

Summary of Process for Evaluating Board and Executive Performance

Background

Under ASX Corporate Governance Principles 1 (Lay solid foundations for management and oversight) and 2 (structure the Board to add value), companies are encouraged to regularly review the performance of boards, board committees, individual directors and senior executives. This document describes the framework adopted by Regeneus Limited (**Company**).

Board Evaluation Process

Before the Board Review discussion:

- The Chairman may meet with individual directors (if not, the Board discussion will cover individual as well as collective performance); and
- Each Board Committee will:
 - Review the Committee's own performance against its particular charter;
 - Consider whether the Committee has received adequate support from management and external advisers; and
 - Consider whether there should be any changes to the Committee's Charter or practical arrangements to more effectively fulfil the governance principles published by the ASX.

and the Chair of each Board Committee will report to the Chairman on these matters.

For the Board Review, the Chairman will lead the Board in a discussion of the matters outlined in the next section. Part of that discussion will include the senior management team so that the Board and senior executives can collectively discuss the effectiveness of their interactions.

Areas of Focus for the Review Process

Board

At the annual performance review discussion for the Board as whole, the Chairman will ensure that the Board discusses the following issues, in addition to any other matters that the Chairman or other Board Members wish to discuss:

- Is the Board fulfilling the roles set out in the Board Charter?
- Does the Board give sufficient attention to long term strategy?

- How effectively has the Board monitored the Executive Team, the performance of the Company's business and the operation of the Company's risk management systems?
- What steps is the Board taking to support diversity in the Company's leadership team and employees and are the diversity objectives being met?
- How effective were Board meetings? (e.g. time allocated for particular topics Chairman's leadership, quality of board papers, participation of management, location and timing of meetings)
- Are Board Committees fulfilling the objectives set out in the relevant charter, and what, if any, action items arise from the reviews undertaken by those Committees?

Individual directors

If the Chairman meets with individual non-executive directors to discuss their individual performance and contribution to the Board, topics will include:

- Changes in degree of independence including any potential conflicts of interest;
- Areas in which the director currently adds value, or could add further value, to the Board's deliberations; and
- Interactions with colleagues, senior management and shareholders.

Results of Evaluation

At the Board meeting in which the review is undertaken, the Chairman will conclude the discussion by helping the Board resolve on outcomes to be minuted by the Company Secretary. The Company Secretary will ensure that:

- Agreed changes are incorporated in relevant Charters; and
- Any issues requiring ongoing review or monitoring are included as agenda items in papers for future Board meetings.

Performance Evaluation of Senior Executives

The Remuneration Committee conducts an annual evaluation of the CEO's performance (taking into account detailed reports from management) to ensure that the CEO is providing the best leadership for the Company in the long and short-term. The CEO's performance will be measured against KPI's established by the Board and agreed with the CEO at the beginning of each financial year. The Remuneration Committee also conducts an annual evaluation of each other senior executive's performance against KPI's agreed with the executive at the beginning of each financial year. For the purpose of this review, the Remuneration Committee receives detailed reports on performance from management.

As a result of the annual performance evaluations, the Remuneration Committee (and Nomination Committee where appropriate) will recommend to the Board targets and

KPI's for the coming financial year, and changes to the CEO's and other senior executives' remuneration.