



MSRA

Corporate Governance Statement

August 2009



MULTIPLE SCLEROSIS RESEARCH AUSTRALIA LIMITED

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Multiple Sclerosis Research Australia Limited

CORPORATE GOVERNANCE STATEMENT

1. INTRODUCTION

Multiple Sclerosis Research Australia Limited ("MSRA" or the "Company") is the successor Company to the National Multiple Sclerosis Research Foundation and was formally incorporated in 2004, with operations beginning in October 2005.

MSRA acts on behalf of MS Australia, to accelerate research that contributes to the world-wide effort to solve MS. It was established to facilitate MS research at research institutes and agencies around Australia and raise funds as required. This research is chosen based on scientific governance principles, independently from the State MS Societies.

MSRA is a company limited by guarantee and its activities are regulated by the Corporations Act and State and Commonwealth laws as applicable.

The Board of MSRA applies sound governance throughout the organisation's operations, including the conduct of the Board, reflecting its belief that good governance will enhance the Company's reputation and its ability to fulfil its obligations to Australians with multiple sclerosis ("AwMS").

MSRA is principally accountable to Members of the Company and through them, to Multiple Sclerosis Australia ("MSA"), the federation of Australian state-based multiple sclerosis societies. The Members of the Company are the five state-based multiple sclerosis societies:

- Multiple Sclerosis Limited (Vic/NSW/ACT) ("MSL")
- Multiple Sclerosis Society of Queensland
- The Multiple Sclerosis Society of SA and NT Inc
- The Multiple Sclerosis Society of Tasmania
- The Multiple Sclerosis Society of Western Australia Inc

Following the merger of the MS societies in Victoria, NSW and the ACT, MSL is entitled to three votes at a general meeting of MSA. The remaining members are each entitled to one vote.

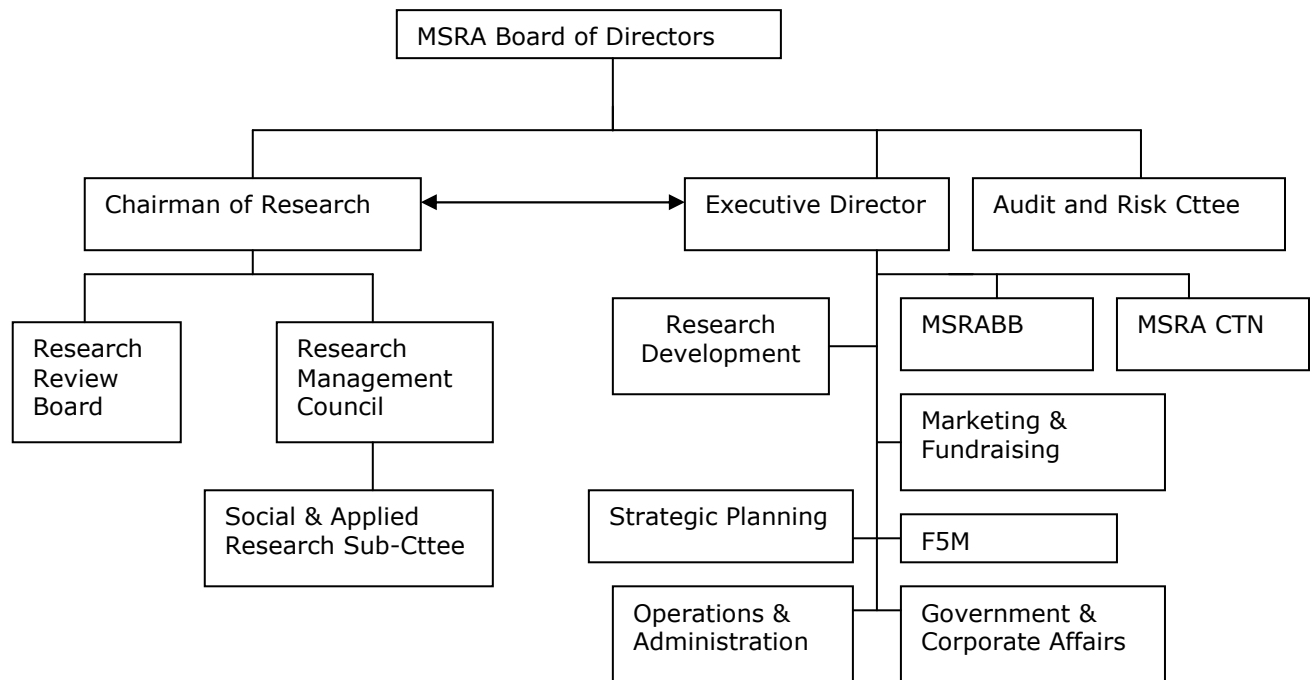
It is also accountable to Australians with MS, its employees, to the MS research community and its members researching MS, to volunteers and supporters, medical and health service providers, sponsors, donors and funding bodies, local, State and Federal Governments and the community at large.

This statement:

- sets out the principles, policies and procedures the Board adopts to ensure the long-term health and prosperity of MSRA is maintained for the benefit of AwMS
- provides an overall governance framework for the Company
- identifies the respective roles and responsibilities of the Board, management and the other key people and bodies with MSRA in setting the strategy and direction of MSRA and in managing and controlling the organisation.

2. CORPORATE STRUCTURE

MSRA is structured as follows:



The key individuals or groups within MSRA are as follows:

- **MSRA Board:** the Board's primary focus is to approve research funding and annual budgets, and monitor the progress of the Executive Director against strategy
- **MSRA Executive Director:** is responsible for the strategic planning and ongoing operation of the organisation, for facilitating the development of an MS research portfolio, for advocacy, marketing and the fundraising required, for implementing MSRA's research strategy externally through the relevant researchers and institutions, and for monitoring the progress of research funded by MSRA
- **Chairman of Research:** is a member of the MSRA Board, and chairs the Research Review Board and the Research Management Council
- **Research Review Board:** determines the overall research strategy for MSRA
- **Research Management Council:** reviews research funding applications and proposals, makes recommendations to the MSRA Board and supports the Chairman of Research
- **Social and Applied Research Sub-Committee:** reviews research strategy funding applications and proposals in relation to social and applied research, and makes recommendations to the Chairman of Research

3. BACKGROUND – ABOUT MSRA

3.1 Objectives

MSRA aims to accelerate research progress towards prevention, better treatments and a cure for MS, by facilitating targeted research- primarily in Australia- through competitive project grants and career awards, directed and collaborative (platform) projects and rigorous governance.

MSRA has two operational strategies: to co-ordinate the Australian research effort and to build a funding base for that research. These strategies are:

1. Coordinating the Research Effort

MSRA partners with University and other research agencies in all Australian states to achieve its aim by:

- Focusing on Australian research that contributes significantly to the world-wide effort
- Encouraging collaboration via virtual research centres- networks of researchers working together
- Investing in a national Research Portfolio, with both commissioned (proactive) and investigator- driven (reactive) projects, targeting specific outcomes.

2. Building a Funding Base

MSRA seeks to raise funds sufficient to support its research strategy. It engages business and community leaders, community groups and people with MS, and looks for opportunities to leverage government and other funds to match private support and increase funding wherever possible.

3.2 Scientific Governance

MSRA was founded on the following key principles, which underpin its framework and activities:

- **Scientific method:** MSRA aims to meet global best practice and standards in rigorous scientific governance and method for all research it funds. MSRA's approach to the funding of research is merit-based and follows the funding model and principles of the Australian National Health and Medical Research Council (NHMRC) and Australian Research Council (ARC) which includes independent peer review of all research requested to be funded by MSRA, including social and applied research.
- **Independent grant structure:** MSRA is structured so that the grant process, and individuals assessing grant applications, are independent from applicants for grants and from MSRA's members.
- **Research of greatest impact:** MSRA only funds research if it will add to the global understanding of MS and the betterment of the lives of people with MS.
- **Reassurance to donors:** The independence of the merit-based grant process, and MSRA's governance structure, is critical to reassuring donors, whether government or private, that funds donated are utilised according to MSRA's research strategy.
- **Relationship with MS Australia:** Recognising that MSRA undertakes this role on behalf of MS Australia, the MSRA Board must have at least two directors who are also directors of MSA.

4. THE BOARD

4.1 Role of the Board

The Board of Directors exercises the powers vested in it by the Corporations Act, and the Company's Constitution.

The Board is directly responsible to Members for the long-term health and prosperity of the Company. The policies and practices outlined in this document provide the framework which enables the Board's principal role to be achieved whilst ensuring that MSRA's activities are conducted ethically and in accordance with the law.

The Board charts the direction of MSRA and monitors management's performance on behalf of the Company's Members and stakeholders.

Its responsibilities include:

- setting the vision and providing strategic direction;
- ensuring there is rigorous analysis and substantiation of thinking supporting the strategy and reviewing the effective implementation of the strategy;
- establishment and maintenance of appropriate governance structures, including scientific governance of MSRA's research strategy and framework;
- ensuring resources are available to achieve the Company's strategic plan and its annual business plans and budgets, and approving the Company's annual budget;
- approving annual research grant funding, having regard to recommendations from the RMC and the Chairman of Research;
- approving the Research Review Board's research strategy, as amended from time to time;
- regularly monitoring the Company's operational key performance indicators and its financial performance against these plans and budgets;
- selecting, appointing, removal, reviewing the performance and approving the remuneration of the Executive Director (ED);
- ensuring that the Company's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- ensuring significant business and other risks to the Company are identified and appropriately managed and adequate internal controls are in place;
- approving transactions in excess of delegated levels or outside Board-approved annual plans and budgets;
- monitoring management's activities and performance to ensure the strategic plan and direction are being achieved;
- ensuring the Company's Occupation, Health and Safety (OH&S) policies and processes are clearly articulated, all employees are adequately trained in them and there is continuous monitoring and evaluation to ensure OH&S risks are proactively identified and mitigated, and
- ensuring the Company's activities are conducted ethically and transparently through setting business standards and codes of ethical behaviour.

The Board has delegated several of these responsibilities to its Committees (see below).

4.2 Role of the Chairman

The Board elects the Chairman of the Board. The key internal roles of the Company's Chairman are to:

- conduct effective Board meetings and processes, seeing that the appropriate matters are considered by the Board in a timely and transparent manner
- be the Board's formal point of contact with the ED
- ensure the Board provides guidance and vision to the Company
- guide the ongoing effectiveness and development of the Board and individual Directors, including appropriate induction of new Directors
- conduct annual assessments of the Board's and individual Directors' performance, identify any development needs and potential need for additional Board members.

The main external role of the Chairman is to represent the Board and the Company, as appropriate, to its various stakeholders and to chair its legally required annual and other meetings.

5. ROLE OF EXECUTIVE DIRECTOR

The Board delegates responsibility for day-to-day management of the Company's activities to the ED. The ED is responsible for the implementation of strategies approved by the Board.

The ED is appointed by the Board. The Board's Chairman is the Board's principal formal contact with the ED. However, the ED has unrestricted access to all Board Members and vice versa.

The key responsibilities of the ED are:

- Developing and implementing overall strategy for MSRA.
- Delivering the vision and mission of the Company through the development and implementation of the Company's Board-approved intent and strategy, its annual operating plans and budgets and other policy documents.
- Developing the Company's public image and brand through quality communications, public relations and management processes, sound financial management, effective management of risks, and good overall promotion of the Company.
- Liaison with researchers, encouraging discussion regarding future research that might be reflected in the Investigator-driven applications or directed proactive 'Expressions of Interest' research projects.
- Coordinating major collaborations and research projects, where required via the Manager of Research Development
- Determining what level of funding can be applied to the annual funding approvals (from the Research Management Council) and (with the RMC Chairman) makes recommendations to the Board
- Overseeing several specific operations of MSRA including the MSRA Clinical Trials Network, the MSRA Brain Bank and Foundation 5 Million (F5M)
- Overseeing an appropriate reporting and accountability mechanism for researchers.
- Managing effective publicity and stakeholder communications
- Supporting the Chairman of Research in relation to the Research Management Council's research approval process and implementation of MSRA's research strategy.
- Ensuring all fundraising activities meet the Institute of Fundraising Codes of Practice and applicable laws.
- Passionately advocating the Company's role and responsibilities to Local, State and Federal governments, the corporate sector and other community groups to influence policy and funding of MS research.
- Presenting to the Board of each State MS Society annually in relation to MSRA's research strategy, fundraising progress and developments generally.
- Selecting and retaining staff and developing and implementing good people and culture policies and processes which lead to a positive Company culture in which employees can realise their full potential.
- Assisting the Board in developing, applying and monitoring key performance measures across all key responsibilities within the Company, including business process improvement, business development and partnerships, finance and administration, and marketing and donor development.

The ED has delegated authority within specified limits in relation to financial decisions; this includes authority to make payments to researchers, where the Board has already approved research funding.

The Board's annual performance review of the ED will be guided by these responsibilities, as well as other agreed specific objectives and responsibilities. The ED attends MSRA Board meetings by invitation.

6. CHAIRMAN OF RESEARCH

It is expected that the Chairman of the Research Review Board (RRB) will also be the Chairman of the Research Management Council (RMC). That person is referred to as the 'Chairman of Research'.

The Chairman of Research is appointed by the MSRA Board, and performs the following functions:

- Chairs the RRB, and chairs the RMC
- As Chairman of the RRB, keeps the MSRA Board advised of any developments or changes to the RRB's research strategy

- Oversees the annual research proposal review process with the RMC, including selection of offshore assessors to conduct preliminary reviews of all research grant applications
- Oversees the process for reviewing directed or 'research platform' proposals and initiatives arising outside the annual research grant approval process
- Facilitates review of directed research proposals, by selecting suitable RMC members to consider those proposals and advise the Chairman as needed
- Makes recommendations to the MSRA Board (with the Executive Director) for research funding approvals, following the annual RMC review of investigator driven research funding applications, and as needed in relation to all other directed proposals
- Makes recommendations to the MSRA Board in relation to proposed new members of the RMC and RRB, as and when needed.

The Chairman of Research is supported in this role by the following key groups:

- **Research Review Board:** the RRB provides support by reviewing MSRA's research strategy. The Chairman of Research is responsible for using this support network as needed to ensure a proper review of MSRA's research strategy
- **Research Management Council:** the RMC provides resources through its members to facilitate the annual research funding review process, and ad hoc reviews of directed research proposals and initiatives
- **Social and Applied Research Sub-committee:** the Committee makes recommendations to the Chairman of Research in relation to grant applications and research proposals for social and applied research.

RMC members generally have expertise in at least one of the following streams of research: clinical trials; genetics and epidemiology; immunology and virology; neurobiology; social and applied research. The Chairman of Research is responsible for calling on RMC members with suitable expertise and independence, to ensure a proper review of all directed research proposals.

The MSRA Research Co-ordinator also supports the Chairman of Research by co-ordinating the reporting process by MS researchers for the ongoing funding of research.

7. MSRA ADVISORY BODIES

7.1 Research Review Board (RRB)

The Research Review Board guides the MSRA Board and the Chairman of Research by recommending the strategy that leverages Australia's strengths that can best contribute to the global effort in MS research. The research strategy determined by the RRB, and any changes to it, are approved by the MSRA Board.

The RRB identifies the promising areas of Australian research that complement the world-wide effort. This develops the strategic direction and focus for the allocation of funding for Australian MS research. The members of the Board consist of Australian-based and international scientists.

In developing the overall research strategy of MSRA, the RRB's role includes:

- Identifying current high potential MS research issues or questions which need addressing;
- Reviewing MSRA's current research strategy and development of MS research in Australia, and making recommendations in relation to MSRA's research strategy;
- Identifying international MS research trends.

The RRB meets on an ad hoc basis, approximately once every 18 months.

Members of the RRB are also available to the Chairman of Research for advice in relation to research strategy and specific issues, including that of social & applied research, as needed.

7.2 Research Management Council (RMC)

The Research Management Council acts as an expert peer review group and provides expert advisory support to the Chairman of Research.

The RMC reviews proposals for MS research investment and makes recommendations to the MSRA Board, through the Chairman of Research, in relation to funding approvals of those proposals. The Council is a multi-disciplinary team of scientific experts.

The RMC's functions include:

- Overseeing the annual process for reviewing research proposals (a documented tendering and peer review process);
- Through the Chairman of Research, recommending to the MSRA Board those proposals which should be funded;
- Reviewing progress reports from grant recipients, where the report relates to ongoing research and an ongoing funding proposal.
- Provides advice on any MS research matters.

The RMC meets annually to formally review funding requests. RMC members are also available on an ad hoc basis to the Chairman of Research as needed – typically for the purpose of considering directed research or platform proposals.

Conflicts of interest

The RMC members are keen to avoid any actual or perceived conflicts of interest arising in relation to the role of the RMC and involvement of individual members. This is addressed in various ways. For example, an RMC member associated with a specific research funding application will not review or participate in the discussions or vote on that application.

7.3 MSRA Social & Applied Research Sub-Committee

This sub-committee was established as a sub-committee of the Research Management Committee to oversee applied and social research in a manner similar to the RMC's usual manner of overseeing pure research. The sub-committee reviews applications solely in relation to social and applied research, and makes recommendations to the Chairman of Research, who then makes funding recommendations to the Board.

The sub-committee currently has four members, and its own chair.

8. DIRECTORS AND RELATED MATTERS

8.1 Role of Individual Directors

Directors are expected to:

- Discharge their duties in good faith and honesty in the best interests of the Company
- Make reasonable inquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals
- Undertake diligent analysis of all proposals placed before the Board

8.2 Role of Company Secretary

The Company Secretary is responsible for providing advice to Directors and Officers on corporate governance and regulatory matters, developing and implementing MSRA's governance framework and giving practical effect to the Board's decisions.

8.3 Board Composition and Size

The Board determines its own size, subject to the limits imposed by the Constitution.

The Company's Constitution provides that:

- the maximum number of Directors shall be 10;

- at all times there must be at least two Directors who are also Directors of Multiple Sclerosis Australia
- Directors appointed to fill casual vacancies must submit to election at the next general meeting.

All Directors are non-executive directors, independent of management and free from any business, interest or other relationship that could materially influence the exercise of their independent judgement.

8.4 Avoidance of Conflicts of Interest of Directors

Any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered, and may not vote on the matter. Specifically, a Director who is associated with a research proposal under consideration by the Board for funding approval will not be involved in the Board's decision making process.

8.5 Nominations and Appointment of New Directors

Nominations for appointment to the Board are considered by the Board as a whole. The Board's overall composition is reviewed annually by the Chairman, and by the full Board as part of its annual performance review.

This Committee recommends to the full Board the appointment of Directors to achieve a mix of qualifications, skills and experience, taking into account the strategic direction and progress of the company.

The general attributes that Directors should bring to the Board include empathy with AwMS, sound business judgement and a performance focus, broad strategic thinking, a collegiate and team playing approach, a philosophical commitment to the objectives of the Company, a willingness and capability to devote the required time to the Board's affairs, and undoubted reputation and integrity. In addition, specific scientific and functional skills will be identified from time to time to complement the overall mix of functional skills of Board members.

New Directors are required to undertake a thorough induction into the affairs of the Board and the company, staff and financial position. This induction process includes meetings with the Company's staff and may include training on board responsibilities and obligations, and other training considered appropriate.

The current composition of the Board and Board Committees, together with background details on each Director, is set out in the Company's annual report and on the Company's website.

8.6 Board Access to Independent Professional Advice

The Board collectively, and each Director individually, have unrestricted access to Company records and information. The Board has a policy of enabling the Board collectively, and Directors individually, to seek independent professional advice for reasonable Company-related matters at the Company's expense. This is subject to the approval in advance of the Chairman, which is not to be withheld unreasonably, and in its absence, Board approval may be sought. Any such advice provided to individual Directors must be shared with the Chairman and the Board.

8.7 Directors' Indemnity and Insurance Cover

The Company's Constitution provides an indemnity to present and past Directors. As with other insurable risks, the Company has insured Directors and officers against liabilities incurred in connection with their performance through their position with the Company except for a liability arising out of conduct involving wilful breach of duty or knowing contravention of the Corporations Act. Each Director signs an Access & Indemnity Deed with MSRA to ensure seven year access to documents after retirement as a Director.

8.8 Director's remuneration

No Directors receive remuneration from the Company unless formally approved by the Board. Out of pocket expenses relating to their director activities may be reimbursed by the Company.

9. MEETINGS OF THE BOARD AND THEIR CONDUCT

The Board's scheduled meetings are normally six times during the year as well as an annual strategic planning conference. The Board also meets whenever necessary to deal with specific matters requiring attention between scheduled meetings. Scheduled meetings, including the annual strategic planning review with management, are used to monitor, challenge and fully understand the Company's business and operational issues.

Meeting agendas are determined by the Chairman and the ED after considering advice from the Board, to ensure adequate coverage of strategic, financial and operating matters throughout the year. Details of meetings and attendances are set out in the Company's annual report.

The ED submits a report to each Board meeting, and attends all Board meetings by invitation. The main focus of the ED's Board reports are performance against targets and progress against the Company's strategic plan.

Directors are kept aware of current and forthcoming issues regarding the Company's operations and performance through board papers circulated in advance of meetings, the Board's intranet site, participation on Board Committees and the annual planning and strategy review conference. Board papers contain monthly and year to date financial and performance information compared with annual budgets. Papers relating to particular issues are also included and MSRA staff may be invited to present and discuss these matters with the Board as required.

All Board papers are available to MSRA's members.

The MSRA Board invites the MSA Board to attend one MSRA Board meeting each year, for the purpose of ensuring communication and interaction between the two Boards.

10. MSRA CLINICAL TRIALS NETWORK & EXECUTIVE COMMITTEE

The Multiple Sclerosis Research Australia Clinical Trials Network (CTN) coordinates information about MS clinical trial activity in Australia and New Zealand and supports commercial and investigator-driven clinical trials.

The CTN endeavours to increase awareness of MS clinical activity and increase trial sponsors' awareness of capacity in Australia and New Zealand to undertake MS trials.

The CTN aims to:

- Improve the opportunity to participate in trials for both patients and neurologists;
- Streamline the interaction between trial sponsors, trial sites and the patient community;
- Increase patient awareness about trials;
- Enhance trial sponsors' awareness of Australia's and New Zealand's capacity to undertake MS trials;
- Enhance contact between trial centres and potential participants;
- Assist with both industry sponsored and investigator initiated studies.

The Executive Committee of the CTN is an advisory committee to MSRA. The Committee is responsible for implementing the CTN. The purpose of the Executive Committee is to:

- Provide expert opinions, recommendations and act on these to develop a viable MS clinical trials network;

- Review MS clinical trials proposed by trial sponsors who are part of the CTN;
- Recommend network members who may be able to contribute to proposed trials;
- Administer certain functions of the CTN, in accordance with the Committee's Terms of Reference.

The Executive Committee has Terms of Reference approved by the MSRA Board which address matters such as the Committee's functions, membership and processes for conducting reviews of proposed trials. Executive Committee members are appointed by the MSRA Board, and are not entitled to be remunerated. MSRA has provided an indemnity for each Executive Committee member, on the terms set out in the relevant deed poll. The Chairman of the Executive Committee reports to the MSRA Executive Director.

11. MSRA BRAIN BANK

11.1 MS Research Australia Brain Bank Advisory Board (Advisory Board)

MSRA has established the MSRA Brain Bank (MSBB) with the assistance of the University of Sydney. A key purpose of the MSBB is to provide a specialised repository of high quality brain and tissue material from deceased persons with MS, and to make available the resulting data and tissue for research where appropriate.

The Advisory Board has been established in relation to the operation of the MSBB, providing specialist advice to MSRA in relation to the MSBB, and a specialist forum for consultation on issues relating to the MSBB. The Advisory Board is a sub-committee of the MSRA Board, and acts in an advisory capacity only. The MSBB Director reports to the MSRA Executive Director, as well as into the University of Sydney, in relation to the MSBB's operations. The MSRA Executive Director reports to the MSRA Board in relation to the activities and progress of the MSBB.

The Advisory Board has a Charter which sets out its powers and functions. Advisory Board members are appointed by the MSRA in consultation with the MSBB Director. Advisory Board members may have qualifications and experience in neuropathology of MS, and research interests in the neuropathology of MS, but may also include individuals with business qualifications.

MSRA has provided an indemnity for each member of the Advisory Board, on the terms set out in the relevant deed poll.

11.2 MSBB Scientific Committee (Scientific Committee)

The MSBB Scientific Committee has been established as a sub-committee of the MSRA Board. The Scientific Committee reviews research applications to the MSBB to access brain or tissue material, or the resulting information or data, to ensure that appropriate ethics approval has been obtained, and then makes recommendations to the MSBB Director.

The operations of the Scientific Committee are largely governed by the Charter for the MSBB Advisory Board.

Scientific Committee members generally have qualifications and experience in neuropathology of MS, and research interests in the neuropathology of MS.

The Chair of the Scientific Committee reports to the MSBB Director, and the MSRA Executive Director, who in turn reports to the MSRA Board in relation to developments.

12. BOARD COMMITTEES

The Board has two standing Committees to assist in the development of Board policies and execution of the Board's responsibilities, to improve Board effectiveness and efficiency where activities require more concentrated effort and specialist skills and are an efficient use of Board resources.

They do not abrogate any Directors from their responsibilities and Committees are obliged to properly inform the full Board of their activities. Any Director is free to attend any meeting of any Board Committee.

Each Committee has a charter describing its role and processes and these are regularly reviewed by the MSRA Board. The standing Board Committees may from time to time have non-Board directors possessing special expertise and experience as members. Relevant members of the management team may and usually do attend appropriate Committee meetings. All Committees have a designated chairman and a clear charter setting out objectives and responsibilities. All Committees keep proper minutes of their discussions and regularly report to the full Board on their activities and key issues. Standing Committee meetings and attendances are set out in the Company's annual report.

From time to time the Board may also establish ad hoc committees to assist with specific issues or projects.

The Company's management is accountable to the Board Committees within the terms of the charters of the individual Committees.

For membership of each Committee refer to the Company's website and Annual Report.

12.1 Audit and Risk Committee (ARC)

ARC meetings are held at least half-yearly, or more frequently as appropriate. Meetings are attended by the ED, the Finance Manager, and where appropriate, by the Company's external auditors and other external advisors.

The role of the ARC is documented in a Charter approved by the Board, and covers:

- assessing the appropriateness of Company accounting policies, practices and disclosures;
- ensuring adequate and appropriate financial reporting, including reviewing the Company's annual financial report;
- reviewing internal control procedures and policies, including internal audit, investment and group treasury risk;
- monitoring compliance procedures and reports;
- reviewing financial aspects of projects and capital expenditures prior to submission to the Board;
- reviewing procedures to identify and manage all areas of risk;
- maintaining oversight of risk assessment and management as it applies to the Company's duty of care, regulatory obligations, professional liability, health and occupational safety, physical assets, security, disaster recovery and business continuance;
- reviewing any matters of significance to the financial welfare of the Company.

The Committee is responsible for the annual performance review and nomination for appointment by the Board of the Company's independent external auditors. The Committee reviews the effectiveness, objectivity and independence of the external auditor, considers the external auditor's annual plan and proposed fees. The Committee carefully reviews any non-audit services provided to the Company by the auditor to avoid conflicts of interest by the auditors.

12.2 Investment Committee

MSRA regards financial sustainability of the Company as a critical priority for delivering services to AwMS and has established the Investment Committee to exercise broad overview of the management of its investment portfolio.

The Investment Committee, comprising of directors and external specialists, meets bi-annually (or as needed) and the ED, senior managers and external advisers also attend as needed.

The Committee's Charter has been approved by the Board and covers policy and monitoring of guidelines in respect of:

- Investment objectives and strategy
- Appointment and performance of fund managers (where considered appropriate)
- Investment risk management
- Currency, equity, fixed interest and property exposures
- Credit exposures with financial counterparties
- MSRA's group treasury

Committee minutes are copied to the full Board and the Audit & Risk Committee Chairman.

Once the Board has accepted the Committee's recommendations on the strategic direction for the investment management function, day to day operational responsibility for managing investments, for example, custody arrangements, performance measurement and ensuring that the risk management procedures are in place and being carried out and monitored, are delegated by the Board to MSRA management and appropriate service providers (fund managers, consultants, custodians, etc.).

13. FOUNDATION 5 MILLION ("F5M")

F5M exists as an additional avenue through which funds are raised for research into MS.

F5M was established by the late Ian Ballard, a person with MS, as a means of people with MS directly assisting by raising contributions for MS research, with the objective of raising \$5million. All funds raised by F5M volunteers go to MSRA.

MSRA provides administrative assistance to F5M volunteers, such as fundraising receipt booklets and F5M promotional material. F5M volunteers conduct fundraising activities in the name of MSRA, in reliance on MSRA's fundraising permits, and on terms set out in a fundraising agreement between the volunteer and MSRA.

An F5M group of volunteers meets monthly for mutual support and to discuss matters including:

- the fundraising progress of F5M;
- fundraising events and activities being undertaken by F5M volunteers;
- how F5M volunteers can best work together to achieve F5M's objective of raising \$5million.

The MSRA Executive Director (typically) and MSRA's F5M Campaign Administrator also attend these monthly meetings as observers. Minutes of monthly meetings are prepared by the F5M Campaign Administrator and provided to regular attendees and the MSRA Executive Director, who in turn reports to the MSRA Board at each Board meeting, in relation to fundraising progress and developments.

The MSRA Board and the F5M Committee have agreed upon the methods for reporting F5M funds raised, and the basis on which any F5M income is to be included in the MSRA accounts.

August 2009