

Race Oncology Limited

Corporate Governance Statement

The Board of Directors of Race Oncology Limited (**Race or the Company**) ABN 61 149 318 749 is responsible for the corporate governance of the Company. The Board guides and monitors the Company's business on behalf of its shareholders.

The Company and its Board continue to be fully committed to achieving and demonstrating the highest standards of accountability and transparency in their reporting and see the continued development of the Company's corporate governance policies and practices as fundamental to the Company's successful growth.

To the extent applicable, in light of the Company's size and nature, the Board has adopted the *Corporate Governance Principles and Recommendations (Fourth Edition)* as published by ASX Corporate Governance Council (**Recommendations**). However, the Board also recognises that full adoption of the Recommendations may not be practical or provide the optimal result given the particular circumstances of the Company.

The Company's full Corporate Governance Plan is available from the Company's website at <https://www.raceoncology.com/investors/>. Any references to various Charters or Policies within the statement below, are references to the Corporate Governance Plan. Information published on the Company's website includes a copy of this Corporate Governance Statement.

This Corporate Governance Statement was approved by the Board of Directors, is current as at 26 August 2022 and has been authorised for release.

Recommendation	Comply	Comment
<p>Principle 1: Lay solid foundations for management and oversight</p> <p><i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.</i></p>		
1.1	<p>A listed entity should have and disclose a board charter setting out:</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>Yes</p> <p>The Company's Constitution provides that the business of the Company will be managed by the Board. The respective roles and responsibilities of the Board and management are defined under the Board Charter. There is a clear delineation between those matters expressly reserved to the Board and those delegated to management.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes</p> <p>The process for the selection, appointment and re-appointment of Directors is set out in the Company's Constitution. The Company undertakes comprehensive reference checks prior to appointing a Director or senior executive or putting someone forward for election as a Director.</p> <p>The Company provides security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director.</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Yes</p> <p>The terms of the appointment of non-executive Directors, executive Directors and senior executives are agreed upon and set out in writing at the time of appointment. All current agreements are made with the Director or senior executive personally.</p>
1.4	<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>Yes</p> <p>In accordance with the Board Charter, the decision to appoint or remove the Company Secretary must be made or approved by the Board. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.</p>

Recommendation	Comply	Comment
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set out for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) 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>(B) 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>Partial</p>	<p>The Board has adopted a Diversity Policy which is available on its website and provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.</p> <p>The Board has not yet set measurable objectives for achieving gender diversity due to the Company's current size and level of operations. The Board is acutely aware of the importance for gender diversity within the workforce and looks to achieve a culture of inclusion when assessing a suitable candidate for an open position and through its day-to-day practices.</p> <p>The participation of women in the Company at the date of this report is as follows:</p> <ul style="list-style-type: none"> • Women employees in the Company 37.5% • Women in senior management positions 20% • Women on the Board 25% <p>The Company is not a "relevant employer" under the Workplace Gender Equality Act 2002 and therefore no Gender Equality Indicators have been disclosed.</p> <p>The Company's Diversity Policy is contained within the Corporate Governance Plan and is available on its website.</p>
<p>1.6 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 accordance with that process during or in respect of that period.</p>	<p>Yes</p>	<p>On an annual basis, the Board conducts a review of its structure, composition and performance.</p> <p>The annual review includes consideration of the following measures:</p> <ul style="list-style-type: none"> • Comparing the performance of the Board against the requirements of its Charter; • Assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget; • Reviewing the Board's interaction with management; • Reviewing the type and timing of information provided to the Board by management; • Reviewing management's performance in assisting the Board to meet its objectives; and • Identifying any necessary or desirable improvements to the Board Charter.

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			<p>The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.</p> <p>The Chair has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:</p> <ul style="list-style-type: none"> • Contribution to Board discussion and function; • Degree of independence including relevance of any conflicts of interest; • Availability for and attendance at Board meetings and other relevant events; • Contribution to Company strategy; • Membership of and contribution to any Board committees; and • Suitability to Board structure and composition. <p>A Board performance review was conducted during the year in accordance with the above processes.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>The Company has an annual performance review process in place for its Managing Director, Executive Director and other senior executives. On an annual basis, corporate objectives and individual key performance indicators (KPIs) are set. The Managing Director reviews the performance of senior executives and their delivery of corporate and individual objectives.</p> <p>Performance reviews of senior executives were conducted during the year in accordance with the above process.</p>

Recommendation	Comply	Comment
<p>Principle 2: Structure the Board to be effective add value</p> <p><i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i></p>		
<p>2.1 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>Yes</p>	<p>The Board considers that the Company does not currently benefit from the establishment of a separate Nomination Committee. In accordance with the Company's Board Charter and operating within the boundaries of the Nomination Committee Charter, the Board is responsible for the nomination and selection of directors.</p> <p>The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern Race Oncology. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.</p> <p>The Board reviews its size and composition regularly and at least once a year as part of the Board evaluation process. When the need for a new director is identified, the required experience and competencies of the new director are defined in the context of the skills matrix and any gaps that may exist.</p> <p>Generally, a list of potential candidates is identified based on these skills required and other issues such as geographic location and diversity criteria. Candidates are assessed against the required skills and on their qualifications, backgrounds and personal qualities. In addition, candidates are sought who have a proven track record in creating security holder value and the required time to commit to the position.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>The Company has in place a Board Skills Matrix setting out the mix of skills that the Board currently has and is looking to achieve in its membership.</p> <p>A summary of the Skills Matrix is available on the Company's website at https://www.raceoncology.com/investors/.</p>

Recommendation		Comply	Comment
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 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>	Yes	<p>Director</p> <p>Dr John Cullity</p> <p>Mr Phillip Lynch</p> <p>Ms Mary Harney</p> <p>Dr Daniel Tillett</p> <p>Length of Service</p> <p>Non-Independent Non-Executive Chair (appointed as a Non-Executive Director 6 April 2018); Managing Director (appointed as a Director 1 June 2020); Independent Non-Executive Director (appointed 8 February 2021); and Executive Director (appointed 17 September 2019).</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	No	<p>The Board, at the date of this statement, has only one independent Director, Ms Mary Harney. Ms Harney is considered by the Board to be independent as she is not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of her judgement.</p> <p>Dr Cullity is not considered to be independent due to him having a material business relationship with the Company to secure licensing partners for Bisantrene and by virtue of having been an Executive Chair of the Company. Mr Phillip Lynch and Dr Daniel Tillett are not considered to be independent by virtue of them being executives of the Company and Dr Tillett also being a substantial shareholder of the Company.</p> <p>Race Oncology has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.</p> <p>Given the size of the Board and the nature and scale of the Company's current operations the Board believes that its current composition, with only one independent Director, is sufficient.</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	No	<p>Dr Cullity is the Chair of the Company, is not considered by the Board to be independent and is not the same person as the CEO of the Company. However, his extensive transactional experience and his haematology qualifications and experience are considered highly and justifying his status as non-independent Chair.</p>

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2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>In accordance with the Company's Board Charter, the Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p> <p>New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.</p> <p>The Company Secretary is responsible for facilitating inductions and professional development that is tailored to the individual's needs.</p>
<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p> <p><i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i></p>			
3.1	A listed entity should articulate and disclose its values.	Yes	<p>Race Oncology has adopted a Statement of Values that underpins the commitment that each individual and the Company as a whole lives by each and every day and includes the following values:</p> <ul style="list-style-type: none"> • Commitment; • Respect; • Integrity; • Solidarity; and • Putting patients first.

Recommendation		Comply	Comment
3.2	<p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code</p>	Yes	<p>The Company has implemented a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.</p> <p>All employees and Directors are expected to:</p> <ul style="list-style-type: none"> • behave honestly and with integrity and report other employees who are behaving dishonestly; • treat fellow employees with respect and not engage in bullying, harassment or discrimination; • disclose and deal appropriately with any conflicts between your personal interests and your duty as a Director, senior executive or employee (as applicable); • not take advantage of the property or information of the Company or its customers for personal gain or to cause detriment to the Company or its customers; • not take advantage of your position for the opportunities arising therefrom for personal gain; • carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services; • operate within the law at all times; • act in the best interests of the Company; • follow the policies of the Company and adhere to the Company's values; and • act in an appropriate business-like manner when representing the Company in public forums and deal with customers and suppliers fairly. <p>An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted on and kept confidential.</p>
Recommendation		Comply	Comment
3.3	<p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company has adopted a Whistleblower Protection Policy which is available on the Company's website.</p> <p>The Policy includes that the Board will be informed of any material incidents reported under that Policy.</p>

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3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy</p>	Yes	<p>The Company has adopted an Anti-Bribery and Anti-Corruption Policy which is available on the Company's website.</p> <p>The Policy includes that the Board will be informed of any material breaches of that Policy.</p>
<p>Principle 4: Safeguard the integrity of corporate reports</p> <p><i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i></p>			
4.1	<p>A 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>	Yes	<p>The Board considers that the Company does not currently benefit from the establishment of a separate Audit Committee. The Board, as a whole, fulfills the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.</p> <p>The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.</p> <p>The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.</p> <p>The external auditors attend Race Oncology's AGM and are available to answer questions from security holders relevant to the audit.</p> <p>Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.</p> <p>There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.</p>

Recommendation		Comply	Comment
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Board has received certifications from the CEO and CFO in connection with the financial statements for Race Oncology for the Reporting Period. The certifications state that the declaration provided in accordance with Section 295A of the Corporations Act as to the integrity of the financial statements is founded on a sound system of risk management and internal control which is operating effectively.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	<p>In reviewing the quarterly cashflow reports and prior to the lodgement with the ASX, the following process has been adopted:</p> <ul style="list-style-type: none"> • cash transactions for the quarter are provided by the accountant to the Chief Financial Officer; • cash transactions are matched against the bank statements; and • consolidated quarterly figures are compiled and verified by the CFO and CEO. <p>A declaration is then provided by the CEO and CFO to the Board noting compliance with section 286 of the Corporations Act 2001, the appropriate accounting standards and with Listing Rule 19.11A.</p>

Recommendation	Comply	Comment
<p>Principle 5: Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities</i></p>		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<p>Yes</p> <p>The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.</p> <p>The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.</p> <p>The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.</p> <p>The Board has designated the Company Secretary as the person responsible for communicating with the ASX. The Chair, Managing Director and the Company Secretary are responsible for ensuring that:</p>
		<p>(a) All key announcements at the discretion of the Managing Director (or in his/her absence, the Chair of the Board) are to be circulated to and reviewed by all members of the Board.</p> <p>(b) All members of the Board are required to seek to provide the Managing Director (or in his/her absence, the Company Secretary) with verbal or written contribution on each key announcement, prior to its release. Where the urgency of the subject matter precludes reference to the full Board, an announcement within this category may be approved by the Directors who are available. It is specifically acknowledged that where a continuous disclosure obligation arises, disclosure cannot be delayed to accommodate the availability of Board members.</p> <p>(c) Any relevant parties named in the announcement should also be given the opportunity to review the announcement prior to its release, to confirm all information is factually correct.</p> <p>(d) All members of the Board will receive copies of all material market announcements promptly after they have been made.</p>

Recommendation		Comply	Comment
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Board receives copies of all material market announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Any new and substantive investor or analyst presentations will be released on the ASX Market Announcements Platform ahead of the presentation.

Recommendation	Comply	Comment
<p>Principle 6: Respect the rights of security holders</p> <p><i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively</i></p>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>Yes</p> <p>The Company has adopted a Shareholder Communications Strategy which is available on the Company's website. Under this strategy, Race Oncology's website will contain information about the Company and its governance, copies of media releases, ASX announcements, annual reports, financial statements, notices of meetings of shareholders, copies of documents tabled at shareholder meetings and any materials distributed at investor or analyst presentations.</p>
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<p>Yes</p> <p>The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:</p> <ul style="list-style-type: none"> • Communicating effectively with shareholders through releases to the market via ASX, the Company website, information posted or emailed to shareholders and the general meetings of the Company; • Giving shareholders ready access to clear and understandable information about the Company; and • Making it easy for shareholders to participate in general meetings of the Company. <p>Race Oncology's register is maintained by a professional security registry, Automic Group. Shareholders are able to communicate with the Company and Automic via email and can register to receive communications and shareholder materials from the Company via its security registry electronically.</p> <p>The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the "Contact" page of the Company's website.</p> <p>Shareholders may elect to, and are encouraged to, receive communications from Race Oncology and Race Oncology's securities registry electronically. The contact details for the registry are available on the "Contact Us" page of the Company's website.</p> <p>The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.</p>

Recommendation		Comply	Comment
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Shareholder Communication Strategy provides that security holders are encouraged to attend and participate at general meetings. To facilitate this, meetings will be held during normal business hours, at a place, or in a manner, convenient for the greatest possible number of security holders to attend either in person or electronically. Moreover, Race Oncology's Constitution allows, if permitted by law, shareholder meetings to be held electronically and provides each security holder with the right to appoint a proxy, attorney or representative to vote on their behalf.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	The Company has a policy that all resolutions at a meeting of shareholders are to be decided by a poll.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company provides security holders the option to electronically receive communications from, and send communications to, the Company and its share registry, Automic Group. The Company encourages security holders to utilise electronic communications with the Company to facilitate speed, convenience and environmental friendliness of communications.

Recommendation	Comply	Comment
<p>Principle 7: Recognise and manage risk <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p>		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a), disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Yes</p>	<p>The Board considers that the Company does not currently benefit from the establishment of a separate Risk Committee. In accordance with the Company's Board Charter and operating within the boundaries of the Risk Management Policy, the Board carries out the duties that would ordinarily be carried out by the Risk Committee under the Risk Management Policy.</p> <p>The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and internal compliance and control framework. Race Oncology has established policies for the oversight and management of material business risks.</p> <p>Race Oncology's Risk Management Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.</p> <p>Race Oncology believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, Race Oncology is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.</p> <p>Race Oncology accepts that risk is a part of doing business. Therefore, the Company's Risk Management Policy is not designed to promote risk avoidance. Rather Race Oncology's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring we do not enter into unnecessary risks or enter into risks unknowingly.</p> <p>Race Oncology assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, Race Oncology applies varying levels of management plans.</p>

Recommendation	Comply	Comment
<p>7.2 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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	The Board reviews the Company's risk management framework at each scheduled Board meeting to ensure that it continues to effectively manage risk.
<p>7.3 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 governance, risk management and internal control processes.</p>	Yes	<p>The Company does not have an internal audit function.</p> <p>The Board has required management to design and implement a risk management and internal compliance and control system to manage Race Oncology's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks.</p> <p>The Company's process of risk management and internal compliance and control includes:</p> <ul style="list-style-type: none"> • Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks; • Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and • Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control. <p>The Board reviews the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.</p> <p>Management reports to the Board as to the effectiveness of Race Oncology's management of its material business risks at each scheduled Board meeting.</p>

Recommendation		Comply	Comment
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	The Board does not consider that the Company currently has any material exposure to environmental or social risks.
<p>Principle 8: Remunerate fairly and responsibly</p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</i></p>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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>	Yes	<p>The Company does not have a Remuneration Committee. The Board considers that the Company will not currently benefit from the establishment of a Remuneration Committee and, as a whole fulfills, the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.</p> <p>In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter, including devoting time annually to assess the level and composition of remuneration for Directors and senior executives.</p>

Recommendation	Comply	Comment
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Yes</p>	<p>Race Oncology has implemented a remuneration policy which was designed to recognise the competitive environment within which Race Oncology operates and also emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in Race Oncology's performance. The overriding objective of the remuneration policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Race Oncology.</p> <p>The key principles are to:</p> <ul style="list-style-type: none"> • Review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders; • Ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration; • Fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market; • Remunerate fairly and competitively in order to attract and retain top talent; • Recognise capabilities and promote opportunities for career and professional development; and • Review and approve equity based plans and other incentive schemes to foster a partnership between employees and other security holders. <p>The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Chief Executive Officer, Non-Executive Directors and senior management based on an annual review.</p> <p>Race Oncology's executive remuneration policies and structures and details of remuneration paid to directors and key management personnel are set out in the Remuneration Report contained in the Annual Report.</p> <p>Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options.</p>

Recommendation		Comply	Comment
			<p>The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$400,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.</p> <p>The total fees paid to Non-Executive Directors during the reporting period were \$168,000.</p> <p>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 and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.</p> <p>Further details in relation to the Company's remuneration policies are contained in the Remuneration Report, within the Directors' report.</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>	Yes	<p>In accordance with the Company's Trading policy, participants in an equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.</p> <p>The Trading policy is available on the Company's website.</p>