

OncoSil Medical Limited

The format of the Corporate Governance Statement is based on the Australian Securities Exchange Corporate Governance Principles & Recommendations 3rd Edition (the "ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles and discloses the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure. The fourth edition comes into force for financial years commencing on or after 1 January 2020.

The Company has taken into account factors such as the size of the Company and the Board, resources available and activities of the Company where it has considered the recommendation to be an appropriate benchmark for corporate governance practices.

Corporate Governance Statement

Principle 1 - Lay solid foundations for management and oversight

Role and Responsibilities of the Board and Management

The Chairman of OncoSil Medical Limited (Company) is responsible for leading the Board, its meetings and Directors so that all Directors are able to contribute effectively, all matters are properly considered and there is clear decision-making. The Chairman has ultimate responsibility for ensuring that corporate governance matters are properly considered by the Directors.

The Board of the Company is responsible for setting the strategic direction and for overseeing and monitoring its businesses and affairs in the interest of all shareholders. The respective roles and responsibilities of the Board and senior executives and the matters expressly reserved to the Board and those delegated to management, are set out in detail in the Company's Board Charter, which is available on the Company's website within the Corporate Governance Policy.

The Board has overall authority over the group and has delegated the day-to-day management of the Company to the Managing Director/CEO and other senior executives (Management). Senior executives have their roles and responsibilities defined in specific position descriptions.

Director Appointment and Election

Before appointing a director, or putting forward to shareholders a director for appointment, the Company undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, and disqualified officer status. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission (**ASIC**).

An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting (**AGM**). Directors are generally appointed for a term of three years. Retiring directors are not automatically re-appointed.

The Company provides to shareholders for their consideration information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which include experience and qualifications, details of other directorships, adverse information about the person that the Board is aware of including material that may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required committee work and other special duties, requirements to

disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Executive directors and senior executives are issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

Company Secretary

The Company Secretary is accountable directly to the Board through the Chairman in respect of matters relating to the proper functioning of the Board and is accessible to all directors. The Company Secretary's role, includes: advising the Board and its Committees on governance matters; monitoring compliance of the Board and associated committees with policies and procedures; coordinating all Board business; retaining independent professional advisors; ensuring that the business at Board and committee meetings is accurately minuted; and assisting with the induction and development of directors.

Diversity Policy

The Company is committed to increasing diversity amongst its employees, not just in the area of gender diversity. Due to the size of the Company the Directors have not established a formal diversity policy which requires the Board to set measurable objectives for achieving gender diversity and to assess the objectives and the Company's progress towards achieving them on an annual basis.

Executive and Board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when appropriate appointments become available. The Company is also committed to identifying suitable persons within the organisation, and where appropriate opportunities exist, advance diversity to support the promotion of talented employees into management positions. The Company has not set any gender specific diversity objectives as it believes that multicultural diversity and other diversity factors are equally important within its organisation. This commitment enables the Company to attract and retain employees with the best skills and abilities.

The respective proportion of women and men in the Company including its subsidiaries (**Consolidated Entity**) as at 30 June 2020 are as follows:

	Proportion of women	Proportion of men
On the Board	0%	100%
In senior executive positions	17%	83%
Across the whole organisation	30%	70%

For this purpose, the Board defines a senior executive as a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the Company's financial standing. This therefore includes all senior management and senior executive designated positions as well as senior specialised professionals.

As no entity within the Consolidated Entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 on the basis that no entity employs 100 or more employees in Australia, there are no Gender Equality Indicators to be disclosed.

Performance Assessment

The Board has adopted an informal self-evaluation process to measure its own performance, as well as the performance of individual Committees and individuals.

The performance of the Board and individual directors is reviewed at least every year by the Board as a whole. This process includes a review in relation to the composition and skills mix of the Directors of the Company.

The review for the current financial year occurred on 2 June 2020 and was led by the Chairman. The process

included collective Board discussions to capture observations for where improvements could be made and where processes worked well. The review of the Chairman's role was conducted by the Chair of the Audit and Risk Committee after obtaining feedback from each individual director.

The Board conducts an annual performance assessment of the CEO against agreed performance measures determined at the start of the year. The CEO undertakes the same assessments of senior executives. In assessing the performance of the individual, the review includes consideration of the senior executive's function, individual targets, group targets, and the overall performance of the Company.

The CEO provides a report to the Board on the performance of senior executives together with remuneration recommendations which must be approved by the Board after consultation with the Nomination and Remuneration Committee. The last review of senior executives in accordance with this process was undertaken 2 June 2020.

Principle 2 - Structure the board to add value

Nomination and Remuneration Committee

The Board maintains a combined Nomination and Remuneration Committee, whose members during the financial year were as follows:

Names	Position	Independence status
Dr Martin Cross	Chairman	Independent
Dr Roger Aston	Member	Independent
Dr Christopher Roberts AO	Member	Independent

The independence of the Nomination and Remuneration Committee is subject to continual evaluation and the Board will continue to seek to identify suitable candidates to fill vacancies as they arise.

The Nomination and Remuneration Committee met not less than once a year.

Skills Matrix

The Board regularly evaluates the mix of its skills, experience and diversity. The Board considers that collectively its directors have a level of skill, knowledge and experience that enables the Board to effectively discharge its responsibilities and duties (including the activities and industries outlined below). The mix of skills the Board is seeking to maintain, and to build upon, includes:

- Finance and Tax (e.g. financial management capability including accounting or related financial management qualifications);
- Research and development;
- Executive leadership ;
- Pharmaceutical and Medical Devices;
- Biomedical science;
- Risk management understanding and experience;
- Commercial acumen;
- Product development; and
- Strategic capabilities.

The Company does not have a formal induction or professional development program for directors. To date, such programs have been considered unnecessary as the current Board has satisfactory experience and skill set.

Consideration will be given to implementing such programs if needed.

Composition of the Board

The Board assesses annually the independence of each director to ensure that those designated as independent do not have any alliance to the interests of Management, substantial shareholders or other relevant stakeholders.

They must be free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

The Board has assessed the independence of the non-executive directors in light of their interests and relationships and considers that all of the non-executive directors are independent.

Details of the Board of directors, their appointment dates, and independence status is as follows:

Names	Position	Independence status	Tenure
Dr Chris Roberts	Non-Executive Chairman	Independent	21 January 2016 - current
Mr Daniel Kenny	Managing Director	Not independent	28 November 2014 – current
Dr Roger Aston	Non-Executive Director	Independent	28 March 2013 - current
Dr Martin Cross	Non-Executive Director	Independent	28 February 2017 - current
Mr Michael Bassett	Non-Executive Director	Independent	10 December 2018 - current

Principle 3 - Act ethically and responsibly

Code of Conduct

The Company has established a Code of Conduct for its directors, senior executives and employees. All Directors, officers, employees, advisors, consultants and contractors of the Group are expected to act with integrity and objectivity, and to maintain the highest possible ethical standards that have been formalised and set out in the Company's Code of Conduct, which is available on the Company's website. A copy of which is contained within the Company's Corporate Governance Policy available on the Group's website.

Principle 4 - Safeguard integrity in corporate reporting

Audit and Risk Committee

The Board has an Audit and Risk Committee consisting of the chairman, Roger Aston, Martin Cross and Chris Roberts.

Details of each member's qualifications and experience is detailed in the 'Information of directors' section of the Company's annual report.

The Charter of the Committee is contained within the Company's Corporate Governance Policy available on the Group's website. It provides details in relation to its role, confers on it all necessary powers to perform that role, and explains how the Committee achieves its main objectives, which are to carry out the following functions:

- review and monitor the integrity of annual report including the financial statements;
- review and oversee systems of risk management, internal control and legal compliance;
- review the adequacy of the corporate reporting processes;
- oversee the process for identifying significant risks facing the Company and implementing appropriate and adequate control, monitoring and reporting mechanisms; and
- liaise with and monitor the performance and independence of the external auditor.

CEO / CFO Declarations

In relation to the financial statements for the financial year ended 30 June 2020 and the half-year ended 31 December 2019, the Company's CEO and CFO have provided the Board with declarations, that in their opinion:

- the financial records of the Company have been properly maintained;
- 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
- has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Auditor

The engagement partner for the Company's audit attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

Principle 5 - Make timely balanced disclosure

The Company recognises and respects the rights of shareholders, and seeks to facilitate the effective exercise of those rights within the limitations of the continuous disclosure provisions of the ASX Listing Rules.

The Company maintains a written policy that outlines the responsibilities relating to the directors, officers and employees in complying with the Company's disclosure obligations. Generally, the CEO is ultimately responsible for decisions relating to the making of market announcements. The Company Secretary is responsible for ensuring that the Board is aware of items of business that could result in an announcement. The Board is required to authorise announcements of significance to the Company such as significant acquisitions, disposals and closures, material profit upgrades or downgrades, dividend declarations and buybacks, and any other transaction flagged by the Chairman as being fundamentally significant. The Company's Disclosure Policy can be viewed on the Company's website.

Principle 6 - Respect the rights of security shareholders

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

In order for the investors to gain a greater understanding of the Company's business, governance practices, financial performance and future prospects, the Company schedules interactions during the year with institutional and private investors, analysts and the financial media.

Meetings and discussions with analysts are generally conducted by the CEO/ Managing Director. The discussions are restricted to explanations of information already within the market or which deal with non-price sensitive information.

Shareholder Participation and Correspondence

The Company encourages shareholders to attend the Company's AGM and to send in questions prior to the AGM so that they may be responded to during the meeting. It also encourages ad hoc enquiry via email which are responded to.

The 2020 Notice of AGM will be provided to all shareholders and made available via the Company's website.

The external auditor is required to attend the AGM of the Company and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company engages its share registry to manage the majority of communications with shareholders.

Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Boardroom Pty Limited at <https://www.boardroomlimited.com.au>.

Principle 7 - Recognise and Manage Risk

The Board maintains a combined Audit and Risk Committee. The members of the Committee are detailed in Principle 4 above.

The Charter of the Committee is available at the Company's website. The charter outlines the Committee's responsibilities which include procedures for general risk oversight and monitoring, internal control and risk management, risk transfer and insurance and other responsibilities.

The Audit and Risk Committee reviews the Company's risk management framework at least annually to ensure that it is still suitable to the Company's operations and objectives and that the Company is operating within the risk parameters set by the Board. As a consequence of the last review undertaken for the year ended 30 June 2019, there were no significant recommendations made.

Internal Audit

The Company does not have a formal internal audit function. Considering the size of the Company, such a function is deemed unnecessary.

Considering the natural control mechanism that exists with small companies, the Board works closely with staff and have a detailed understanding of the Company.

Economic, Environmental and Social Sustainability Risks

The Company has no material exposure to environmental or social sustainability risks.

As the Company's main activity is clinically developing its lead product, it still operates at clinical trial levels. Accordingly, the Board is of the view that the Company, as with other companies at such a stage of development, is subject to exposure for economic sustainability, including the risk that its regulatory approvals may not be granted or revoked, clinical trials may not be successful or become too expensive to conclude.

The Directors believe that the Company has adequate systems in place to monitor the costs, risks and progress of its trials to manage those economic sustainability risks as they apply to the Company.

Principle 8 - Remunerate fairly and responsibly

The Board maintains a combined Nomination and Remuneration Committee. The members of the Committee are detailed in the Principle 2 commentary above.

Details of the qualifications and experience of the members of the Committee are found in the Directors' report within the annual report.

The Remuneration Committee oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees.

The Charter of the Committee is available at the Company's website. The Committee's charter sets out the roles and responsibilities, composition and structure of the Committee.

When considered necessary, the Committee may obtain external advice from independent consultants in determining the Company's remuneration practices including remuneration levels.

Non-executive directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees. The level of remuneration reflects the anticipated time commitments and responsibilities of the position.

Executive directors and other senior executives are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates having regard to the individual's performance and responsibilities. Performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives. Share rights are aligned to longer term performance hurdles. Termination payments are detailed in individual contracts and payable on early termination with the exclusion of termination in the event of misconduct.

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

Employee Share Plan

The Company has an employee loan share plan made available to certain employees. Details of this plan can be found in the Company's annual report.