

Stemcell United Limited

CORPORATE GOVERNANCE POLICIES

Remuneration Policy

1. General

Due to its small size the Board has not established a Remuneration Committee. The full Board is responsible for considering the remuneration arrangements for Directors and executives of the Company.

The Board has adopted the following principles for considering remuneration:

2. Executive Remuneration

The Company's remuneration policy for executives is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration which is market related.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance, relevant comparative information and expert advice. The Board's reward policy reflects its obligation to align each executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- reward reflects the competitive market in which the Company operates;
- individual reward should be linked to performance criteria; and
- executives should be rewarded for both financial and non-financial performance.
- The total remuneration of executives may consist of the following:
 - salary — executives receive a fixed sum payable monthly in cash;
 - Performance incentives — executives may be paid a cash bonus up to an agreed percentage of salary subject to meeting performance criteria agreed by the Board;
 - long - term incentives — executives may be granted options. Executive directors may be granted options with the prior approval of shareholders; and
 - other benefits — executives receive superannuation contributions and may receive such other benefits as may be approved by the Board from time to time.

3. Non-Executive Director Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive Directors. The Board recommends the actual payments to Directors comprising a set annual Director fee, plus statutory superannuation.

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In addition to their Directors fees Non-executive Directors may be paid for service in addition to the normal activities of a director at an agreed daily rate.

Non-executive Directors may be granted options with the prior approval of shareholders.

Directors will have the benefit of Deed of Access Insurance and Indemnity entered into with the Company.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives will be contained in the Remuneration report included in the Company's Annual Financial Statements.