</p> <ul style="list-style-type: none"> <li>i) Act honestly and in good faith;</li> <li>ii) exercise due care and diligence in fulfilling the functions of office;</li> <li>iii) avoid conflicts and make full disclosure of any possible conflict of interest;</li> <li>iv) comply with the law;</li> <li>v) encourage the reporting and investigating of unlawful and unethical behavior; and</li> <li>vi) comply with the share trading policy outlined in the Code of Conduct.</li> </ul>
b) Disclose that code or a summary of it.	Complies	The Code of Conduct is posted on the Company's website.
<b>4. Safeguard integrity in Corporate Reporting</b>		
<b>4.1</b> The Board of a listed entity should:		
a) have an audit committee which:	Complies	The Board has established an Audit Committee to safeguard the integrity of the Company's financial reporting.
1) has at least three members, all of whom are non – executive directors and a majority of whom are independent directors;		The Audit Committee for the year ending 30 June 2015 consisted of three members as follows:
2) is chaired by an independent director who is not the chair of the Board;		<ul style="list-style-type: none"> <li>• Mr Graeme Kaufman – Chairman of the Audit Committee, independent Non-Executive Director;</li> <li>• Dr David King – independent Non – Executive Director; and</li> <li>• Mr Martin Rogers– independent Non – Executive Director</li> </ul>
and disclose		

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Following the resignations of Messrs Kaufman and Martin on 30 June 2015, as at the date of this report, the Audit Committee has two new Members, Mr Bruce Gordon (Chair) and Independent Non – Executive Director and Dr Fintan Walton, Independent Non – Executive Director.

3) the charter of the Committee;

The Audit Committee Charter is posted on the Company's website.

4) the relevant qualifications and experience of each member of the committee; and

The qualifications and experience of each member of the Committee and the number of Audit Committee meetings held and the attendances at those meetings is disclosed in the Annual Report.

5) in relation to each reporting period, the number of times the committee met through the period and the individual attendances of each of the members at those meetings.

**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.

Complies

The Board receives this assurance from the Chief Executive Officer and the Chief Financial Officer for each of the Full Year and Half Year reporting periods.

**4.3** A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Complies

Each year the Company's external auditor attends the Annual General Meeting.

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## CORPORATE GOVERNANCE STATEMENT

### 5. Make timely and balanced disclosure

**5.1** Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Complies

The Board has adopted a Continuous Disclosure Policy to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and to ensure accountability for compliance. The Continuous Disclosure Policy is posted on the Company's website.

The Chief Executive Officer and the Company Secretary have primary responsibility for ensuring that the Company complies with its continuous disclosure obligations.

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## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<b>6. Respect the rights of shareholders</b>		
<b>6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	Complies	<p>All information pertaining to the Company can be located on the Company’s website, including Director and Management biographies, overview of operations in the Annual Report, as well as a “Shareholder Information” landing page where copies of all announcements, presentations and reports can be located.</p> <p>The Company also has a website landing page entitled “Corporate Governance” where all relevant corporate governance information can be accessed.</p>
<b>6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two – way communication with investors.	Complies	<p>The Board has established practices to facilitate effective communication with shareholders. The Chief Executive Officer and the Company Secretary oversee this process through the Company’s website and newsletter updates. Regular briefings are held with professional investors. Prior to such briefings, any new information to be given is first released to the ASX and if significant, is later distributed to shareholders/investors who have registered their email address with the Company.</p> <p>All shareholders are notified in writing of general meetings and are strongly encouraged to attend and participate in the Annual General Meetings of the Company, to lodge questions to be answered by the Board and / or Chief Executive Officer, and are able to appoint proxies.</p>
<b>6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	<p>The Board has established a Public Disclosure Policy which is posted to the Company’s website. The Policy seeks to promote effective communication with shareholders and encourage effective participation by shareholders at general meetings.</p>
<b>6.4</b> A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Complies	<p>Through the Company’s website and through the website of the Company’s share registry, security holders are invited to provide their email address to enable electronic communication to and from the Company and its share registry.</p>





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## **CORPORATE GOVERNANCE STATEMENT**

monitored and reviewed regularly.

During the year, the Chief Executive Officer has reported to the Board at all Board meetings as to the effectiveness of the Company's management of its material risks.

The Company's Risk Management Policy is posted on the Company's website.

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## CORPORATE GOVERNANCE STATEMENT

<b>Principles and Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
<p><b>7.2</b> The Board or committee of the Board should:</p> <ul style="list-style-type: none"> <li>a) Review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>b) Disclose in relation to each reporting period, whether such a review has taken place.</li> </ul>	Complies	The Chief Executive Officers have reported to the Board on the effectiveness of the Company’s management of its material business risks at each of the Board meetings held throughout the year.
<p><b>7.3</b> A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>a) If it has an internal audit function, how the function is structured and role it performs; and</li> <li>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.</li> </ul>	Complies	<p>The Company does not have an internal audit function in respect of risk assessment.</p> <p>The Board is responsible for reviewing and assessing the effectiveness of the Company’s system of risk management and the Audit Committee is also responsible for reviewing at least annually the effectiveness of the Company’s implementation of the risk management system and providing advice and recommendations to the Board regarding the ongoing development of risk oversight and management policies.</p>
<p><b>7.4</b> 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>	Complies	Any material exposure to economic risk is disclosed in the Annual Report of the Company.
<p><b>8. Remunerate fairly and responsibly</b></p>		
<p><b>8.1</b> The Board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have a remuneration committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ul> </li> </ul>	Complies	<p>The Board has established a Nomination and Remuneration Committee consisting of three non-executive directors all of whom are considered to be independent as per Principle 2.2.</p> <p>For the period ending 30 June 2015, the Nomination and Remuneration Committee, consisted of:</p> <ul style="list-style-type: none"> <li>i) Dr David King (Chair) Independent Non – Executive</li> </ul>

## CELLMID LIMITED CORPORATE GOVERNANCE STATEMENT

and disclose

Director;  
ii) Mr Graeme Kaufman, Independent Non – Executive Director; and

iii) Mr Martin Rogers, Independent Non – Executive Director

Subsequent to the resignations of Messrs Kaufman and Rogers on 30 June 2015, Mr Bruce Gordon, Independent Non – Executive Director and Dr Edward Fintan Walton, Independent Non – Executive Director have been appointed to the Nomination and Remuneration Committee.

- (3) the charter of the committee;
- (4) the members of the committee; and
- (5) as at the end of the reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meeting.

Due to the size of the Company, the Board has not approved a separate formal remuneration charter, however it does have a Performance Evaluation policy which is posted to the Company’s website.

The members of the Nomination and Remuneration Committee meet on an ad hoc basis as needed during the year, the attendance of the members at meetings of the Committee are disclosed in the Directors’ Report of the Annual Report.

**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.

Complies

The Board has not adopted a formal Remuneration Policy, however the Nomination and Remuneration Committee reviews the senior executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice.

Executives and consultants may also be entitled to participate in the Company’s Employee Incentive Plan.

The amounts of remuneration for all key management personnel for the Company, including all monetary and non – monetary components are detailed in the Directors’ Report under the heading Key Management Personnel Compensation. All remuneration paid to executives is valued at the cost to the Company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black –

# CELLMID LIMITED

## CORPORATE GOVERNANCE STATEMENT

Scholes methodology.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long – term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options and recommend changes to the committee’s recommendations. Any changes must be justified by reference to measurable performance.

**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 limited the economic risk of participating in the scheme; and
- b) disclose that policy or a summary of it.

Complies

The Company has an Employee Incentive Plan in place.

A summary of the Employee Incentive Plan is disclosed in the Company’s Annual Report in the Directors’ Report.