

CORPORATE GOVERNANCE STATEMENT

Reporting period: Financial year ended 31 December 2017

The Telix Pharmaceuticals Group (“Group”) comprises Telix Pharmaceuticals Limited, an Australian company listed on the Australian Securities Exchange (ASX : TLX), (“Company”) and its wholly owned subsidiaries: Telix International Pty Ltd, Telix Pharmaceuticals (ANZ) Pty Ltd, Telix Pharmaceuticals (US) Inc., Telix Life Sciences (UK) Ltd, Telix Pharmaceuticals (Singapore) Pte Ltd, Telix Pharmaceuticals Holdings (Germany) GmbH, Therapiea GmbH & Co. KG, and Telix Pharmaceuticals (Germany) GmbH.

As at the date of this Corporate Governance Statement, the Board of Telix Pharmaceuticals Limited consists of five directors. Two directors and considered by the Board to be independent, and three directors, including two executive directors, are considered by the Board as non-independent:

H Kevin McCann AM	Independent, Non-Executive Chairman
Mark Nelson PhD	Independent Non-Executive Director
Christian Behrenbruch PhD	Managing Director and Chief Executive Officer
Andreas Kluge MD PhD	Executive Director and Chief Medical Officer
Oliver Buck	Non-Independent, Non-Executive Director

The Board uses the guidance provided by the ASX Corporate Governance Council as a focus for the development and continuous improvement of the Group’s governance framework, policies and practices.

The Appendix 4G accompanying this Corporate Governance Statement details Telix Pharmaceuticals’ adherence to the ASX Corporate Governance Principles and Recommendations (3rd Edition), covering the reporting period of the financial year ended 31 December 2017.

Principle 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Telix Pharmaceuticals has established and disclosed the respective roles and responsibilities of the Board and management and how their performance is monitored and evaluated.

1.1 Board roles and responsibilities

The Board’s broad functions are to approve the strategic direction of the Group, guide and monitor the management of Telix in achieving its strategic plans, and oversee good governance practice. The Board monitors operational and financial performance and approves the Company’s budgets and business plans. The Board is also responsible for overseeing the Group’s compliance, financial reporting and risk management framework.

The Board has a charter which clearly sets out its roles and responsibilities and describes those matters expressly reserved for the Board’s determination and those matters delegated to management.

The Board has delegated the implementation of strategy and policy initiatives, including day-to-day management of the Company’s affairs, to the Managing Director and Chief Executive Officer, who is supported in this function by Telix Pharmaceuticals’ key management personnel. A detailed authorisations policy sets out the decision-making powers which may be exercised at various levels of management.

In addition, the Board has delegated specific authority to two Board committees – an audit and risk management committee, and a nomination and remuneration committee – both of which assist the Board in discharging its responsibilities. A description of each committee, its responsibilities and membership is detailed in each Committee’s Charter, available at [the Corporate Governance section of the Company’s website](#).

1.2 Providing information on prospective directors to shareholders

Before a person is appointed as a director, or put forward to shareholders as a candidate for election as a director, the Company undertakes appropriate checks in respect of that person, which include checks as to the person’s character, experience and education. Telix Pharmaceuticals provides its shareholders with all material information (that is in Telix Pharmaceuticals’ possession) relevant to a decision on whether or not to elect or re-elect a director (including any material adverse information revealed by the above or any other checks).

1.3 Written agreements with directors and key management personnel

Telix Pharmaceuticals has entered into written agreements with each director and member of key management personnel setting out the terms of their appointment, including respective roles and responsibilities. The agreements with directors include the requirement to disclose interests and any matters which may affect the director's independence. Agreements also specify the requirement to comply with key corporate policies, including the code of conduct, continuous disclosure and securities trading policies.

1.4 Company Secretary is responsible to the Board

The company secretary is responsible for advising the Board and its committees on governance matters, and for ensuring that Board and committee procedures are complied with. The company secretary is accountable directly to the Board, through the chair, on all matters to do with governance and the proper functioning of the Board. All directors have access to the company secretary for advice and services. The Board approves the appointment and removal of the company secretary.

1.5 Diversity

The Board of Telix Pharmaceuticals recognises that diversity is an important factor in improving and sustaining a workforce that is capable of achieving the strategic and business goals of the Group. The Board also recognises the challenges of achieving prescribed levels of diversity in a Group with a relatively small workforce.

The Board is committed to identifying and attracting employees and management with relevant experience, and its overriding principle is to treat people equally and with respect. The Group is committed to employee advancement based on skills and experience regardless of gender, race, ethnicity, religion, orientation or disability. The Board considers the diversity achieved to date to be a favourable endorsement of the Group's policies.

Telix Pharmaceuticals has a diversity policy which outlines the Group's commitment to diversity in the workplace and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. The policy includes the requirement for the Board to set measurable objectives for achieving gender diversity. In the period under review, the ratio of males to females in key management personnel, including the Board (8 people) was 87.5% : 12.5%. The Board continues to target that female representation in senior management and non-executive director appointments to exceed 25% within three years.

Diversity will continue to be encouraged by a commitment by the Board and key management personnel to model the code of conduct in all aspects of the business, by ensuring managers tasked with recruiting or advancement understand the rule and spirit of the code of conduct and diversity policy, through training and development, by ensuring that the Group's recruitment process encourages selection from a diverse pool of candidates, and through the continued flexible approach to work conditions.

1.6 Evaluation of the performance of the Board

The Board performs a pivotal role in the governance framework of a listed entity. The Board of Telix seeks to promote transparency and accountability, and recognises that evaluation of performance is a key element of these goals. At 31 December 2017, the current Board of Telix had been operating together for approximately four months, and the activity of the Board and the Company was directed to the successful listing of the company on the ASX. Given these activities and timeframes, the Board did not undertake a review of its performance in the period. In future periods, the Board will seek to establish a formal process for reviewing the performance of the Board, its committees, individual directors, and chair, and addressing any issues that may emerge from that review.

1.7 Evaluation of the performance of senior managers

The Board recognises that the performance of a listed entity's key management personnel will usually drive the performance of the entity. Telix has an annual performance and development review process in place for key management personnel. On an annual basis, key performance indicators (KPIs) for key management personnel are considered by the Nomination and Remuneration Committee, which also evaluates the CEO's performance and makes recommendations to the Board. The CEO reviews the performance of key management personnel in the context of strategic corporate and individual KPIs set and achieved. As part of this process, the potential future development of key management personnel is discussed, along with any training required to enhance the prospects of both the development objectives being achieved and overall performance and progression within the Group. Telix aims to reward management with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to align the interest of management with those of shareholders, and ensure

that total remuneration is competitive by market standards. The Remuneration Report, which details the Group's policy on the remuneration of key management personnel, is set out on pages 9-14 of the [Financial Report for the year ended 31 December 2017](#).

Principle 2: STRUCTURE THE BOARD TO ADD VALUE

Telix Pharmaceuticals has a Board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

2.1 Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration committee to assist the Board in fulfilling its duties and responsibilities by reviewing, advising and making recommendations to the Board on issues of nomination and remuneration. The Committee will consider items including board and CEO succession, board induction, and the balance of skills, knowledge, experience, independence and diversity on the Board.

The committee has three members: two independent, non-executive directors: Mr Kevin McCann (Chair) and Dr Mark Nelson; and one non-independent non-executive director, Mr Oliver Buck. The committee charter is available at [the Corporate Governance section of the Company's website](#).

In the period ending 31 December 2017 the Committee met on one occasion. The meeting was attended by all committee members.

2.2 Board skills matrix

The Board considers that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually and the Board collectively to discharge their responsibilities and duties under the law effectively and efficiently. Directors should understand the Telix business and the environment in which Telix operates so as to be able to question and agree with management on the objectives, goals and strategic direction which will maximise shareholder value, and then assess the performance of management in meeting those objectives and goals.

The current directors collectively bring to the Board a broad range of experience, expertise, skills, diversity and contacts relevant to Telix Pharmaceuticals and its business. The biographies of all directors can be found on pages 4-5 of the [Financial Report for the year ended 31 December 2017](#).

The Board skills matrix set out below describes the combined skills, experience and expertise presently represented on the Board. The Board strives to achieve diversity in its composition, and gender diversity continues to be a focus and goal.

Skills, experience and expertise

- ASX listed company experience
- Biotechnology and pharmaceutical sector
- Law and governance
- Financial acumen
- Radiopharmaceuticals industry commercial experience
- Capital Markets
- Commercial partnering, M&A
- Global regulatory experience
- Scientific and medical research expertise

2.3 Independence and length of service of Directors

Director	Length of service
H Kevin McCann, AM BA LLB (Hons) LLM (Harvard) Life Fellow AICD	<i>Appointed Non-Executive Director and Chairman, 17 September 2017</i>
Christian Behrenbruch, B.Eng (Hons) D.Phil (Oxon) MBA (TRIUM) JD (Melb) FIEAust GAICD	<i>Appointed Executive Director, 3 January 2017</i>
Andreas Kluge, MD PhD	<i>Appointed Executive Director, 3 January 2017</i>
Mark Nelson, B.Sc (Hons) (Melb), M.Phil (Cantab) Ph.D (Melb)	<i>Appointed Non-Executive Director, 17 September 2017</i>
Oliver Buck, Dipl. Phys. (Theoretical Biophysics, Technical University of Munich)	<i>Appointed Non-Executive Director, 16 January 2017</i>

The Board has referred to the Board Charter and the guidance provided by the ASX Corporate Governance Council and has considered the independence of each director in this context. At the date of this Corporate Governance Statement it is the Board's opinion that:

- that Mssrs McCann and Nelson are considered Independent Directors;
- that due to their executive roles, Drs Behrenbruch and Kluge are not considered Independent Directors; and,
- that, in the context that Mr Buck is a member of the Supervisory Board Isotopen Technologien München (ITM) AG, a leading supplier of diagnostic and therapeutic isotopes for nuclear medicine with which Telix has a global supply agreement, Mr Buck is not considered an Independent Director.

2.4 Independence of the Board

The Board has referred to the guidance provided by the ASX Corporate Governance Council and acknowledges the recommendation that a majority of the board of a listed entity should be independent directors. As at the date of this statement, the Board consists of three non-executive directors, two of whom are independent directors; and two executive directors, both of whom are non-independent directors. Of the five directors on the Board, the three non-independent directors bring skills to the Board that are specific to the radio pharmaceuticals industry and considered by the Board to be essential for success in the Company's objectives. The two independent directors are experienced directors of ASX-listed companies. In these circumstances the Board considers that the balance of directors is appropriate in the circumstances of the Company at this time and given the existing size of the Board.

The directors of Telix are required to keep the Board advised of any interest that may be in conflict with those of the Group, and restrictions are applied to directors' rights to participate in discussion and to vote when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting while the matter is considered in their absence.

The Board will continue to keep the balance of diversity, skills and experience of its members, as well as their independence, under review.

2.5 Independence of the Chair

H Kevin McCann was appointed as an independent, non-executive chairman on 17 September 2017.

The Board of Telix acknowledges that the chair of the board of a listed entity should be an independent director and should not be the same person as the CEO. The Board recognises that having an independent chair can contribute to a culture of openness and constructive challenge that allows for a diversity of views to be considered by the Board. The Board further recognises that good governance demands that an appropriate separation exist between those charged with managing a listed entity and those responsible for overseeing its managers.

2.6 Program for induction and training of directors

It is the policy of the Board that, both before accepting appointment and continuously thereafter, directors are provided with information about the Group appropriate for them to discharge their responsibilities. To help directors maintain their understanding of the business, directors have access to the members of the management team and also to employees at all levels. Directors are given access to continuing education in relation to the Group's business and industry, and other information required by them to discharge their responsibilities. With approval from the chair, which will not be unreasonably withheld or delayed, each director may seek independent legal or other professional advice at the Company's expense.

Principle 3 – ACT ETHICALLY AND RESPONSIBLY

Telix Pharmaceuticals promotes ethical and responsible decision making.

3.1 Code of conduct

The underlying principles of the Board's code of conduct are that the Telix Group has a commitment not only to complying with its legal obligations but also to acting ethically and responsibly, and that ethical behaviour is required of directors, key management personnel and employees of the Group, as well as of advisors and consultants to the Group.

The code of conduct states the Group's expectation that all directors, senior executives and employees will act in the best interests of the entity; will act honestly and with high standards of personal integrity; will comply with the laws and regulations that apply to the entity and its operations; will not knowingly participate in any illegal or unethical activity; will not enter into any arrangement or participate in any activity that would conflict with the entity's best interests or that would be likely to negatively affect the entity's reputation; will not take advantage of the property or information of the entity or its customers for personal gain or to cause detriment to the entity or its customers; and will not take advantage of their position or the opportunities arising therefrom for personal gain.

The code of conduct includes reporting channels for suspected breaches of the code, and a whistle blower protection policy.

The Board has adopted specific policies in key areas, including diversity, continuous disclosure and dealing with price sensitive information, and dealing in the securities of Telix, and these policies interact with the code of conduct.

The Board's code of conduct is available at [the Corporate Governance section of the Company's website](#).

As a drug development Group, Telix is involved in testing potential new medicines on both animals and humans. This testing is an essential requirement of international medicine development and regulatory approval processes. All studies undertaken involving animals or humans are developed in association with medical, scientific and regulatory advisors, and with reference to national and international ethical and scientific codes, including Australia's National Health and Medical Research Council's (NHMRC) and the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH). Studies are only commenced after ethics approval has been received from the institution or clinical site at which studies are to be carried out.

Principle 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Telix Pharmaceuticals has formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

4.1 Audit and Risk Management Committee

The Board has established an audit and risk management committee as an efficient and effective mechanism to bring the transparency, focus and independent judgement needed to oversee the corporate reporting process.

As related specifically to audit, the role of the audit and risk management committee to review and make recommendations to the board in relation 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 of the external auditor; the rotation of the audit engagement partner; the scope and adequacy of the external audit; the independence and performance of the external auditor; any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor.

The committee has three members: two independent, non-executive directors: Dr Mark Nelson (Chair) and Mr Kevin McCann; and one non-independent non-executive director, Mr Oliver Buck. The committee charter is available at [the Corporate Governance section of the Company's website](#).

In the period ending 31 December 2017 the committee met on one occasion. The meeting was attended by all committee members.

4.2 CEO and CFO declarations

In accordance with Section 295A of the Corporations Act and recognising the recommendation of the ASX Corporate Governance Council, the CEO and CFO sign 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.

4.3 Role of the external auditor

The Company's external auditor is Pricewaterhouse Coopers (PWC). PWC provided an independence declaration to the Board for the financial year ended 31 December 2017. This is available on page 52 of the Financial Report for the year ended 31 December 2017. The lead audit partner of PWC shall attend the Company's Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Telix Pharmaceuticals promotes timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

5.1 Continuous Disclosure

The Board of Telix believes that all stakeholders should be informed of all major events and risks that influence the Group, including its financial position, performance, ownership and governance, in a factual and timely manner. The Company's practice of providing relevant and timely information is supported by its Continuous Disclosure Policy which details comprehensive processes to ensure compliance with the Corporations Act and ASX Listing Rules.

Specifically, the Company's Continuous Disclosure Policy outlines the procedure for identifying information that is or may be price sensitive information, and for reporting that information to the Chair/ CEO/ Company Secretary for review. It also details the roles and responsibilities of directors, officers and employees in complying with the entity's

disclosure obligations; safeguarding confidentiality of corporate information to avoid premature disclosure; media contact and comment; external communications such as analyst briefings and responses to security holder questions; and measures for responding to or avoiding the emergence of a false market in the entity's securities.

Under the Continuous Disclosure Policy, all price-sensitive material for public announcement will be lodged with ASX and subsequently posted on the Company's website. The Company Secretary is responsible for communications with the ASX.

Continuous Disclosure is a standing item on Board Meeting Agendas.

Principle 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS

Telix Pharmaceuticals respects the rights of security holders and facilitates the effective exercise of those rights.

6.1 Information made available on the Company's website

The Board is committed to communicating effectively and transparently with shareholders about the Group's performance and results. In addition to its formal disclosure obligations under ASX Listing Rules and the Corporations Act, the Company utilises current and breaking technologies to facilitate open and continual communications with security holders and the market in general.

The Company's website address is www.telixpharma.com. Investors and interested parties can access an overview of Telix's business and history; key information about Telix's assets and core programs, the names, photographs and brief biographical information for each of its directors and key management personnel; its board charter and the charters of each of its board committees; copies of its annual reports and financial statements; copies of its announcements to ASX; copies of notices of meetings of security holders and any accompanying documents; as well as company contact details.

6.2 Investor relations program

To ensure that security holders and other stakeholders have a full understanding of the Company's performance and strategies, and to help ensure effective two-way communication with investors, Telix has designed and implemented an investor and public relations program which includes company-to-investor e-communications, investor presentations and roadshows, analyst briefings, and targeted conference presentations and speaking events.

These updates provide an opportunity for investors and analysts to speak directly with, and ask questions of, the CEO. Telix Pharmaceuticals keeps summary records for internal use of issues discussed at group and one-on-one briefings for investors and analysts.

6.3 Facilitate shareholder participation at general meetings

General meetings are an important forum for two-way communication between the Company and its shareholders. Shareholders can elect to receive emails with the latest investor announcements, investor presentations and webcasts, annual reports, as well as general meeting information, including notices of meeting and explanatory memorandums.

Telix provides an electronic voting facility which enables all security holders to vote ahead of the meeting, without having to attend or appoint a proxy.

Telix affords all shareholders the opportunity to exercise their right to ask questions about, or make comments on, the management of the Company, including those shareholders who are unable to attend a meeting in person, in which case questions can be lodged in advance of the meeting to be responded to at the meeting.

6.4 Electronic communications

Telix provides security holders the option to electronically receive communications from, and send communications to, the Company and its share registry, Link Market Services.

Principle 7 - RECOGNISE AND MANAGE RISK

Telix Pharmaceuticals is developing a rigorous risk management framework.

7.1 Risk committee

The Board recognises that managing risk is a crucial part of the role of the Board and management, and that good risk management practices can not only help to protect established value, they can assist in identifying and capitalising on opportunities to create value. It is the role of management to design and implement a risk management framework and to ensure that the Group operates within the risk appetite set by the Board. It is the role of the Board to set the risk appetite for the entity, to oversee its risk management framework and to satisfy itself that the framework is sound.

As noted under 4.1, the Board has established an audit and risk management committee that has three members: two independent, non-executive directors: Dr Mark Nelson (Chair) and Mr Kevin McCann; and one non-independent non-executive director, Mr Oliver Buck.

As relates specifically to risk, the role the committee is to review and make recommendations to the Board in relation to the adequacy of the entity's processes for managing risk; any incident involving fraud or other break down of the entity's internal controls; and the entity's insurance program, having regard to the entity's business and the insurable risks associated with its business.

7.2 Risk management framework

Telix's risk management framework identifies key risks to the Telix Pharmaceuticals Group's strategic goals – which include funding, clinical trial, supply, partnering, regulatory, delay and competition risk - and outlines ways to mitigate, transfer or avoid these risks where applicable.

The Board has mechanisms in place to ensure that management's objectives and activities are aligned with identified risks. These include Board review of business strategy, the implementation of Board-approved operating plans and budgets, and Board monitoring of progress against these plans budgets.

Given the early-stage of the company and the nature of clinical development, review of risks facing the business is an active and continual process.

7.3 Internal audit

Given the early-stage of the Company, and the size and nature of the Company's activities, Telix does not have a formal delegated internal audit function. However, key management personnel maintain a close overview of company activities and are able to call for an internal review or audit of one or more activities at any relevant time. Telix liaises with its external auditor to help maintain awareness of current best practice in internal controls, and will action relevant changes on at least a semi-annual basis.

7.4 Material exposure to economic, environmental or social sustainability risk

Economic risk: In common with other companies in the biotechnology sector, Telix's operations are subject to risks and uncertainty due primarily to the nature of the drug development and commercialisation. In particular, in order for Telix to execute its near term and longer-term plans, the Board may be required to raise capital sufficient enough to meet operational and program development needs.

Telix Pharmaceuticals does not have any material exposure to environmental or social sustainability risks.

Principle 8 - REMUNERATE FAIRLY AND RESPONSIBLY

Telix seeks to ensure that the level and composition of remuneration is sufficient and reasonable to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders, and that its relationship to performance is clear.

8.1 Remuneration Committee

As noted in 2.1, The Board has established a Nomination and Remuneration committee as an efficient and effective mechanism to bring the transparency, focus and independent judgement needed on remuneration decisions, and to assist the Board in fulfilling its duties and responsibilities by reviewing, advising and making recommendations to the Board on issues of nomination and remuneration.

In respect of remuneration, the committee advises on: the Group's remuneration framework for directors, including the process by which any pool of directors' fees approved by security holders is allocated to directors; the remuneration packages to be awarded to key management personnel; and equity-based remuneration plans for directors, key management personnel and other employees.

The committee has three members: two independent, non-executive directors: Mr Kevin McCann (Chair) and Dr Mark Nelson; and one non-independent non-executive director, Mr Oliver Buck.

In the period ending 31 December 2017, the committee met on one occasion. The meeting was attended by all committee members.

8.2 Disclosure of policies and practices regarding remuneration

The remuneration report (audited) of directors details the Group's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and key management personnel, and its relationship to performance. These policies can be found on pages 9-14 of the [Financial Report for the year ended 31 December 2017](#).

The remuneration report clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and other key management personnel. Shareholders are invited to vote on the adoption of the remuneration report at the Company's Annual General Meeting of Shareholders.

8.3 Equity-based remuneration: no hedging or otherwise limiting economic risk

The objectives of the Company's Equity Incentive Plan (EIP) are to incentivise key management personnel and employees in a manner that rewards continued commitment and loyalty to the Company while aligning remuneration with the creation of shareholder wealth.

The Company does not condone short term or speculative trading in its securities by directors and employees, and the Company's [Securities Trading Policy](#) specifies that, except with written clearance as defined in the policy, directors and/or key management personnel must not engage in hedging arrangements, deal in derivatives or enter into other arrangements which limit the economic risk in connection with the securities of Telix.

Key documents relevant to this Corporate Governance Statement

Telix Pharmaceuticals Limited Board Charter and Relationship with Management:
<http://www.telixpharma.com/wp-content/uploads/2017/05/Board-charter-and-relationship-with-management.pdf>

Telix Pharmaceuticals Limited Securities Dealing Policy: <http://www.telixpharma.com/wp-content/uploads/2017/05/Securities-Dealing-Policy.pdf>

Telix Pharmaceuticals Limited Financial Report for the year ended 31 December 2017:
<http://www.telixpharma.com/annual-report-2017/>

ASX Corporate Governance Principles and Recommendations (3rd Edition):
<http://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-3rd-edn.pdf>