

Corporate governance statement

This document discloses the extent to which Genera Biosystems Limited ACN 098 663 837 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

This document is current as at 30 June 2018 and has been approved by the board of the Company.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer to Section 3, 19 and 20 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer to the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance</p> <p>Information is included in The Company’s Notice of Meetings to shareholders.</p>
<p>Recommendation 1.3</p> <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>Every Executive is employed under a formal contract for services. Each Non-Executive Director is engaged under an Appointment letter.</p> <p>Refer to Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance</p> <p>Details of current Executive contracts are detailed in the Company’s Annual Remuneration Report in the 2018 Annual Report.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION																
<p>Recommendation 1.4</p> <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>	Yes	<p>Refer to the Company’s Board Charter for further detail which is located on the Company’s website at the following link: http://generabiosystems.com/investor-information/#corporate-governance</p>																
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them; and</p> <p>(ii) 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) the entity’s “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act 2012.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Refer to the Company’s Diversity Policy for further detail which is located on the Company’s website at the following link: http://generabiosystems.com/investor-information/#corporate-governance</p> <p>Refer to the Company’s Diversity Policy for further detail which is located on the Company’s website at the following link: http://generabiosystems.com/investor-information/#corporate-governance</p> <p>The proportion of women on the board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows:</p> <table border="1" data-bbox="1335 986 1980 1198"> <thead> <tr> <th>Gender</th> <th>Board</th> <th>Senior executive positions</th> <th>Whole organisation</th> </tr> </thead> <tbody> <tr> <td>No. of men</td> <td>5</td> <td>0</td> <td>10</td> </tr> <tr> <td>No. of women</td> <td>0</td> <td>0</td> <td>6</td> </tr> <tr> <td>% women</td> <td>0%</td> <td>0%</td> <td>37.50%</td> </tr> </tbody> </table> <p>A “senior executive” is a member of the Company’s Key Management Personnel, as defined by the Corporations Act.</p>	Gender	Board	Senior executive positions	Whole organisation	No. of men	5	0	10	No. of women	0	0	6	% women	0%	0%	37.50%
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<p>Recommendation 1.6</p> <p>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 the reporting period in accordance with that process.</p>	<p>Yes</p> <p>No</p>	<p>Refer to Section 15 of the Company’s Board Charter which is located on the Company’s website at the following link: http://generabiosystems.com/investor-information/#corporate-governance</p> <p>The Board performs an annual review of individual performance of its members. One third of the number of directors is required to stand for re-election at the AGM. This is normally achieved by voluntary termination by the longest serving directors.</p> <p>The Chairman conducts reviews on the performance of the Non-Executive Directors, the Committees and the overall effectiveness of the Board. The review references the Board policies in the Board Charter and Directors’ Code of Conduct and covers the following matters:</p> <ul style="list-style-type: none"> ▪ The Board’s effectiveness in the development of the Company’s business and operations, and the functionality of each committee in performing its duties; ▪ Interaction between Board members and between Board members and the management team; ▪ Board functionality – to monitor and control operations, compliance, and management; and ▪ The standard of conduct of Board members. <p>This review is then summarized and reported at the scheduled Board meeting to improve the effectiveness of the Board.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>The performances of key executives are reviewed formally by the NEDs as part of the Remuneration review. The assessment covers:</p> <ul style="list-style-type: none"> ▪ the Company’s economic performance; ▪ commercial achievements; ▪ IP achievements and direction; ▪ achievements against targets; ▪ project management; ▪ budget comparison; ▪ insurances; ▪ personnel management including OH & S and personal and ethical conduct; and ▪ feedback from staff, shareholders, and customers. <p>The CEO/Executive Chairman reviews the management team periodically and provides reports as needed to Board members.</p>
Principle 2: Structure the board to add value		
<p>Recommendation 2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	<p>(a) Yes</p> <p>(i) Yes</p> <p>(ii) Yes</p> <p>(iii) Yes</p> <p>(iv) Yes</p> <p>(v) Yes</p> <p>(b) N/A</p>	<p>The Nomination Committee comprises all members of the Board, the majority of whom are independent, and meets when necessary to consider and select candidates for the position of director. The Chair of the Nomination Committee is an independent director. The composition of the Nomination Committee, and details on the number of meetings, can be found in the Directors’ Report. The duties of the Nomination Committee are included in Section 7 of the Company’s Board Charter which is located on the Company’s website at the following link: http://generabiosystems.com/investor-information/#corporate-governance</p> <p>Refer to the Company’s 2018 Annual Report which is located on the Company’s website at the following link: http://generabiosystems.com/investor-information/#corporate-governance</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill 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 mix of skills and diversity that the Board currently has, or is looking to achieve in its membership, are:</p> <ul style="list-style-type: none"> - Technical expertise in the fields of molecular diagnostics and other applications of the Company's technologies; - Industry and commercial expertise and experience in areas where the Company's technologies may be used; - International experience; - Financial literacy; - Familiarity with legal areas relevant to the Company's activities; - Capital markets experience; - Investor relationship experience; - Negotiation and transaction structuring skills; - Governance knowledge and competency; - Behavioural and ethical attributes appropriate to the Board of an ASX-listed company.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 2.3 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, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Board consists of five Directors, three of whom (being Lou Panaccio, David Symons and Jim Kalokerinos) are non-executive directors at reporting date.</p> <p>The Board considers each non-executive director to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of shares in the Company by each Non-Executive Director and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement as Directors.</p> <p>The Board considers that Lou Panaccio, David Symons and Jim Kalokerinos are free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director, and were independent directors for the whole of the reporting period, for the purposes of the ASX Recommendations.</p> <p>Karl Poetter and Richard Hannebery are considered by the Board to not be independent on the basis that they have engaged in executive management roles during the reporting period.</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> • Lou Panaccio (since 25 November 2010) • Karl Poetter (since 25 September 2007) • David Symons (since 14 August 2008) • Jim Kalokerinos (since 25 November 2010) • Richard Hannebery (since 13 May 2013)
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>Yes</p>	<p>The Board has a majority of independent Directors (three out of five directors are independent. The independent directors are Lou Panaccio, David Symons and Jim Kalokerinos).</p>
<p>Recommendation 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.</p>	<p>Yes</p>	<p>The roles of Chairman and Chief Executive Officer are exercised by different individuals, being Lou Panaccio (Chairman) and Richard Hannebery (CEO), respectively.</p>
<p>Recommendation 2.6</p>		<p>Refer to the Company's Board Charter which is located on the Company's website at</p>

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A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	Yes	the following link: http://generabiosystems.com/investor-information/#corporate-governance
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	Yes Yes	Refer to the Company's Code of Conduct which is located on the Company's website at the following link: http://generabiosystems.com/investor-information/#corporate-governance
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) 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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	Yes Yes Yes Yes Yes Yes N/A	The Audit and Risk Committee comprises all members of the Board, the majority of whom are independent. The Chair of the Audit and Risk Committee is an independent director, David Symons. The composition of the Audit and Risk Committee and details on the number of meetings held, can be found in the Directors' Report. A copy of the Audit and Risk Committee charter can be found on the Company's website. Refer to the Company's Audit & Risk Committee Charter which is located on the Company's website at the following link: http://generabiosystems.com/investor-information/#corporate-governance Refer to the Company's 2018 Annual Report which is located on the Company's website at the following link: http://generabiosystems.com/investor-information/#corporate-governance

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<p>Recommendation 4.2</p> <p>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 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.</p>	Yes	The Chairman and Chief Executive Director execute Section 295A declarations and submit to the Audit and Risk Committee and Board prior to approving the Annual Report. The Company does not currently have a CFO.
<p>Recommendation 4.3</p> <p>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.</p>	Yes	The External Auditor attends the Company Annual General Meeting.
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes Yes	<p>Refer to the Company's website for the Continuous Disclosure Policy for further detail which is located on the Company's website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Refer to the 'Investor Information' link at http://www.generabiosystems.com/ .
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	Refer to the 'Investor Information' link at http://www.generabiosystems.com/ .

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<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>Refer Section 4 of the Company’s Board Charter which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance.</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>Refer Section 4 of the Company’s Board Charter which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance.</p>
<p>Principle 7: Recognise and manage risk</p>		
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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) above, disclose that fact and the process it employs for overseeing the entity’s risk management framework.</p>	<p>(a) Yes</p> <p>(i) Yes</p> <p>(ii) Yes</p> <p>(iii) Yes</p> <p>(iv) Yes</p> <p>(v) Yes</p> <p>(b) N/A</p>	<p>The Audit and Risk Committee comprises all members of the Board, the majority of whom are independent. The Chair of the Audit and Risk Committee is an independent director, David Symons. The composition of the Audit and Risk Committee, and details of the number of meetings held, can be found in the Directors’ Report of the Company’s Annual Report. A copy of the Audit and Risk Committee charter can be found on the Company’s website.</p> <p>Refer to the Company’s Audit & Risk Committee Charter which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance.</p> <p>Refer to the Company’s 2018 Annual Report which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine</p>	Yes	<p>Refer Section 3 of the Company’s Board Charter which is located on the Company’s website at the following link:</p> <p>http://generabiosystems.com/investor-information/#corporate-governance.</p>

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<p>whether there have been any changes in the material business risks the entity faces and to ensure that they remain within 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>		<p>A review of the risk management framework was not completed during the reporting period, and is planned for next year.</p>
<p>Recommendation 7.3</p> <p>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 risk management and internal control processes.</p>	<p>a. N/A</p> <p>b. Yes</p>	<p>The Company does not have an internal audit function. The Board and Audit and Risk Committee directly oversee relevant risk areas as part of its risk management function.</p> <p>Refer Section 7 of the Company’s Board Charter for further detail available on the Company’s website at http://generabiosystems.com/investor-information/#corporate-governance</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>	<p>The Company considers that it does not have any material exposure to economic, environmental and social sustainability risks.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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>(a) Yes</p> <p>(i) Yes</p> <p>(ii) Yes</p> <p>(iii) Yes</p> <p>(iv) Yes</p> <p>(v) Yes</p>	<p>The Remuneration Committee comprises all members of the Board, the majority of whom are independent. The Chair of the Remuneration Committee is an independent director. The composition of the Remuneration Committee, and details of the number of meetings held, can be found in the Directors’ Report of the Annual Report. A copy of the Remuneration Committee charter can be found on the Company’s website.</p> <p>Refer to Section 7 of the Company’s Board Charter for details of the duties of the Nomination Committee, which is located on the Company’s website at the following link: http://generabiosystems.com/investor-information/#corporate-governance.</p>

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(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.	(b) N/A	Refer to the Company's 2018 Annual Report which is located on the Company's website at the following link: http://generabiosystems.com/investor-information/#corporate-governance
<p>Recommendation 8.2</p> <p>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>	Yes	<p>Separate disclosure regarding the remuneration of the Company's directors (Executive and Non-Executive) and the CEO is disclosed in the Company's Annual report, as lodged with the ASX and issued to shareholders.</p> <p>A copy of the latest Annual Report containing this disclosure can be accessed from the "Annual Reports" link at http://generabiosystems.com/investor-information/</p>
<p>Recommendation 8.3</p> <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>	<p>Yes</p> <p>Yes</p>	<p>For detail refer the Company's Securities Trading Policy (available at http://generabiosystems.com/investor-information/).</p>