

## Appendix 4G

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

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

**Name of entity**

Regeneus Ltd

**ABN / ARBN**

13 127 035 358

**Financial year ended:**

2018

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

These pages of our annual report:

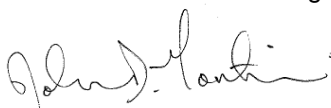
This URL on our website: [www.regeneus.com.au](http://www.regeneus.com.au)

The Corporate Governance Statement is accurate and up to date as at 30 August 2018 and has been approved by the board.

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

Date: 30 August 2018

Name of Director authorising lodgement:

  
John Martin

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

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

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

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

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement ... 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): <b>X</b> at <a href="http://www.regeneus.com.au/about-us/corporate-governance/board-charter">www.regeneus.com.au/about-us/corporate-governance/board-charter</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p>✗ in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p>✗ at <a href="http://www.regeneus.com.au/about-us/corporate-governance/diversity">www.regeneus.com.au/about-us/corporate-governance/diversity</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p>✗ in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p>✗ in our Corporate Governance Statement</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>
1.6	<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>✗ at <a href="http://www.regeneus.com.au/about-us/corporate-governance/board-and-executive-evaluation">www.regeneus.com.au/about-us/corporate-governance/board-and-executive-evaluation</a></p> <p>... and the information referred to in paragraph (b):</p> <p>✗ in our Corporate Governance Statement</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>✗ at <a href="http://www.regeneus.com.au/about-us/corporate-governance/board-and-executive-evaluation">www.regeneus.com.au/about-us/corporate-governance/board-and-executive-evaluation</a></p> <p>... and the information referred to in paragraph (b):</p> <p>✗ in our Corporate Governance Statement</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>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><b>X</b> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/about-us/corporate-governance/remuneration-and-nominations">www.regeneus.com.au/about-us/corporate-governance/remuneration-and-nominations</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><b>X</b> in our Corporate Governance Statement</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>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><b>X</b> in our Corporate Governance Statement</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>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><b>X</b> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/investors/financials/annual-report">www.regeneus.com.au/investors/financials/annual-report</a> (pages 9 and 10))</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<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
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <b>X</b> in our Corporate Governance Statement <b>X</b> at <a href="http://www.regeneus.com.au/about-us/corporate-governance/code-of-conduct">www.regeneus.com.au/about-us/corporate-governance/code-of-conduct</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><b>X</b> in our Corporate Governance Statement and a copy of the charter of the committee:</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/about-us/corporate-governance/audit-and-risk">www.regeneus.com.au/about-us/corporate-governance/audit-and-risk</a></p> <p>...</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><b>X</b> in our Corporate Governance Statement</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/investors/financials/2018-annual-report">www.regeneus.com.au/investors/financials/2018-annual-report</a> (page 13)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/investors/financials/2018-annual-report">www.regeneus.com.au/investors/financials/2018-annual-report</a> (page 42)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><b>X</b> in our Corporate Governance Statement</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 an annual general meeting and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <b>X</b> at <a href="http://www.regeneus.com.au/about-us/corporate-governance">www.regeneus.com.au/about-us/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <b>X</b> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p>✗ in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p>✗ at <a href="http://www.regeneus.com.au/about-us/corporate-governance/audit-and-risk">www.regeneus.com.au/about-us/corporate-governance/audit-and-risk</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✗ in our Corporate Governance Statement</p> <p>✗ at <a href="http://www.regeneus.com.au/investors/financials/2018-annual-report">www.regeneus.com.au/investors/financials/2018-annual-report</a> (page13)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p>✗ in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p>✗ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p>✗ at <a href="http://www.regeneus.com.au/about-us/corporate-governance/risk-management">www.regeneus.com.au/about-us/corporate-governance/risk-management</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><b>X</b> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/about-us/corporate-governance/remuneration-and-nominations">www.regeneus.com.au/about-us/corporate-governance/remuneration-and-nominations</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><b>X</b> in our Corporate Governance Statement</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/investors/financials/2018-annual-report">www.regeneus.com.au/investors/financials/2018-annual-report</a> (page 13)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><b>X</b> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><b>X</b> at <a href="http://www.regeneus.com.au/investors/financials/2018-annual-report">www.regeneus.com.au/investors/financials/2018-annual-report</a> (page 14)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>		
<p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Corporate Governance Statement

28 August 2018

Regeneus and the Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Regeneus Ltd and its Controlled Entities ('the Group') have adopted the third edition of the Corporate Governance Principles and Recommendations.

This Corporate Governance Statement describes the extent to which the Company's current corporate governance and principles follow the recommendations. The Company will follow the recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation.

Please find the following governance-related documents on the Company's website at [www.regeneus.com.au](http://www.regeneus.com.au), under the section marked "About Us, Corporate Governance".

### Charters, Codes and Policies

Board Charter

Audit and Risk Committee Charter

Remuneration and Nominations Committee Charter

Code of Conduct

Continuous Disclosure Policy

Risk Management Policy

Shareholder Communication Policy

Securities Trading Policy

Process for evaluating Board and Executive Performance

### Principle 1: Lay solid foundations for management and oversight

#### Roles & responsibilities of the Board, Company Secretary and Senior Executives

The Board has established the functions reserved to the Board, and those delegated to senior executives as set out in its Board Charter.

The Board is collectively responsible for setting the strategy for the Group, including operational and financial objectives and ensuring that there are sufficient resources for this strategy to be achieved, appointing and, where appropriate, removing the CEO, approving other key executive appointments and planning for executive succession, overseeing and evaluating the performance of the CEO through a formal performance appraisal having regard to the Group's business strategies and objectives, monitoring compliance with legal, regulatory and occupational health and safety requirements and standards, overseeing the identification of key risks faced by the Group and the implementation of an appropriate internal control framework to ensure those risks are managed to an acceptable level, approving the Group's budgets, including operational and capital budgets, and the approval of significant acquisitions, expenditures or diversities, approval of the annual and half-yearly financial reports, and ensuring the market and shareholders are fully informed of material developments.

The responsibility for the operation and administration of the Group is delegated by the Board to the CEO and the executive management team. The Board ensures that both the CEO and executive team are

appropriately qualified and experienced to discharge their responsibilities, and as discussed above, has in place procedures to monitor and assess their performance.

There is a policy for evaluating the performance of the Board, its committees and individual Directors. These performance reviews were undertaken during FY18.

### Process for appointment of a new Director

Regeneus undertakes appropriate checks prior to the appointment of any new Director, senior executive or employee. Regeneus' policy is to provide all material information to security holders in its possession relevant to enable shareholders to make an informed decision on whether or not to elect or re-elect a director.

### Written agreements with Directors and Senior Executives

Regeneus has written letters of agreement in place with each Director, and an employment contract with each senior executive that clearly define their roles and responsibilities and of Regeneus' expectations for the Director or senior executive.

### Company Secretary

The Company Secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are followed, and by coordinating the timely completion and dispatch of Board and Committee papers, including agendas, minutes, appropriate registers and reports.

### Diversity Policy

Diversity includes, but is not limited to gender, age, ethnicity and cultural background. The Company is committed to diversity and recognizes the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. The diversity policy outlines the requirements for the Board to develop measurable objectives for achieving diversity, and regularly assess both the objectives for achieving diversity and regularly assess both the objectives and progress in achieving those objectives. The Board has developed a number of objectives for achieving diversity and aims to achieve these objectives over the next few years as positions become available and appropriately qualified candidates become available.

	30 June 2017	30 June 2018	
Women on the Board	-	-	0%
Women in Senior Management roles	4	5	55 %
Women employees in the Company	11	10	58%

Regeneus defines senior executive for these purposes as someone who makes, or participates in making decisions that affect the whole, or a substantial part of the business or the corporation.

## **Principle 2: Structure the Board to add value**

### **Remuneration and Nominations Committee**

To ensure that the responsibilities of the Board are upheld and executed to the highest level, the Board has established a Remuneration and Nominations Committee. The Committee comprises of three members, a majority of whom are independent Directors. The Committee is chaired by an independent Director. The Remuneration and Nominations Committee oversees the appointment and induction process for Directors and the selection, appointment and succession planning process of the Group's CEO. The Remuneration and Nominations Committee comprises of Dr Roger Aston, Barry Sechos and John Martin.

### **Board Skills Matrix**

The names of the members of the Board as of the date of this statement are as follows:

Dr Roger Aston – Independent Chairman  
John Martin – CEO and Executive Director  
Dr Graham Vesey – CSO and Executive Director  
Barry Sechos – Non-executive Director  
Dr Glen Richards – Non-executive Director  
Leo Lee – Non-executive Director

The Board's composition is determined with regard to the majority of Directors having extensive experience in the industries that the Group operates in. With those that do not, having extensive experience in significant aspects of the financial reporting and risk management of ASX listed companies. The size of the Board is appropriate to facilitate effective discussion and efficient decision-making. There are a sufficient number of Directors to serve on Board sub-committees without it overburdening the Directors or making it difficult for the Directors to effectively discharge their responsibilities.

### **Director Independence**

With regard to Director independence, the Board has adopted specific principles which state that an independent Director must not be a member of management and must not, within the last three years, have been employed in an executive capacity by Regeneus or any other member of the Group, be a substantial shareholder; not be a material supplier or customer of the Group or associated either directly or indirectly with a material supplier or customers of the Group or have been a Director of the Company for such a period that his or her independence may have been comprised.

Dr Roger Aston, Barry Sechos, Dr Glen Richards and Leo Lee are considered independent Directors.

### **Majority of Directors are independent**

At the end of this period, the Board comprised of six Directors, four of whom were independent Non-Executive Directors.

Non-Executive Directors are encouraged to confer periodically without executive Directors or other senior executives present.

### **Independent Chair of the Board**

The Chair of the Board is Dr Roger Aston, an independent Director. The Chair is responsible for the leadership of the Board. This includes taking responsibility for ensuring the Board functions effectively and that they comply with the continuous disclosure requirements of the ASX listing rules with regard to communicating the operations and activities of the Group to shareholders. The Chair's responsibilities

include setting the agenda for Board meetings, managing the conduct, frequency and length of Board meetings to ensure that all Directors have had the opportunity to establish a detailed understanding of the issues affecting the Group and facilitating the Board meetings to ensure effective communication between the Directors and that all Directors have contributed to the decision-making process thereby leading to a considered decision being made in the best interest of the Group.

#### **Professional Development offered to Directors**

Directors are initially appointed to office by the Board and must stand for re-election at the Group's next annual general meeting of shareholders. Directors must then retire from office and nominate for re-elections at least every three years with the exception of the CEO.

Each Director has the right of access to all relevant information in the Group in addition to access to the Group's executives. Each Director also has the right to seek independent professional advice to develop and maintain the skills and knowledge required, subject to prior consultation with, and approval, from the Chairman. This advice will be provided at the Group's expense and will be made available to all members of the Board. All Directors are provided with an induction program.

#### **Principle 3: Act ethically and responsibly**

##### **Code of Conduct**

The Group recognizes the importance of establishing and maintaining high ethical standards and decision making in conducting its business and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and employees are expected to act with the utmost integrity, honesty and objectivity, striving at all times to enhance the reputation and performance of the Group.

Unethical practices, including fraud, legal and regulatory breaches, and policy breaches, as detailed in the Code of Conduct policy are required to be reported on a timely basis to management. Reporting parties are able to do so without fear of reprisal or retribution as their identity and report are kept in the strictest confidence.

#### **Principle 4: Safeguard integrity in corporate reporting**

##### **Audit & Risk Committee**

An Audit and Risk Committee has been established by the Board. The Committee's role and operations are documented in its Charter.

The committee comprises of three members, all of whom are independent Directors. The Committee is chaired by an independent Director. The Audit and Risk Committee ensures the integrity of the Group's internal and external financial reporting including compliance with applicable laws and regulations, ensuring that financial information provided to the Board is of a sufficiently high quality to allow the Board to make informed decisions, ensuring that appropriate and effective internal systems and controls are in place to manage the Group's exposure to risk, overseeing the appointment, compensation, retention and oversight of the external auditor and review of any non-audit services provided by the external auditor and to regularly review the performance of the external auditor regarding quality, costs and independence. The Audit and Risk Committee comprises of Barry Sechos, Dr Roger Aston and Glen Richards.

## **Principle 5: Make timely and balanced disclosure**

### **Continuous Disclosure Policy**

Regeneus has established procedures and policies to ensure timely and balanced disclosure of all material matters concerning the Group, and ensure that all shareholders have access to information on the Group's financial performance. This ensures that the Group is compliant with the continuous disclosure requirements under the ASX Listing Rules.

These policies and procedures include a comprehensive Continuous Disclosure Policy that includes identification of matters that may have a material impact on the price of the Regeneus securities, notifying them to the ASX, posting relevant information on the Group's website and issuing media releases.

Matters involving potential market sensitive information must first be reported to the CEO either directly or via the Company Secretary. The CEO will advise the other Directors if the issue is important enough to warrant the consideration of the full Board. In all cases, the appropriate action must be determined and carried out in a timely manner in order for the Group to comply with the information disclosure requirements of the ASX.

Once the appropriate course of action has been agreed upon, the Company Secretary will disclose the information to the relevant authorities. Board approval is required for market sensitive information such as financial results.

## **Principle 6: Respect the rights of security holders**

### **Shareholder Communication Policy**

Regeneus has established a Shareholder Communication Policy which describes the Group's approach to promoting effective communication with shareholders which includes providing the annual report, which includes relevant information about the operations of the Group during the year, key financial information, changes in the state of affairs and indications of future developments.

The half year and full year financial results are released to the ASX and are available via the ASX platform and Regeneus website.

All announcements made to the market and related information (including new presentations to shareholders and information provided to analysts or the media during briefings), are made available to all shareholders under the investor information section of the Regeneus website immediately after they have been released to the ASX.

Detailed notices of shareholder meetings are sent to all shareholders in advance of the meeting. The Board encourages full participation by shareholders at the annual general meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions. The shareholders are requested to vote on matters such as the adoption of the Group's remuneration report, the granting of options and shares to Directors and changes to the Constitution.

The external auditor attends the annual general meeting to answer any questions concerning the audit of the Group and the contents of the auditor's report.



Regeneus has established an investor relations program which includes a detailed program of scheduled and ad-hoc interactions with institutional investors, private investors, sell-side and buy-side analysts.

Regeneus encourages its shareholders to opt to receive communications from, and send information to Regeneus electronically. This can be done via the Registry or by requesting or agreeing to be included on the Company's distribution list for all company related news.

## **Principle 7: Recognise and manage risk**

### **Audit and Risk Committee**

Under its Charter, the Audit and Risk Committee has been delegated responsibility by the Board to oversee the implementation and review of risk management and related internal compliance and control systems throughout the Group.

The Committee reviews the appropriateness and adequacy of internal processes for determining, assessing and monitoring risk areas including the assessment of the effectiveness of the Group's internal compliance and controls including the existence and adequacy of key policies and procedures, the adequacy of disclosures and processes for regular reporting of information to the appropriate parties, including the Board.

The Committee is also responsible for monitoring the Group's compliance with applicable laws and regulations including ensuring that management is reviewing developments and changes in applicable laws and regulations relating to the Group's responsibilities, reviewing management's actions and responses to ensure that the Group's practices are compliant with all new developments, reviewing material actual and suspected breaches of applicable laws and regulations, and any breaches of Group policies, reviewing material litigation, legal claims, contingencies or significant risks relating to the Group and reviewing Director and executive management related party transactions.

The Audit and Risk Committee reports to the Board on any major issues and findings that are presented and discussed at its meetings. The Board reviews the Group's risk management framework at least annually to satisfy itself that it continues to be sound. This review was undertaken in 2018.

### **Risk Management Framework**

Regeneus recognizes that a robust risk management framework is essential for corporate stability, protecting the interests of its stakeholders and for sustaining its competitive market position and long-term performance.

The Group has established a number of objectives to drive its risk management policies including having a culture that is risk aware and supported by high standards of accountability at all levels, promoting and achieving an integrated risk management approach whereby risk management forms a part of all key organizational processes, supporting more effective decision-making through better understanding and consideration of risk exposures, safeguarding the assets and enabling the Board to fulfill its governance and compliance requirements.

In achieving effective risk management, Regeneus recognizes the importance of leadership. As such, the Board and executive management have responsibility for driving and supporting risk management across the Group. A regular review of the risk framework is undertaken.

Regeneus has no material exposure to economic, environmental and social sustainability risks.

### **Principle 8: Remunerate fairly and responsibly**

#### **Remuneration and Nominations Committee**

As previously mentioned in Principle 2, the Board has established a Remuneration and Nominations Committee whose role is documented in a Charter, which is approved by the Board.

The objective of the Committee with respect to its remuneration function is to assist the Board in determining appropriate remuneration arrangements for the Directors and executive management. These objectives include reviewing the adequacy and form of remuneration of independent Non-Executive Directors, ensuring that the remuneration of the independent Non-Executive Directors is reflective of the responsibilities and the risks of being a Director of the Group, reviewing the contractual arrangements of the CEO and executive management to comparable groups within similar industries to ensure that the remuneration on offer can attract, retain and properly reward performance which will translate into long term growth in shareholder value, annually reviewing the key performance indicators of the CEO and executive team to ensure that they remain congruent with the Group's strategies and objectives, reviewing the basis for remuneration of the other Executive Directors of the Group for their services as Directors, reviewing incentive performance arrangements when instructed by the Board and reviewing proposed remuneration arrangements for new Directors or executive appointments. These performance reviews were undertaken during FY18.

The Committee will submit their recommendations to the Board regarding the remuneration arrangements and performance incentives for the CEO and executive team. The Board will review these recommendations before providing their approval.

Details of the Group's remuneration structure and details of senior executives' remuneration and incentives are set out in the Remuneration Report contained within the Directors' Report in the financial statements. The Remuneration Report also contains details on the structure of Non-Executive Director Remuneration. Regeneus has in place an employee share option plan to foster an ownership culture in the Company and to motivate senior management and staff to achieve performance targets of the Company.