

Dimerix Limited
Corporate Governance Statement

ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 3rd edition*
As at 30 June 2019 and approved by the Board.

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments.

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website under its "Corporate Governance" heading – www.dimerix.com.

The Company intends to follow the ASX CGC P&R in all respects other than as specifically provided below.

The independent directors of the Company are David Franklyn, Sonia Poli, Hugh Alsop and James Williams.

Recommendation	Compliance	Explanation
<p>1.1 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>✓</p> <p>✓</p>	<p>The Board has established a Corporate Governance Policy which summaries the role and duties of the Board.</p> <p>The Company considers that the primary responsibility of the Board is to oversee the Company's business activities and management for the benefit of the shareholders by:</p> <ul style="list-style-type: none"> – setting objectives, goals and strategic direction with management with a view to maximising shareholder value; – overseeing the financial position and monitoring the business and affairs of the Company; – establishing corporate governance, ethical, environmental and health and safety standards; – ensuring significant business risks are identified and appropriately managed; and – ensuring the composition of the Board is appropriate, selecting directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual directors. <p>The management structure of the Company and the suitability of authority levels are determined and reviewed by the Board.</p> <p>The Board has reviewed and approved the Company's Delegation of Authority for the 2019 FY.</p> <p>Matters which are not covered by the delegations require Board approval.</p>

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	✓	Appropriate checks have been undertaken.
	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 that the Company has in its possession has been disclosed.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	✓	The Company has a written agreement in place with each director and senior executive setting out their terms of appointment.
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 proper functioning of the board.	✓	This practice is in place.
1.5	A listed entity should:		
	a. Have a diversity policy;	✓	The Company is committed to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its directors, officers and employees. A copy of the Diversity Policy is available on the Company's website at www.dimerix.com . While not setting specific targets for achieving gender diversity, Dimerix does not discriminate in favour of or against the appointment of women at any level in the organisation, nor does it discriminate based on gender in setting salary levels, training and development or in other advancement opportunities. This will always be based on technical abilities and qualifications with no consideration to gender.
	b. Disclose that policy or a summary of it;	✓	
	c. Disclose the measurable objectives for achieving gender diversity and the its progress towards achieving them; and	✗	
	d. 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).	✓	

The table below provides actual data on gender diversity that currently exists within the group:

	Number	%
Women employed whole organisation	5	56%
Women in senior executive roles	1	100%
Women in board positions	2	40%

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	✓	The Company does not have a documented procedure for the evaluating the performance of the Board, its committees and directors. An evaluation of the performance of the Board and its directors is undertaken informally each year. The Chairman of the Board is the driver of this process.
	b. Disclose whether performance evaluations were undertaken.	✓	The evaluation of the performance of the Board's various committees is undertaken on an exception basis. This is also an informal process which is driven by the Chairman of the Board.
1.7	A listed entity should:		
	a. Have and disclose a process for periodically evaluating the performance of senior management; and	✓	The Board is responsible for reviewing the performance of its senior executives on an annual basis.
	b. Disclose whether performance evaluations were undertaken.	✓	The Company has undertaken a performance evaluation for senior executives during the financial year.
2.1	A listed entity should have a nomination committee which:	*	The Company does not presently have a separate nomination committee. The size of the Company and Board does not warrant the establishment of a separate nomination committee. The duties of such committee have been considered and adopted by the Board.
	- Consists of at least 3 members, a majority of whom are independent directors;		
	- Is chaired by an independent director;		
	And disclose:		The Company does not have a documented procedure for the selection and appointment of directors. The Board informally reviews the skill set of and market expectations for its directors on a regular basis and considers these factors when appointing / re-electing directors.
	- The charter of the committee;		
	- The members of the committee		
	- The number of times the committee met and individual attendance at those meetings		
	If it does not have a nomination committee disclose that fact and the process it follows to address that role.		

2.2	A listed entity should have and disclose a board skills matrix.	✓	<p>The Company has in place a Board Skills Matrix, setting out the mix of skills and diversity that the Board currently has.</p> <p>The Board Skills Matrix is available in the corporate governance section of the website at www.dimerix.com</p>
2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> - The names of the directors considered by the board to be independent directors and length of service. - If a director has an interest / association / relationship that meets the factors of assessing independence. 	✓	<p>The directors considered by the Board to be independent directors for ASX purposes (for the period ending 30 June 2019) are David Franklyn, Sonia Poli, Hugh Alsop and James Williams. Their respective length of service is set out in the annual report.</p> <p>Although Sonia Poli, David Franklyn and James Williams have an interest in the Company, the Board does not consider this to be significant and subsequently compromise the independence of the director.</p> <p>The following directors are considered by the Board not to be independent directors for ASX purposes:</p> <ul style="list-style-type: none"> - Managing Director and CEO, Nina Webster given her executive role in the company;
2.4	A majority of the board should be independent directors.	✓	Four of the five board members are independent.
2.5	The chair should be an independent director.	✓	The Chairman, Mr James Williams, is an independent director.
	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	✓	The positions of Chairman and Chief Executive Officer are not held by the same person.
2.6	A listed entity should have a program for inducting new directors.	✗	The Company does not presently have a program for inducting new members as the size of the Company and the Board does not warrant this practice.
3.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> - have a code of conduct; and - disclose the code or a summary of it. 	<p>✓</p> <p>✓</p>	<p>The Board has adopted a Code of Conduct. The code outlines the Company's position on a range of ethical and legal issues including financial inducements, conflicts of interest and accountability and addresses:</p> <ul style="list-style-type: none"> - the practices necessary to maintain confidence in the company's integrity; - the practices necessary to take into account their legal obligations and the expectations of their stakeholders; and - responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The code applies to directors, employees, and anyone who works with the Company.

The Code of Conduct is available at www.dimerix.com

4.1	<p>The board of a listed entity should have an audit committee which:</p> <ul style="list-style-type: none">- Has at least three members all of whom are non-executive directors and a majority of independent directors; and- Is chaired by an independent chair, who is not chair of the board. <p>Disclose:</p> <ul style="list-style-type: none">- The charter of the committee;- The relevant member qualifications;- The number of times the committee met and individual attendance at those meetings <p>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.</p>	*	<p>The board has not established an audit committee given the small size of the board. The role of the committee is undertaken by the full board.</p>
4.2	<p>The board should receive declarations for CEO & CFO in accordance with S.295A of corporations act before approving financial statements.</p>	✓	<p>Prior to approving the Company's financial statements, the Board receives from the CEO and CFO a declaration that, in their opinion, the financial records of the Company 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 Company 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>
4.3	<p>A listed entity should ensure its external auditor attends its AGM.</p>	✓	<p>The Company requests the external Auditor to attend the Annual General Meeting and be available to answer shareholders' questions.</p>
5.1	<p>A listed entity should:</p> <ul style="list-style-type: none">- Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and	✓	<p>The Board recognises that shareholders and the investment market generally should be informed of all major business events that influence the Company in a timely and widely available manner. To safeguard the effective dissemination of information the Company has adopted an Information Disclosure Policy. The Policy outlines how the</p>

	- disclosure that policy or a summary of it.	✓	<p>Company identifies and distributes information to shareholders and market participants and has been designed to ensure:</p> <ul style="list-style-type: none"> - compliance with ASX Listing Rule disclosure; and - accountability at a senior executive level for that compliance. <p>The Company's Information Disclosure Policy is available on the Company's website in the Corporate Governance section.</p>
6.1	A listed entity should provide information about itself and its governance to investors via its website.	✓	The company information and governance policies are contained on the company's website at www.dimerix.com .
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	<p>The Company's communication strategy forms part of the Company's Information Disclosure Policy. The Board aims to ensure that the market and shareholders are informed of all major developments affecting the Company. The Company's website contains a section for shareholders and investors (Investor Centre).</p> <p>All announcements and corporate material of interest to shareholders and the market can be found on the Investor Centre. The Company's communication strategy has been designed to:</p> <ul style="list-style-type: none"> - promote effective communication with shareholders; and - encourage shareholder participation at AGMs.
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.	✓	Satisfied. See Dimerix Limited Corporate Governance Policies and Committee Charters within the Corporate Governance section at www.dimerix.com .
6.4	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	✓	Orchestrated via the share registry service.
7.1	<p>The board of a listed entity should have a committee to oversee risk, which:</p> <ul style="list-style-type: none"> - Has at least three members all of whom are non-executive directors and a majority of independent directors; and 	✗	The Company does not have a separate risk committee given the small size of the board. The role is performed by the full board.

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- Is chaired by an independent chair, who is not chair of the board.

Disclose:

- The charter of the committee;
- The members of the committee; and
- The number of times the committee met and individual attendance at those meetings

If it does not have a risk committee disclose that fact and the process it follows to address that role.

7.2 The board or a committee of the board should:

- Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- Disclose whether such a review has taken place.

✓

The Company has in place a system to identify, monitor and manage significant risks associated with its business activities. The risk register and related risk management controls are reviewed by management and the Board at least annually.

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategies, policies, internal compliance and internal controls.

A review of the Company's risk register and controls, as well as risk management framework, was undertaken for the financial year ending 30 June 2019. The Company is satisfied that the risk management framework is in line with industry standards for risk reporting.

7.3 A listed entity should disclose:

- If it has an internal audit function, how the function is structured and what role it performs;
- If it does not have an internal audit function, disclose that fact and the process it follows to address that function.

✘

Dimerix does not have its own internal audit function given the relative size of the organisation.

The Board considers the current systematic monitoring of control activities to be sufficient to manage current and future risks.

7.4 The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.

✓

The Company does not have any significant exposure to economic, environmental or social sustainability risks.

8.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> - have a remuneration committee which has at least three members all of whom are non-executive directors and a majority of independent directors; and - Is chaired by an independent director; and <p>Disclose:</p> <ul style="list-style-type: none"> - The charter of the committee; - The members of the committee; and - The number of times the committee met and individual attendance at those meetings <p>If it does not have a remuneration committee disclose that fact and the process it follows to address that role.</p>	✘	<p>The Company does not have a separate remuneration committee due to the small size of the board. The role is performed by the full board with Board members excusing themselves where this is the potential for conflict to arise.</p>
8.2	<p>A listed entity should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</p>	✓	<p>The structure of Directors' remuneration is disclosed in the annual report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> - Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme; - Disclose that policy or a summary of it. 	✓	<p>The Company has a Securities Trading Policy, which provides that participants must not, without prior approval, engage in short selling or other hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities.</p> <p>A copy of the Securities Trading Policy is available in the Corporate Governance section of the Company's website at www.dimerix.com.</p>

Further information about the Company's corporate governance practices is set out on the Company's website.