

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Living Cell Technologies Limited

ACN / ARBN:

14 104 028 042

Financial year ended:

30 June 2017

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.lctglobal.com/investor-centre/governance>

The Corporate Governance Statement is accurate and up to date as at 29 August 2017 and has been approved by the board.

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

Date: 29 August 2017

Mark Licciardo

Company Secretary

¹ 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.

² "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.

³ 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 ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... 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): ☒ at http://www.lctglobal.com/investor-centre/governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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 ...
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and a copy of our diversity policy or a summary of it: ☒ at http://www.lctglobal.com/investor-centre/governance ... 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

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 ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at http://www.lctglobal.com/investor-centre/governance ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ 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: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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 ...
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☐ in our Corporate Governance Statement OR ☒ in the Annual Report	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
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: ☐ in our Corporate Governance Statement OR ☒ at http://www.lctglobal.com/investor-centre/governance	☐ an explanation why that is so in our Corporate Governance Statement

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 ...
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at http://www.lctglobal.com/investor-centre/governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ in the Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

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 ...
4.3	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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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: ☐ in our Corporate Governance Statement OR ☒ at http://www.lctglobal.com/investor-centre/governance	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
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: ☒ at http://www.lctglobal.com/investor-centre/governance	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

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 ...
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☐ at http://www.lctglobal.com/investor-centre/governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ in the Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

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 ...
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

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 ...
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at http://www.lctglobal.com/investor-centre/governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ in the Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☐ in our Corporate Governance Statement OR ☒ in the Remuneration Report section of the Annual Report.	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement OR ☒ http://www.lctglobal.com/investor-centre/governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Statement

The Board of Directors of Living Cell Technologies Limited (**LCT** or **the Company**) is responsible for the corporate governance of the Company and its subsidiaries. The Board guides and monitors the business and affairs of LCT on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the Company's compliance with the ASX Corporate Governance Council's Principles and Recommendations.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

	Corporate Governance Council Recommendation	Compliance	Disclosure
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.	Complies	(a) The Board of Directors is responsible for the Corporate Governance of the Company. The Board provides strategic guidance for the Company and effective oversight of management. The Board guides and monitors the business and affairs of the consolidated entity on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board has adopted a charter that details its roles and responsibilities, which is available on our website. The Board has delegated responsibility for day-to-day management of the Company to the Chief Executive Officer (CEO) and there is a formal delegations structure in place which sets out the powers delegated to the CEO and those specifically retained by the Board, these delegations are reviewed on a regular basis. (b) The Board is responsible for: • overseeing the company, including its control and accountability systems; • overseeing the integrity of the accounting and corporate systems, including external audit; • appointing and removing the CEO; • Where appropriate, ratifying the appointment and removal of senior executives; • providing input into and final approval of management's development of corporate strategy and performance objectives; • reviewing, ratifying and monitoring systems of risk management and internal controls, codes of conduct and legal compliance; • monitoring senior executives' performance and implementation of strategy;

			- ensuring timely and balanced disclosure of all material information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities; - ensuring appropriate resources are available to senior executives; - approving and monitoring the operating budgets and progress of major capital expenditure, capital management and acquisitions and divestures; and - monitoring the effectiveness of the entity's governance practices. Management is responsible for implementing the strategic objectives of the company and operating within the risk appetite set by the Board as well as other aspects of the day-to-day running of the Company. Management is also responsible for providing the Board with accurate, timely clear information to enable the Board to perform its responsibilities.
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.	Complies	(a) Prior to appointing or putting forward a candidate for election to the Board, appropriate checks such as character, experience, criminal records and education are performed. (b) All material information in the Company's possession is provided to security holders to allow them to make an informed decision about the suitability of the candidate. The qualifications, experience and special responsibilities of the Board members are set out in the Directors Report of the Financial Statements for the year ended 30 June 2017.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	Formal letters of appointment are provided to all new Directors and employment agreements to senior executives setting out key terms and conditions of their 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 the proper functioning of the board.	Complies	The Company Secretary is appointed by the Board and is responsible for: - Advising the Board and its Committees on governance matters; - Monitoring compliance with Board policies and procedures; - Co-ordinating Board papers; - Accurately recording decisions and discussions from Board meetings; and

			Co-ordinating the induction and professional development of Directors. The Company Secretary is Mark Licciardo FGIA.
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	Complies	(a) In respect of diversity, the Board considers that diversity includes differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education and problem solving skills. The Board seeks to develop a culture of diversity within the Company whereby a mix of skills and diverse backgrounds are employed by the Company through structuring the recruitment processes so that a diverse range of candidates are considered and there are no excuses or unconscious biases that might discriminate against certain candidates. The Company strives to: - develop and maintain a diverse and skilled workforce through transparent recruitment processes. - promote an inclusive workplace culture that values and utilises the contributions of all employees' backgrounds, experiences and perspective through improved awareness of the benefits of workforce diversity. - facilitate diversity in the workplace by developing programs that promote growth for all employees, so each employee may reach their full potential, and providing maximum benefit for the Company. - set measurable objectives to encourage diversity within the Company. (b) A copy of the Diversity Policy is available on the Investor Centre – Governance section of the Company's website: www.lctglobal.com. The strategies outlined below aim to achieve the objectives of this Policy by: - setting measurable objectives relating to gender at all senior management and leadership levels; - broadening the field of potential candidates for senior management and Board appointments; and - increasing the transparency of the Board appointment process.

			(c) The Board has set a number of objectives under the Policy, namely to: • address the lack of gender diversity on the Board. There is a 2018 target of 17% of the Board being female Directors • continue to work to develop a balanced ratio of female management • optimise local talent in senior management and the workforce in established international markets; and • establish an effective measurement and reporting framework. The Policy objectives, and the Group's progress in achieving them, will be assessed on an annual basis. (1) As a measurement of gender diversity, the proportion of women employees in the consolidated entity as at 30 June 2017 are as follows: Women on the Board: 0% Women in senior executive roles: 50% Women in management position: 67% Women in the organisation: 68% Living Cell Technologies Limited considers employees reporting to the CEO to be the senior executives of the company. (2) The Company is not a relevant employer under the Workplace Gender Equality Act.
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 (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Complies	(a) A performance evaluation for Directors and senior executives takes place annually. The last review took place in 2017 in compliance with the established evaluation process. The Company's policy for directors and senior executive evaluation is available in the Remuneration and Nomination Committee Charter on the Company's website and in the Remuneration Report. Additional development opportunities have been identified for directors following the evaluations. (b) A performance evaluation was undertaken during this reporting period.

1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Complies	(a) The Company's policy for Directors and senior executive evaluation is available in the Remuneration and Nomination Committee Charter on the Company's website and in the Remuneration Report. (b) A performance evaluation was undertaken during this reporting period.
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PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

2.1	The board of a listed entity should: (a) have a nomination committee which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose the charter of the committee, the members of the committee; and 3. 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 (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	Complies	The Remuneration and Nomination Committee meets as required during the year to assist the Board in fulfilling its corporate governance responsibilities in regard to: • Board appointments, re-elections and performance and general succession planning for Board / senior management; • Directors' induction and continuing development; • Board Committee membership; and • Endorsement of executive appointments. The Remuneration and Nomination Committee's Charter which is available in the corporate governance section of the Company's website, sets out the Committee's responsibilities which include making recommendations to the Board on the appropriate skill mix, personal qualities, expertise and diversity of each position following the annual assessment of the Board. When a vacancy exists or there is a need for particular skills, the Committee, in consultation with the Board, determines the selection criteria based on the skills deemed necessary. Board appointees must stand for election at the next Annual General Meeting of shareholders. The Committee also makes recommendations to the Board and oversees implementation of the procedure for evaluating the Board's performance, as well as oversees and makes recommendations to the Board in respect of ongoing training requirements of Directors. (a) 1. The Remuneration & Nomination Committee is composed of Bernard Tuch (Chair), Roy Austin and Robert Willcocks – and does have a majority of independent directors. 2. The Remuneration & Nomination Committee is chaired by an independent director
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	to discharge its duties and responsibilities effectively.		3. The number of meetings held by the Committee are detailed in the Directors Report.																																																		
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.	Complies	The following skills matrix describes the combined capabilities of the Board across a range of general and specialist areas. The Board considers that collectively the Directors have the appropriate range of skills and experience necessary to direct LCT's current business and achieve LCT's strategic objectives. <table><tr><th>Category</th><th>No. of directors with skills</th></tr><tr><td>Strategic Skills</td><td></td></tr><tr><td>Strategy Implementation - ability to challenge management on agreed strategic planning objectives</td><td>5</td></tr><tr><td>Future Vision - recognising and positioning for market opportunities</td><td>5</td></tr><tr><td>Understanding current market including competitors</td><td>5</td></tr><tr><td>Innovation</td><td>5</td></tr><tr><td>Business Development</td><td>5</td></tr><tr><td>Corporate Government Skills</td><td></td></tr><tr><td>Board Experience/Governance</td><td>5</td></tr><tr><td>Chair Experience</td><td>5</td></tr><tr><td>Compliance</td><td>4</td></tr><tr><td>Legal/ Regulatory</td><td>4</td></tr><tr><td>Government Relations</td><td>4</td></tr><tr><td>Risk (Operational and strategic)</td><td>5</td></tr><tr><td>Human Resources</td><td>4</td></tr><tr><td>Diversity</td><td>3</td></tr><tr><td>Team Contribution</td><td>5</td></tr><tr><td>Financial Skills</td><td></td></tr><tr><td>Finance/Audit</td><td>4</td></tr><tr><td>Capital & Investments Markets</td><td>3</td></tr><tr><td>Profit & Loss Responsibility</td><td>3</td></tr><tr><td>Industry Specific Skills</td><td></td></tr><tr><td>Medical</td><td>2</td></tr><tr><td>Scientific Research</td><td>2</td></tr><tr><td>Biotechnology</td><td>3</td></tr></table>	Category	No. of directors with skills	Strategic Skills		Strategy Implementation - ability to challenge management on agreed strategic planning objectives	5	Future Vision - recognising and positioning for market opportunities	5	Understanding current market including competitors	5	Innovation	5	Business Development	5	Corporate Government Skills		Board Experience/Governance	5	Chair Experience	5	Compliance	4	Legal/ Regulatory	4	Government Relations	4	Risk (Operational and strategic)	5	Human Resources	4	Diversity	3	Team Contribution	5	Financial Skills		Finance/Audit	4	Capital & Investments Markets	3	Profit & Loss Responsibility	3	Industry Specific Skills		Medical	2	Scientific Research	2	Biotechnology	3
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Scientific Research	2																																																				
Biotechnology	3																																																				

			Other Skills Ability to Fundraise Investor Relations/Mergers & Acquisitions International Experience - previous exposure to a range of political, cultural, regulatory and business environments at a senior management level Public Relations	5 4 4 2
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations 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 (c) the length of service of each director.	Complies	a) The Directors names and independence is detailed in the Director's Report. The Board has adopted a definition of independence based on that set out in Principle 2 of the ASX Corporate Governance Council Principles and Recommendations. b) N/A c) The length of service is detailed in the Director's Report.	
2.4	A majority of the board of a listed entity should be independent directors.	Complies	The majority of the Board's Directors are considered independent.	
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.	Complies	Roy Austin is Chairman of the Company and is considered independent. Ken Taylor is the Chief Executive Officer of the Company.	
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.	Complies	All new Directors participate in a formal induction process co-ordinated by the Chief Executive. This induction process includes briefings on the Company's financial, strategic, operational and risk management position, the Company's governance framework and key developments in the Company and the industry and environment in which it operates.	

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

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.	Complies	The Board has adopted a Code of Conduct. The code establishes a clear set of values which emphasise a culture encompassing strong corporate governance, sound business practices and good conduct from an ethical stand point. A copy of the Code of Conduct is available on the Investor Centre – Governance section of the Company's website: www.lctglobal.com.
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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	The board of a listed entity should: (a) have an audit committee which: - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and - is chaired by an independent director, who is not the chair of the board; and disclose: - the charter of the committee; - the relevant qualifications and experience of the members of the committee; and (b) 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 (c) 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.	Complies	The Audit, Risk and Compliance Committee assists the Board in fulfilling its corporate governance responsibilities in regard to: - the adequacy of the entity's corporate reporting processes; - whether the entity's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the entity; - the appropriateness of the accounting judgements or choices exercised by management in preparing the entity's financial statements; - the appointment or removal, rotation, independence and performance of the external auditor; - the scope and adequacy of the external audit and any non-audit services. (a) - The Audit & Risk Committee is composed of Robert Willcocks (Chair), Roy Austin and Laurie Hunter – and does have a majority of independent Directors. - The Audit & Risk Committee is chaired by an independent Director. - The Audit & Risk Committee Charter is available on the Investor Centre – Governance section of the Company's website: www.lctglobal.com. - The members of the Committee, their qualifications and experience. (b) The number of meetings held by the Committee are detailed in the Directors Report.
4.2	The board of a listed entity should, before it approves the entity's financial statements	Complies	Following a recommendation by the Audit & Risk Committee to the Board of Directors to approve the annual and half year financial accounts, the Chief Executive Officer and Chief Financial Officer

	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.		state in writing to the Board that the Company's Financial Reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
4.3	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.	Complies	The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions about the conduct of the audit and preparation of the Auditor's Report.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

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.	Complies	(a) LCT has established policies and procedures to ensure timely and balanced disclosures of all material matters concerning the Company, and to ensure that all investors have equal and timely access to information on the Company's financial performance. These policies and procedures include a comprehensive disclosure policy that includes identification of matters that may have a material effect on the price on the Company's securities, quality control procedures over announcements, notifying them to the ASX, posting relevant information on the Company's website and issuing media releases. (b) The Continuous Disclosure and Market Communications Policy is available on the Investor Centre – Governance section of the Company's website: www.lctglobal.com.
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PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company has adopted shareholder communications protocols which are contained in the Communications Strategy. The Company uses its website (www.lctglobal.com), Annual Report, market disclosures and media announcements to communicate with its shareholders, as well as encourages participation at general meetings.
6.2	A listed entity should design and implement an investor relations program to facilitate	Complies	The Company has an Investor Relations Program which promotes effective communication with

	effective two-way communication with investors.		shareholders, encourages participation at general meetings and encourages communications throughout the year. The Company engages with its security holders through: • Giving them ready access to information about the entity and its governance via the Company website; • Communicating openly and honestly with them; • Encouraging and facilitating their participation in meetings of security holders; and • Providing an email address on all communication for security holders who wish to contact the Company. The Company makes all ASX announcements available via its website. In addition, shareholders who are registered receive email notification of announcements.
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.	Complies	The Board encourages full participation of shareholders at the Company's annual general meetings and any general meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor will also be invited to attend the annual general meeting of shareholders and will be available to answer any questions concerning the conduct, preparation and content of the auditor's report.
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.	Complies	The Company's registrar, Computershare, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at https://www-au.computershare.com/investor .

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose the charter of the committee; the members of the committee; and (3) as at the end of each reporting period, the number of times the committee met throughout the	Complies	The Board has an Audit & Risk Committee as referenced in item 4.1. (a) 1. The Audit & Risk Committee is comprised of Robert Willcocks (Chair), Roy Austin and Laurie Hunter and does have a majority of independent Directors. 2. The Audit & Risk Committee is chaired by an independent Director. 3. The number of meetings held by the Committee are detailed in the Directors Report.
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	period and the individual attendances of the members at those meetings; OR (4) 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.		
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Complies	A yearly assessment of the business's risk profile is undertaken and reviewed by the Audit and Risk Committee, covering all aspects of the business from the operational level through to strategic level risks. The Audit and Risk Committee is responsible for reviewing the company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Audit and Risk Committee requires management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Audit and Risk Committee has received a report from management as to the effectiveness of the company's management of its material business risks and internal control. (b) The Audit and Risk Committee reviews the risk register and discuss any updates in identified risks at each meeting as a standard agenda item. The yearly assessment of the business risk profile was performed on 22 February 2017.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk	Complies	The Company does not have an internal audit function because it is too small to warrant one. The evaluation of the risk management and internal control process is the responsibility of the Audit, and Risk Committee and is performed in conjunction with senior executives. External consultants may be used in certain circumstances, however have not been used during this financial year.

	management and internal control processes.		
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.	Complies	The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Audit and Risk Committee provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The recent economic environment has emphasised the importance of managing and reassessing its key business risks. The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Board does not consider that it has material exposure to economic, environmental and social sustainability risks

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	The board of a listed entity should: (a) have a remuneration committee which: (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; <u>OR</u> (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.	Complies	The Board has a Remuneration & Nomination Committee as referenced in item 2.1. 1. The Remuneration & Nomination Committee is comprised of Bernard Tuch (Chair), Roy Austin and Robert Willcocks and does have a majority of independent Directors. 2. The Remuneration & Nomination Committee is chaired by an independent Director 3. The Remuneration and Nomination Charter is available on the Company's website. 4. The members of the Committee, their qualification and experience is included in the Directors Report. 5. The number of meetings held by the Committee are detailed in the Directors Report.
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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.	Complies	The details of the remuneration paid to Directors and Officers is included in the Remuneration Report section of the Annual Report.
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	Complies	(a) The Company has a Policy for Dealing in Securities and Directors and employees must not create, enter into or deal in derivatives, a derivative arrangement or margin calls in relation to Company securities at any time. (b) A copy of the Policy for Dealing in Securities is available on the Investor Centre – Governance section of the Company's website: www.lctglobal.com.

Unless otherwise indicated, LCT's corporate governance practices were in place for the financial year ended 30 June 2017 and to the date of signing the Directors' Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to our website www.lctglobal.com.