

# CORPORATE GOVERNANCE STATEMENT

Updated 28 September 2018

## 1. Introduction

The Anteo Group (**ADO** or **Group**) comprises Anteo Diagnostics Limited and its subsidiaries as listed in the Annual Report.

The shares of Anteo Diagnostics Limited are listed on the Australian Securities Exchange (ASX). The ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' (Principles) provide a framework for good corporate governance. The recommendations are not prescriptive, however listed entities are required to disclose the extent of their compliance and, if any Principles have not been found, must give reasons for not following them.

ADO is committed to meeting Shareholders' expectations of sound corporate governance, while delivering sustainable value to Shareholders. ADO recognises the importance of good governance in achieving corporate objectives in a cost-effective manner, in discharging its responsibilities to all stakeholders and in addressing the broader role of being a good corporate citizen.

ADO's governance framework is designed to ensure that the Group is effectively managed, statutory obligations are met, and ADO's culture of corporate integrity is reinforced.

ADO has provided details of the corporate governance practices, systems and processes in place within ADO in this statement and in the corporate governance policies on its website. The statement and policies which were followed throughout the year are approved by the Board and updated periodically.

In accordance with ASX Listing Rule 4.10.3 the corporate governance statement and key policy information will be available only on the website provided below and not published in annual reports.

[https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance)

## 2. Principle 1 – Lay solid foundations for management and oversight

### 2.1 Roles and responsibilities of the Board and management

The Board is responsible to shareholders for the performance of ADO and for overseeing the implementation of appropriate corporate governance with respect to the Group's affairs.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations, and is available on our website at: [https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance). The Charter sets out the matters specifically reserved for the Board and the powers delegated to its Committees and to the Chief Executive Officer (**CEO**).

The Board delegates responsibility for the day-to-day management of the Company to the CEO, but retains responsibility for the overall strategy, governance and performance of the Group. The CEO then delegates authority to the appropriate senior executives for specific activities and transactions. This authority is governed by a formal 'delegations of authority'.

### 2.2 Appointment of Directors

The Remuneration and Nominations Committee assists the Board with the selection and appointment of Directors. Before the Board appoints a new Director or puts forward a candidate for election, the Remuneration and Nominations Committee will ensure that appropriate background checks are undertaken.

We provide our shareholders with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including via the Notice of Meeting, the Director Résumés and other information contained in the Annual Report. Upon appointment, each Director (and senior executive) receives a letter of appointment which sets out the formal terms of their appointment, along with a deed of indemnity, insurance and access. Directors also attend formal induction sessions where they are briefed on the Company's vision and values, strategy, financials, and governance and risk management frameworks. Directors are also provided with ongoing professional development and training programmes to enable them to develop and maintain their skills and knowledge. [https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance)

### 2.3 Company Secretary

The Company Secretary reports directly to the Board through the Chairman.

### 2.4 Diversity

The Board has adopted a Diversity Policy which is publicly available on the Company's website at [https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance).

Anteo Diagnostics recognises its talented and diverse workforce as a key competitive advantage. Our business success is a reflection of the quality and skill of our people. Our diversity policy encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience, and education and our policy encompasses both recruitment and management of human resources on the basis of diversity.

Anteo Diagnostics is committed to seeking out and retaining the finest human talent to ensure top business growth and performance and to employing the best people to do the best job possible at all levels within the Company.

| <b>Gender Diversity</b>  | <b>Male No.</b> | <b>Female No.</b> | <b>Male %</b> | <b>Female %</b> |
|--------------------------|-----------------|-------------------|---------------|-----------------|
| Total Staff              | 9               | 5                 | 64%           | 34%             |
| Senior Executives        | 1               | -                 | 100%          | -%              |
| Non-Executives Directors | 3               | -                 | 100%          | -%              |

Anteo is committed to maintaining diversity within its workforce at all levels, and to this end sets a minimum target of 15% of women in board and senior executive positions to encourage gender diversity. Such targets are important but the overriding factor will be the employment of the best person for the role. At the time of releasing this Statement, there were no Board or senior executives that were female however 34% of staff were female.

### 2.5 Evaluation of the Board

The Board is committed to formally evaluating its performance and the performance of its Committees as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

The Company did not comply with Recommendation 1.6 as there was no performance evaluation undertaken of the Board, its committees and individual directors. This is due to a number of changes at the Board level during the year and due to the uncertainty with respect to the financing of its previously held DIAsource business which was sold and ultimately settled in September 2017. The board conducted an external evaluation of the skills required of the board after the sale of DIAsource which assisted in assessing the Boards performance. Due to the size and nature of the business the Board will assess whether an external evaluation of the Board is required in the 2019 financial year.

## 2.6 Evaluation of senior executives

The Company's CEO is appointed by the Board, and its senior executives are appointed by the CEO. Their key performance indicators contain specific financial and other objectives. These KPIs are reviewed annually by the Board in respect of the CEO's KPI's and by the CEO in respect of the Senior Executive's KPI's. The performance of the CEO and senior executives against these objectives is evaluated annually. This year's performance based remuneration is described in more detail in the Remuneration Report in our Annual Report.

The Company did not comply with Recommendation 1.7 as there was no performance evaluation of the CEO completed due to a number of resignations of the CEO role during the year. Mr Jef Vangenechten the CEO up until 1 September 2017 was due for a performance review however the Company and CEO were focused on the divestment of the DIAsource business which was completed in September 2017 at which point Mr Vangenechten resigned. Mr Stefan Enderling commenced as CEO on 1 January 2018 and resigned as CEO on 27 April 2018 and hence due to his tenure being less than 12 months no performance evaluation was completed. Mr Christopher Parker commenced as CEO on 23 April 2018 and is not due for a performance evaluation until 30 June 2019.

## 3. Principle 2 – Structure the board to add value

### 3.1 Remuneration and Nomination Committee

The Remuneration and Nomination Committee members during year, their appointment and resignations dates from the committee and the number of meetings held and attended are provided below:

| Members              | Position   | Held <sup>1</sup> | Attended |
|----------------------|--|-------------------|----------|
| John (Jack) Hamilton | Independent Committee Chairman (appointed 1 April 2017)                    | 3                 | 3        |
| Geoff Cumming        | Non-Executive Director   | 5                 | 5        |
| Matthew Sanderson    | Independent Non-Executive Director (appointed on 25 January 2018)          | 4                 | 4        |
| Alan Studley         | Non-Executive Director Committee Chairman (resigned 16 November 2017)      | 1                 | 1        |
| Rolf Sickman         | Non-executive Director (resigned 31 March 2018)                            | 2                 | 2        |
| John Hurrell         | Non-Executive Director (appointed 25 January 2018, resigned 31 March 2018) | 1                 | 1        |

<sup>1</sup> Held means the number of meetings held during the time the director was a member of the committee.

The Committee has adopted a formal, Board-approved Charter that details its role, authority, responsibilities, membership and operations. The Committee Charters are reviewed regularly and are available on our website at:

[https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance)

The Committee reports to the Board on matters relevant to the Committee's role and responsibilities and the minutes of each Committee meeting are made available to each Director unless that Director is otherwise precluded due to a potential conflict. Due to the number of directors, size and complexity of the business all the board members are committee members as at the reporting date.

The Company does comply with Recommendation 2.1 as the majority of the Committee members are considered to be independent at the reporting date. The Company during the period undertook a review of the strategy of the Company and the skills required of the board to deliver on its strategy.

### 3.2 Directors' skills and experience

Our objective is to have an appropriate mix of expertise and experience on our Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities. This mix is described in the Board skills matrix below.

| Industry Experience and Knowledge  | Technical Skills and Experience                               | Governance Competencies                  |
|--|---|--|
| Intellectual Property (IP) Management<br>Global Marketing and Communications<br>Chemical Engineering/Chemistry<br>ASX-listed Company Experience<br>Business Development (Global) | Accounting  | Strategy                                 |
|  | Finance   | Financial Literacy                       |
|  | Law   | CEO Selection, Monitoring and Evaluation |
|  | Information Technology  | Monitoring                               |
|  | Risk Management   | Compliance                               |
|  | Human Resource Management                                     | Risk Management                          |
|  | Strategy Development and Implementation                       | Policy Frameworks                        |
|  | CEO/Senior Management Experience in Substantial Organisations | Networking                               |
|  | Contemporary Corporate Governance                             | Stakeholder Communication                |
|  | Commercial/Business Experience Acumen                         | Decision Making                          |
|  |   | Effective Governance                     |

### 3.3 Directors' independence

The Board assesses the independence of Non-executive Directors upon appointment and re-appointment. When appointing an Independent Director or reviewing the independence of its Directors, the Board will have regard to the definition of independent director and the factors set out in Box 2.3 of the ASX Corporate Governance Principles and Recommendations. The Board's assessment of the independence of each current Director is set out below.

| Name              | Status        | Appointment date |
|-------------------|---------------|------------------|
| Jack Hamilton     | Independent   | April 2018       |
| Matthew Sanderson | Independent   | October 2017     |
| Geoffrey Cumming  | Non-executive | January 2009     |

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could interfere, or might be seen to interfere, with a director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of ADO shareholders generally. In its assessment of independence, the Board will take account of the factors set out in relation to Recommendation 2.3 of the *ASX Corporate Governance Principles & Recommendations (3<sup>rd</sup> Edition)* and any other factors it considers relevant.

Dr Geoffrey Cumming was an executive of the Group in the last three years, he is not considered Independent.

Profiles of each Director, including details of their skills, expertise, qualifications and experience can be found in the Directors' report. Directors' interests in securities are detailed in the Remuneration Report contained in the Directors' Report (within the Annual Report). The Board does not consider that any shares held by a Director constitutes a material shareholding and would impact on their independence.

The Company does comply with Recommendation 2.4 as the majority of the Board is currently considered to be independent at the reporting date.

### **3.4 The Chairman**

Dr Hurrell was appointed by the Board to the Independent Chairman's role on 30 November 2016 and prior to this was a Non-executive Director. Dr Hurrell was an Independent Chairman upon his appointment and up to the 1 September 2017. Dr Hurrell was appointed as Interim Executive Chairman on 1 September 2017 until 31 December 2017 while the Board assessed its strategy and undertook a search for an appropriate Chief Executive Officer. The Board considered Dr Hurrell as an independent during the reporting period due to the short-term nature of his executive appointment. Dr Hurrell resigned on 31 March 2018.

Dr John Hamilton, the Company's current Chairman, was independent and appointed on 1 April 2018.

The Chairman provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. His role is set out in more detail in the Board Charter. Details regarding the Chairman, including his experience and qualifications, are set out in the Directors' Report in our Annual Report.

### **3.5 Appointment, induction, retirement and re-election**

The Remuneration and Nominations Committee assists the Board with the selection and appointment of Directors. Before the Board appoints a new Director or puts forward a candidate for election, the Remuneration and Nominations Committee will ensure that appropriate background checks are undertaken.

We provide our shareholders with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including via the Notice of Meeting, the Director résumés and other information contained in the Annual Report. Upon appointment, each Director (and senior executive) receives a letter of appointment which sets out the formal terms of their appointment, along with a deed of indemnity, insurance and access.

Directors also attend formal induction sessions where they are briefed on the Company's vision and values, strategy, financials, and governance and risk management frameworks. Directors are also provided with ongoing professional development and training programmes to enable them to develop and maintain their skills and knowledge.

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## **4. Principle 3 – Act ethically and responsibly**

### **4.1 Code of Conduct**

The Board has adopted a corporate code of conduct to ensure that each of its members and all employees are aware of the requirement to adhere to best principles of ethical standards which encompass:

- The management of conflicts of interest to ensure that Directors and executives act in the best interests of all stakeholders in the business.
- Compliance with all laws and regulatory requirements.
- Adoption of acceptable standards of custodianship and use of Company assets.
- Ensuring that all Company information remains confidential except where disclosure is either authorised by the Board or legally mandated.
- Enforcement of accountabilities and the fostering of an environment in which all officers and employees can identify and bring to the attention of Directors any unlawful or unethical behaviour.

A full copy of the Company's Code of Conduct is publicly available on the Company's website at [https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance).

## 4.2 Whistle blowing

ADO is committed to promoting a culture of corporate compliance and ethical behaviour. The best way to fulfil this commitment is to create an environment in which employees who have genuine suspicions about improper conduct feel safe to report it without fear of reprisal.

The Whistle Blowing Policy provides employees with an internal reporting system where there is genuine suspicion of improper conduct. Any report made in good faith will be listened to, investigated and treated in confidence. ADO will take all reasonable steps to protect people who report concerns from any detrimental action in reprisal for making the disclosure. ADO will also afford natural justice to the person who is the subject of the disclosure.

This Policy is very important to ADO, as it helps ADO identify and rectify problems and reflects the Group's commitment to ensure its compliance with legal and ethical obligations.

## 4.3 Securities trading

The objective of the Securities Trading Policy is to ensure that Directors and employees adhere to high ethical and legal standards in relation to their personal investment in the ADO Group's securities. The Policy also ensures that personal investments of Directors and employees do not conflict with the interests of the ADO Group and other shareholders in relation to the ADO Group's securities.

The policy is not designed to prohibit Directors and employees from investing in ADO's securities but does recognise that there may be times when Directors or employees cannot or should not invest in the ADO Group's securities. The policy provides guidance to Directors and employees as to the times that Directors and employees may invest in the ADO Group's securities.

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## 5. Principle 4 – Safeguard integrity in corporate reporting

### 5.1 Audit and Risk Committee

The Board has established an audit committee that operates under the Audit and Risk Committee Charter. Due to the number of directors, size and complexity of the business all board members are members of the Audit and Risk Committee. Appointment dates to the committee and the number of meetings held and attended are provided below.

| Members           | Position  | Held <sup>1</sup> | Attended |
|-------------------|---|-------------------|----------|
| Jack Hamilton     | Independent Director  | -                 | -        |
| Geoff Cumming     | Non-executive Director and Chairman of the Committee since 1 April 2018   | 2                 | 2        |
| Matthew Sanderson | Independent Director  | -                 | -        |
| Alan Studley      | Non-executive Director Committee Chairman (ceased 16 November 2017)   | 2                 | 2        |
| John Hurrell      | Independent Director (resigned from committee 28 September 2018, appointed to committee 25 January 2018 and resigned 31 March 2018) | 1                 | 1        |
| Rolf Sickman      | Non-executive Director (resigned 31 March 2018)   | 2                 | 2        |
| Richard Martin    | Non-executive Director (resigned 29 September 2017)   | 1                 | -        |

<sup>1</sup> Held means the number of meetings held during the time the director was a member of the committee.

The Committee has adopted a formal, Board-approved Charter that details its role, authority, responsibilities, membership and operations. The Committee Charters are reviewed regularly and are available on our website at:

[https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance).

The Committee reports to the Board on matters relevant to the Committee's role and responsibilities and the minutes of each Committee meeting are made available to each Director unless that Director is otherwise precluded due to a potential conflict. Further information regarding our Directors, including their experience and qualifications, is set out in the Directors' résumés section in our Annual Report.

The committee does not comply with Recommendation 4.1, as the Chairman of the committee is not considered Independent. Due to the number of directors, size and complexity of the business the Board does not consider it practical to comply with this recommendation.

## **5.2 CEO's and Group CFO's declaration**

The Board receives a declaration signed by the CEO and Group CFO as required by section 295A of the Corporations Act and Recommendation 4.2 confirming that, in their opinion, the financial records of ADO have been properly maintained, that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of ADO, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. A declaration was made for each reporting period this financial year.

## **5.3 External auditors**

The Audit and Risk Committee is responsible for making recommendations to the Board in regard to the appointment, re-appointment, replacement, remuneration and monitoring of the effectiveness and independence of the external auditors.

In line with requirements of the Corporations Act and professional standards, ADO requires the audit partners and review partners of its external auditor to rotate every 5 years. The External Auditor must manage its audit team members to ensure adequate rotation of staff. The members of the Audit and Risk Committee meet with the external auditor when required without management present. Due to the de-merger of the DIAsource business and the simplification of the Groups financial position the Group changed its auditor to BDO Audit Pty Ltd on 19 June 2018.

The Board asks the external auditor to attend the Annual Meeting each year to answer questions about the conduct of the audit and the preparation and content of the Audit Report.

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## **6. Principle 5 – Make timely and balanced disclosure**

The Company's shares are traded on the ASX and the Company is subject to the ASX Listing Rules. The responsibility for ensuring that the continuous disclosure requirements of ASX Listing Rule 3.1 are complied with is vested in the Board and the Company Secretary.

All meetings of the Board incorporate a standing agenda item advising the Directors of any disclosure that is required prior to the next scheduled meeting. Confirmation is provided of the release of any items since the previous meeting. In addition the Directors are asked to consider whether they have become aware of information concerning the Company that could reasonably be expected to have an impact on the price or value of the Company's securities. This includes new information that has arisen or, if necessary, amendments to information previously disclosed to the market.

The responsibility for deciding what information is disclosed to the market rests with the Chairman of the Board. Where appropriate all disclosure articles are approved by the Board of

Directors prior to release to the market. All Directors and executives have been made aware of their obligations to ensure that the Company complies at all times with the ASX Listing Rules.

A full copy of the Company's continuous disclosure policy is made publicly available on the Company's website, [https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance).

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## **7. Principle 6 – Respect the rights of shareholders**

### **7.1 Investor communications**

The Board has adopted a shareholder Communications Policy which is designed to ensure that ADO shareholders are kept informed of all major developments affecting the state of affairs of ADO and are able to obtain information about ADO through direct communications or on the ADO website. [https://www.anteotech.com/corporate\\_governance\\_policy#governance](https://www.anteotech.com/corporate_governance_policy#governance). Shareholders can receive or send communications electronically or in hard copy.

ADO prepares Annual Reports for investors for each financial year ending 30 June. These reports are posted to ADO's website following their release to the ASX.

Shareholders can directly raise matters of concern by contacting ADO or its security register provider, Boardroom Limited [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au).

### **7.2 Annual General Meetings**

ADO holds an Annual General Meeting (AGM) in November each year. ADO encourages security holder participation in the AGM. Notices and proxy forms are sent to shareholders in advance of the meeting. A copy of the notice is posted to ADO's website.

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## **8. Principle 7 – Recognise and manage risk**

### **8.1 Audit and Risk Committee**

The Board has adopted policies relating to risk management as part of the Audit and Risk Committee (Committee) Charter. The Committee is responsible for reviewing risk management policies developed and implemented by management, gaining an understanding of the current areas of greatest compliance risk, receiving updates from management, legal counsel, auditors and others regarding risk management and compliance matters and reviewing any significant legal matters.

The composition and operation of the Committee is summarised in Principle 4 of this Corporate Governance Statement.

The committee does not comply with Recommendation 7.1, as the Chairman of the committee is not considered Independent. Due to the number of directors, size and complexity of the business the Board does not consider it practical to comply with this recommendation.

### **8.2 Risk management**

The Anteo Group Risk Framework is based on International Standard ISO 31000:2009 Risk management – Principles and guidelines, and forms the basis for the Group's risk management activities. The Board has adopted a formal risk management policy.

The identification and management of risk inherent to the operation of the economic entity is managed by the Directors on a day-to-day basis. Where necessary individual Directors do, through the forum of regular Board meetings, bring matters before the Board collectively who will review, evaluate and deal with any matters arising in a manner that serves the best interests of the Company and its shareholders. This is in addition to the role of the Audit & Risk Committee which ensures the Company maintains effective risk management and internal control systems.

The identification and effective management of risks is critical in achieving the Company's corporate goals. The Company focuses on effective management of the following material risks:

- business risks.
- operating risks.
- economic and financial risks.
- organisational risks.
- environmental and sustainability risks.
- corporate risks.
- occupational health and safety risks.

Anteo Diagnostics Limited believes that risk should be managed on a continuous basis and optimises its ability to achieve business objectives by maintaining a system that assists appropriate management and provides early warning of risks.

The Company identifies, assesses, monitors and manages risk throughout the organisation in accordance with the Company's Risk Management Policy which is made publicly available on the Company's website, [https://www.anteotech.com/corporate\\_governance\\_policy](https://www.anteotech.com/corporate_governance_policy).

The Board requires management to design and implement a risk management and internal control system to manage the entity's material business risk and continually receives reports from the executive team as to the effectiveness of the Company's management of its material business risks. These risks are discussed at board meetings.

### **8.3 Internal audit function**

The day to day operation of risk management systems and internal and external controls is delegated by the Board to the CEO, with oversight by the Audit and Risk Committee. ADO does not have an internal audit function due to the size, nature and scale of its operations.

### **8.4 Economic, environmental and social sustainability risks**

The Board has assessed and determined that there are no material environmental or social sustainability risks affecting ADO.

The Principles define 'material exposure' as a 'real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for shareholders over the short, medium or long term'.

The Board has determined that it does not have a material exposure to economic, environmental or social sustainability risks. Further information regarding economic, environmental and social sustainable risk can be found in the Directors' Report (contained within the Annual Report).

The Board will continue to monitor its exposure through management's regular review of the risk environment and, if necessary, develop plans to address any identified or emerging risks.

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**9. Principle 8 – Remunerate fairly and responsibly****9.1 Remuneration function**

The Board has adopted policies relating to remuneration as part of the Nomination and Remuneration (Committee) Charter.

Responsibilities under this Charter include:

- (a) regularly reviewing and making recommendations as to the structure of remuneration packages of senior executives, Non-executive Directors and Executive Directors;
- (b) equity-based incentive plans; and
- (c) other employee benefit programs

The composition and operation of the Committee is summarised in Principle 2 of this Corporate Governance Statement.

The committee does comply with Recommendation 8.1, in that the majority of the Committee members are considered to be independent and it is chaired by an independent director.

**9.2 Remuneration of Directors and equity based remuneration.**

Information regarding the remuneration framework for our Directors and senior executives is set out in the Remuneration Report in our Annual Report. The Remuneration Report includes a summary of our policies and practices for performance based remuneration for senior executives and our policies on hedging of equity-based remuneration

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## 10. Corporate Governance Summary

| Corporate Governance Council principle                                  | Complied  | Note  |
|---|---|---|
| <b>Principle 1 – Lay solid foundations for management and oversight</b> |   |   |
| 1.1   | A listed entity should disclose:  |   |
|   | (a) the respective roles and responsibilities of its board and management; and  | ✓<br>The Board Charter is available on ADO's website. Delegations to management are authorised by the Board.  |
|   | (b) those matters expressly reserved to the board and those delegated to management.  |   |
| 1.2   | A listed entity should:   |   |
|   | (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and  | ADO conducts appropriate checks for candidates.   |
|   | (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.  | ADO provides material information in its possession to security holders relevant to a decision whether or not to elect or re-elect a director.              |
| 1.3   | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.   | ADO enters into formal written agreements with each Director and senior executive.  |
| 1.4   | 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.   | The Company Secretary is appointed by the Board and accountable directly to the Board through the Chairman.   |
| 1.5   | A listed entity should:   |   |
|   | (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;          | The Diversity Policy is available on ADO's website.<br><br>The proportions of men and women within ADO are disclosed in the Corporate Governance Statement. |
|   | (b) disclose that policy or a summary of it; and  |   |
|   | (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: | ✓   |
|   | (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has   |   |

| Corporate Governance Council principle  | Complied | Note   |
|---|----------|--|
| <p>defined “senior executive” for these purposes); or</p> <p>(2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>   |          |  |
| <p>1.6 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 according with that process.</p>   | <p>x</p> | <p>The performance evaluation process is an annual internal assessment.</p> <p>This was not completed due to changes on the Board during the reporting period. Due to the size and nature of the business the Board will assess whether an external evaluation of the Board is required in the 2019 financial year</p> |
| <p>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>x</p> | <p>Due to the timing of the appointments of CEO’s during the period the Company did not comply with Recommendation 1.7.</p>  |
| <b>Principle 2 – Structure the Board to add value</b>   |          |  |
| <p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>✓</p> | <p>The charter for the Committee can be found on the ADO website.</p> <p>The members of the Committee are detailed in the Corporate Governance statement. The Committee does have a majority of directors that are independent and an independent chairman.</p>  |

| <b>Corporate Governance Council principle</b>   | <b>Complied</b> | <b>Note</b>  |
|---|-----------------|--|
| 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.   | ✓               | The skills and experience of the Directors are disclosed in the Corporate Governance Statement.  |
| 2.3 A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 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<br>(c) the length of service of each director. | ✓               | Refer the Corporate Governance Statement for the classification of each director and period of service.  |
| 2.4 A majority of the board of a listed entity should be independent directors.   | ✓               | At the reporting date, two of the three Directors were independent.  |
| 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.   | ✓               | The Chairman of the Company was independent at the reporting date.   |
| 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.  | ✓               | ADO provides new Directors with an induction when they are appointed and appropriate development opportunities on an ongoing basis.  |
| <b>Principle 3 – Act ethically and responsibly</b>  |                 |  |
| 3.1 A listed entity should:<br>(a) have a code of conduct for its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it.   | ✓               | The Code of Conduct for Directors and Senior Executives and Code of Conduct for Employees is available on ADO's website.   |
| <b>Principle 4 – Safeguard integrity in financial reporting</b>   |                 |  |
| 4.1 The board of a listed entity should:<br>(a) have an audit committee which:<br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>(2) is chaired by an independent director, who is not the chair of the board.<br>and disclose that:<br>(3) the charter of the committee;   | x               | The Board has established the Audit and Risk Committee. The charter of the committee is available on ADO's website.<br><br>The members of the Committee are detailed in the Corporate Governance statement. The Committee has a majority of directors that are independent. The Chairman of the Committee is |

| <b>Corporate Governance Council principle</b>  | <b>Complied</b> | <b>Note</b>  |
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| <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) 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</p> <p>(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 corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> |                 | not independent but the Chairman of the Committee is not the Chairman of the Company.  |
| <p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and Group CFO 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.</p>       | ✓               | The Board has received a declaration from the CEO and Group CFO in accordance with this recommendation for this reporting period.  |
| <p>4.3 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>   | ✓               | The Board asks the external auditor to attend the Annual Meeting each year to answer questions about the conduct of the audit and the preparation and content of the Audit Report. |
| <b>Principle 5 – Make timely and balanced disclosure</b>   |                 |  |
| <p>5.1 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>  | ✓               | The Continuous Disclosure Policy is available on ADO's website.  |
| <b>Principle 6 – Respect the rights of shareholders</b>  |                 |  |
| <p>6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>  | ✓               | ADO maintains a website <a href="http://www.anteodx.com">www.anteodx.com</a>   |
| <p>6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>   | ✓               | The Shareholder Communications Policy is available on ADO's website.   |

| <b>Corporate Governance Council principle</b>   | <b>Complied</b> | <b>Note</b>  |
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| 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.   | ✓               | The shareholder Communications Policy is available on ADO's website.   |
| 6.4 A listed entity should give shareholders the option to receive communications from, and send communications to, the entity and its security registry electronically.  | ✓               | Shareholders can receive or send communications electronically or in hard copy.  |
| <b>Principle 7 – Recognise and manage risk</b>  |                 |  |
| 7.1 The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</li> </ul> | x               | <p>The Board has adopted policies relating to risk management as part of the Audit and Risk Committee Charter, which is available on ADO's website.</p> <p>The members of the Committee are detailed in the Corporate Governance statement. The Committee has a majority of directors that are independent but the Chairman of the committee is not independent.</p> |
| 7.2 The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has been taken.</li> </ul>   | ✓               | ADO has a risk management framework which is detailed in the Risk Management Policy. The Board reviews the risk management framework at least annually. It has received a report from management as to the effectiveness of the ADO's management of material business risks.   |
| 7.3 A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and improving the effectiveness of its risk management and internal control processes.</li> </ul>   | ✓               | <p>The day to day operation of risk management systems and internal and external controls is delegated by the Board to the CEO, with oversight by the Audit and Risk Committee.</p> <p>ADO does not have an internal audit function due to the size, nature and scale of its operations.</p>   |

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| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | ✓ | ADO is licensed under the Queensland Health (Drugs and Poisons) Regulations 1996 for the use and storage of chemicals for research use. ADO complies with all Workplace, Health and Safety requirements. |
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**Principle 8 – Remunerate fairly and responsibly**

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| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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 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.</p> | ✓ | <p>The charter for the Committee can be found on the ADO website.</p> <p>The members of the Committee are detailed in the Corporate Governance statement. The Committee has a majority of directors that are independent and the chair of the committee is independent.</p> |
| 8.2 | 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.  | ✓ | This information is disclosed in the Remuneration Report contained in the Directors' Report (contained within the Annual Report) and the Corporate Governance Statement.  |
| 8.3 | <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>  | ✓ | ADO's Dealing in Securities Policy address this Recommendation.   |

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**Further Information**

If you have any questions regarding this Statement you should contact:

Contact:           Company Secretary  
                           Anteo Diagnostics Limited

Telephone:       07 3219 0085 or     Email:       [info@anteotech.com](mailto:info@anteotech.com)