



Antisense Therapeutics Limited

Corporate Governance Statement Year Ended 30 June 2020

The Board of Antisense Therapeutics Limited ("the Company" or "[Company]") is committed to having the highest standards of ethical behaviour and an effective system of corporate governance for the size of the Company and the scope of its business operations.

The Board of Antisense Therapeutics Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs the Company, 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 3rd Edition of the ASX Corporate Governance Council's ("CGC") Principles and Recommendations ("Recommendations") for the financial year ended 30 June 2020.

A review of the Company's Corporate Governance Framework is performed on a periodic basis to ensure that it is relevant and effective in light of changing legal and regulatory requirements and appropriate for the size, complexity and operations of the Company.

Unless otherwise stated, all Policies and Charters meet the Council's Corporate Governance Principles and Recommendations and have been in effect for the full reporting period.

The Company's corporate governance practices were in place throughout the year ended 30 June 2020.

This Corporate Governance Statement and other policies can be found on our website: www.antisense.com.au

Principle 1 – Lay Solid Foundations for Management and Oversight**(a) Role of the Board and Management - Recommendation 1.1**

Complies

Board

It is the role of the Board of Directors to represent and protect the interests of the Company's shareholders. The Board is responsible for the corporate governance of the Company and guides and monitors the business and affairs of the Company.

In furtherance of its responsibilities, the Board of Directors will:

- review, evaluate, provide input into and approve, on a regular basis, the Company's corporate governance strategy;
- monitor senior management's performance and implementation of strategy, and ensure appropriate resources are available;
- review, evaluate and approve the Company's budget and forecasts;
- review, evaluate, approve and monitor major resource allocations and capital investments, and any acquisitions and divestitures;
- review and monitor the financial and operating results of the Company;
- review and evaluate the overall corporate organisational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- review, evaluate and approve compensation strategy as it relates to senior management of the Company
- review and ratify systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
- appoint and remove the Managing Director (Chief Executive Officer);
- ratify the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
- monitor its own performance and recommend and implement appropriate changes in composition and size.

Management

Through the Chief Executive Officer / Managing Director, management is responsible to the Board for the:

- (1) Development and implementation of agreed corporate strategy and performance objectives;
- (2) Undertaking the day to day activities of the Company;
- (3) Identifying all matters to be included in a risk profile of the Company and ensuring that effective risk management systems are implemented and adhered to;
- (4) Observing the code of conduct;
- (5) Ensuring that the Board is fully informed of all matters which may have a material impact on the ability of the Company to meet its obligations.

(b) Board and Senior Executive appointments - Recommendation 1.2 and 1.3

Complies

The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

(c) The Company Secretary - Recommendation 1.4

Complies

The Company Secretary is accountable directly to the Board, through the Chairman, 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.

(d) Diversity Policy- Recommendation 1.5

Complies

The Company values the differences between its personnel and the valuable contribution that these differences can make to the Company. The Company is an equal opportunity employer and aims to recruit executives and employees from as diverse a pool of qualified candidates as reasonably possible based on their skills, qualifications and experience.

The Company is committed to increasing diversity amongst its employees, and not just in the area of gender diversity. Our workforce is employed based on the right person for the job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability or appearance. Executive and Board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when appropriate appointments become available. The Company is also committed to identifying suitable persons within the organisation, and where appropriate opportunities exist, advance diversity to support the promotion of talented employees into management positions.

The Company has not set any gender specific diversity objectives as it believes that multicultural diversity and other diversity factors are equally important within its organisation. The Board believe that the company is not yet at a size where it is appropriate to implement measurable objectives for achieving gender diversity.

The following table demonstrates the Company's gender diversity as at 30 June 2020:

	Number of Males	Number of Females	Total	Proportion of Women (%)
Directors	5	0	5	0%
Other Senior Executives	1	1	2	50%
Other Company employees	0	1	1	100%
Total Directors & Staff	6	2	8	25%

(e) Performance Evaluation - Recommendation 1.6 and 1.7

Complies

Board Performance

The Board considers the ongoing development and improvement of its own performance, the performance of individual directors and Board Committees as critical to effective governance.

The Board has adopted an informal self-evaluation process to measure its own performance. The performance of the Board and individual directors is reviewed at least every year by the Board as a whole. This process includes a review in relation to the composition and skills mix of the Directors of the Company. Performance reviews involve analysis based on key performance indicators aligned with the financial and non-financial objectives of the Company. A performance review in accordance with the processes disclosed occurred during the 2020 financial year.

KMP Performance

On at least an annual basis, the Board conducts a formal performance review of the Chief Executive Officer and any other key management personnel (KMP). The Board assesses the performance of KMP against qualitative and quantitative key performance indicators relevant to each KMP. A performance review of KMP occurred during the 2020 financial year in accordance with this process.

(f) Independent Advice

The Board has procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

Principle 2 – Structure the Board to Add Value

(a) Nominations Committee - Recommendation 2.1 N/A

In light of the Company's size and given the size of the Board at present a Nomination Committee has not been established. The Board meets as a whole to consider nominations to the Board.

(b) Board Composition - Recommendation 2.3 and 2.5 Complies

The length of service, skills, experience and expertise of each Director in office at the date of this report and throughout the 2020 financial year are included in the Directors' Report under the section headed 'Directors'. The Company's Board Charter stipulates that at least 50% of the Directors on the board should be independent Directors. Directors of Antisense Therapeutics Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

In the context of Director independence, to be considered independent, a Non-Executive Director may not have a direct or indirect material relationship with the Company. The board considers that a material relationship is one which impairs or inhibits, or has the potential to impair or inhibit, a Director's exercise of judgement on behalf of the Company and its shareholders.

From a quantitative perspective, an item is considered to be quantitatively immaterial if it is equal to or less than 5% of the relevant base amount. It is considered to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the relevant base amount.

In accordance with the definition of independence above, and the materiality thresholds described, the majority of Directors are independent as set out below:

Name	Position
Mr Robert W Moses	Independent Non-Executive Chairman
Dr Graham Mitchell	Independent Non-Executive Director
Dr Gary Pace	Independent Non-Executive Director
Mr William Goolsbee	Independent Non-Executive Director

In accordance with the definition of independence above, and the materiality thresholds described, the majority of Directors are independent as set out below:

Name	Term in Office
Mr Robert W Moses	18 years
Mr Mark Diamond	18 years
Dr Graham Mitchell	18 years
Mr William Goolsbee	4 years
Dr Gary Pace	4 years

To ensure the Board is appropriately equipped to discharge its responsibilities, it has developed guidelines for the nomination and selection of Directors and for the operation of the Board. As the Antisense Therapeutics Limited's Board is not a large board, a formal nomination committee has not been established, as it is perceived that no real efficiencies would be gained from the existence of such a committee. The charter of the nomination committee has been incorporated into the Board Charter and by this action the Board of Directors considers all matters that would be relevant for a nomination committee. For additional details please refer to the Company's Board Charter on its website.

(c) Induction of New Directors and Ongoing Development - Recommendation 2.6

Complies

Any new Directors will be 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.

A new director induction program is in place and Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3 – Act Ethically and Responsibly**(a) Code of Conduct - Recommendation 3.1**

Complies

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Board acknowledges the legitimate interest of various stakeholders such as employees, clients, customers, government authorities, creditors and the community as a whole. As a good corporate citizen, it encourages compliance and commitment to appropriate corporate practices that are fair and ethical via its 'Code of Conduct'

[Trading in Company Securities](#)

The Company has a 'Code of Practice - Buying & Selling of Shares' that regulates the dealings by Directors and employees, in shares, options and other securities issued by the Company. The policy has been formulated to ensure that Directors and employees are aware of the legal restrictions on trading in Company securities while in possession of unpublished price sensitive information.

The Code of Conduct is available on the company's website at <http://www.antisense.com.au/wp-content/uploads/2017/01/code-of-conduct.pdf>

Principle 4 – Safeguard Integrity in Corporate Reporting**(a) Audit Committee - Recommendation 4.1**

Complies

The Audit Committee operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective control framework exists within the entity. This includes ensuring that there are internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the Audit Committee.

The Audit Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements. All members of the Audit Committee are Non-Executive Directors. The Audit Committee is also responsible for the nomination of the external auditor and for reviewing the adequacy of the scope and quality of the annual statutory audit and half year statutory review. The Audit Committee Charter can be found on the Company's website.

The Audit Committee consists of two independent Non-Executive Directors. Given the current size of the Company, the Board believes that an Audit Committee consisting of two members is sufficient to enable the committee to discharge its mandate effectively. The members of the Audit Committee during the year were Dr Graham Mitchell (Chairperson) and Mr Robert W Moses.

For details on the number of meetings for the Audit Committee held during the year and the attendances at those

meetings, refer to the Directors' Report under the section headed 'Meetings of Directors'.

(b) CEO and CFO Declarations - Recommendation 4.2

Complies

The CEO and CFO have provided the Board with 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.

(c) External Auditor - Recommendation 4.3

Complies

The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

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.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

Principle 5 – Make Timely and Balanced Disclosure**(a) Continuous Disclosure Policy - Recommendation 5.1**

Complies

The Company has a 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.

The Board has designated the Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with ASX Listing Rules the Company immediately notifies the ASX of information concerning the Company:

- (a) that a reasonable person would or may expect to have a material effect on the price or value of the Company's securities; and
- (b) that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Principle 6 – Respect the Rights of Security Holders

(a) Security Holders Communications – Recommendations 6.1, 6.2, 6.3 & 6.4

Complies

The Company is committed to providing current and relevant information to its shareholders.

The Company respects the rights of its shareholders, and to facilitate the effective exercise of the rights, the Company is committed to:

- (a) communicating effectively with shareholders through ongoing releases to the market via ASX information and general meetings of the Company;
- (b) giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- (c) making it easy for shareholders to participate in general meetings of the Company; and

Any shareholder wishing to make inquiries of the Company is advised to contact the registered office. All public announcements made by the Company can be obtained from the ASX's website www.asx.com.au.

Shareholders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically.

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

Principle 7: Recognise and Manage Risk

(a) Annual Risk Management Framework review - Recommendation 7.1, 7.2, 7.3 & 7.4

Complies

- Recommendation 7.3 & 7.4

N/A

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities.

The Board has established a policy for risk oversight and management within the Company. This is periodically reviewed and updated. Management reports risks identified to the Board through the monthly Operations Report, and via direct and timely communication to the Board where and when applicable. During the reporting period, management has reported to the Board as to the effectiveness of the Company's management of its material business risks. The Company does not have an internal audit function due to the size and scale of the Company.

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. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company does not have separate risk committee. The Board as whole is responsible for overseeing the establishment and implementation of the risk management system. Due to the size of the Board and the Company, it is perceived that no real efficiencies would be gained from the existence of separate risk committee.

The Board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound. A review of the Company's risk management framework was conducted during the 2020 financial year.

Principle 8 – Remunerate Fairly and Responsibly

(a) Remuneration Committee and Policies - Recommendation 8.1, 8.2 and 8.3

Complies

It is the Company's objective to maintain a high quality Board and executive team by remunerating Directors at relevant market conditions. To assist in achieving this objective the Remuneration Committee remunerates Directors and executives having regard to their performance and the performance of the Company.

The expected outcomes of the remuneration policies and practices are to enable the Company to motivate, retain and attract Directors and executives who will create value for shareholders.

Details relating to the policy for performance evaluation and the amount of remuneration (monetary and non-monetary) paid to each Director and to each of the five highest-paid (non-director) executives during the year, are set out in the Directors' Report under the section headed 'Remuneration Report'.

The members of the Remuneration Committee at the date of this report were all independent Non-Executive Directors, being Mr Robert W Moses and Dr Graham Mitchell. Details relating to performance evaluation are set out in the Directors' Report under the section headed 'Remuneration Report'. For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to the Directors' Report under the section headed 'Meetings of Directors'.

In accordance with the Company's securities trading policy, participants in any 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.

Current remuneration is disclosed in the Remuneration Report contained in the Directors' Report of the Annual Report 2020.

Shareholders are invited to vote on the adoption of the Remuneration Report at the Company's Annual General Meeting.