

# Corporate Governance Statement

Year ended 30 June 2019

This Corporate Governance Statement (Statement) of Integral Diagnostics Limited (IDX) outlines the main corporate governance practices in place for IDX and addresses the 3<sup>rd</sup> Edition of the Australian Securities Exchange's (ASX) Corporate Governance Principles and Recommendations (the Recommendations). The Board believes the Company accords with all of the principles and recommendations of the ASX Corporate Governance Council.

Both this Corporate Governance Statement and the ASX Appendix 4G have been lodged with the ASX.

This Statement was approved by the Board of Directors (Board) and is current as at 26 August 2019.

The corporate governance policies and practices described below are those that have been in place for the entire year, or as at the date of this report where indicated. The Board and Management are committed to acting responsibly, ethically and with high standards of integrity. The Company is committed to implementing the highest standards of corporate governance appropriate to it, taking into account the group's size, structure and nature of its operations.

The Board has established a number of corporate governance documents consistent with the Recommendations, which form the basis of the Company's Corporate Governance Framework. These documents are referenced in this Corporate Governance Statement where appropriate, and are as follows:

- Board Charter;
- Audit, Risk and Compliance Committee Charter;
- People and Remuneration Committee Charter;
- Integral Clinical Leadership Committee Charter;
- Nomination Committee Charter;
- Continuous Disclosure Policy;
- Diversity Policy;
- Securities Dealing Policy; and
- Code of Conduct.

These documents are available on the Integral Diagnostics website in the 'Investors' section and 'Corporate Governance' subsection at <http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

## Principle 1: Lay solid foundations for management and oversight

### Recommendation 1.1: A listed entity should disclose:

- (a) the respective roles and responsibilities of its Board and Management; and
- (b) those matters expressly reserved to the Board and those delegated to management.

The Board has adopted a written Charter to provide a framework for the effective operation of the Board, which sets out the:

- Board composition and processes;
- Board's role and responsibilities;
- Relationship and interaction between the Board and Management; and
- Authority Delegated by the Board to Management and Board Committees.

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Pursuant to the Charter, the Board is responsible for and has the authority to determine, all matters relating to the purpose, values, strategic direction, policies, practices, goals for management and the operation of the Company.

The Board is committed to a high standard of corporate governance practice and fosters a culture of compliance which values ethical behaviours, integrity, teamwork and respect for others. Accordingly, the Board has created a framework for managing Integral Diagnostics, including adopting relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for Integral Diagnostics' business and which are designed to promote the responsible management and conduct of Integral Diagnostics.

The Charter clearly outlines matters expressly reserved for the Board's determination and those matters delegated to Management.

The Board has delegated the day-to-day management of the Company and the authority to control the affairs of Integral Diagnostics in relation to all matters, other than those responsibilities reserved to itself in its Charter, to the Managing Director/Chief Executive Officer. The Managing Director/Chief Executive Officer is supported by Senior Management which is responsible for implementation of Board directed strategies at an operational level. Management must supply the Board with information in a form, time frame and quality that will enable the Board to discharge its duties effectively and the delegations of authority are reviewed by the Board on an annual basis.

A copy of the Company's Board Charter can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

## Recommendation 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
- (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.

Before appointing a Director, or putting forward to shareholders a Director for appointment, the Company procures comprehensive reference checks that cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, and disqualified officer status.

A Director that has been appointed during the year must stand for election at the next Annual General Meeting (AGM). Directors are generally appointed for a term of three years. Retiring Directors are not automatically re-appointed.

The Company provides to shareholders for their consideration, information about each candidate standing for election or re-election as a Director that the Board considers necessary for shareholders to make a fully informed decision. Such information is included in the explanatory memorandum to the notice of AGM and includes the person's biography, inclusive of experience and qualifications, details of other directorships, and whether the Board supports the appointment or re-election.

## Recommendation 1.3: A listed entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment.

The terms of the appointment of a Non-Executive Director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required Committee work and other special duties, requirement to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

All Executive Directors and Senior Executives are issued with written agreements which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

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**Recommendation 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 accountable to the Board through the Chair on all Board matters and is accessible to all Directors. The Company Secretary is responsible for all matters relating to the proper functioning of the Board, including coordination of all Board business; agendas, Board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings. The Company Secretary has a written position description and employment agreement.

**Recommendation 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;
- (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:
  - (i) the respective proportions of men and women on the Board, in Senior Executive positions and across the whole organisation (including how the entity has defined 'Senior Executive' for these purposes); or
  - (ii) 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.

The People and Remuneration Committee is responsible for the review of the effectiveness of the Diversity Policy in accordance with its Charter. The Company has a Diversity Policy which requires the Board to consider measurable objectives for achieving gender diversity and to assess the objectives and the Company's progress towards achieving them on an annual basis.

A copy of the Company's Diversity Policy can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

The Policy aims to drive the Company's ability to attract, retain, motivate and develop the best talent, create an engaged and inclusive workforce, deliver the highest quality services to its patients and referrers and continue to grow the business. It also aims to address the representation of women in Senior Management positions and on the Board, and to actively facilitate a more diverse and representative management and leadership structure.

The Board continues its commitment to the measurable objectives for gender diversity it has set, those being:

- (i) A minimum target of 30% female representation at Board level;
- (ii) A minimum target of 30% female representation to be achieved at Executive and Senior Management levels; and
- (iii) At least 50% of shortlisted candidates for Board, Executive and Senior Management positions are to be female.

The Company achieved its target female representation levels for both Board and Executive and Senior Management levels. During the year, two appointments were made to the Senior Management Group and one of those appointments was female.

The Company's performance against its objectives are listed below:

Objective	Target	2019	2018
Female Board Representation	Minimum of 30%	43%	43%
Female Representation at Executive and Senior Management levels	Minimum of 30%	38%	33%
Shortlisted Female candidates for Board, Executive and Senior Management positions are to be female <sup>1</sup>	At least 50%	25%	66%

<sup>1</sup>Of the two appointments made to the Senior Management Group in FY19 50% were female

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The breakdown of gender within the organisation is listed below:

Level in the organisation	Proportion of females	Proportion of males
Board	43%	57%
Executives <sup>1</sup>	50%	50%
Senior Management <sup>2</sup>	25%	75%
Whole organisation	74%	26%

<sup>1.</sup> Executives include the following positions: Managing Director/Chief Executive Officer and Chief Financial Officer.

<sup>2.</sup> Senior Management includes the following positions: General Managers, Financial Controller, Human Resources Director, National IT Manager and Group Risk Manager.

The Board will continue to review annually the measurable objectives it has set for gender diversity, to ensure the Company continues to have diversity at Board, Executive and Senior Management levels.

**Recommendation 1.6: A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of the Board, its Committees and individual Directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

A comprehensive formal performance evaluation process has been established and is documented for the Board, each of its Committees, the Chair and each individual Director.

Performance is formally evaluated annually as well as informally on an on-going basis to thoroughly assess effectiveness at every level and identify opportunities for improvement. The Nomination Committee has outlined a multi-year plan utilising a mixture of extensive survey tools to ascertain quantitative data alongside qualitative insights which is followed up with interview based discussion with individual Directors and discussion by the Board as a whole.

The process for the Board, each Committee, the Chair and each individual Director during the financial year ended 30 June 2019 was completed in July 2019. An extensive 1:1 interview process was held with set evaluation questions and a formal summary report provided for the Board and each Committee. This was followed up with discussion with each Committee, individual Directors and the Board based on the performance evaluation.

The performance of individual Directors was discussed by the Chair with each Director; and in the case of the Chair, by the Chair of the People and Remuneration Committee.

**Recommendation 1.7: A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of its Senior Executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The People and Remuneration Committee (PRC), in accordance with its Charter, reviews the Senior Management performance assessment processes. The Executive and Senior Management evaluation process comprises annual financial and non-financial key performance indicators (KPIs), a formal performance evaluation and discussion throughout the year. All KPIs for Executives are considered by the PRC and approved by the Board.

A documented performance evaluation for all Executives and Senior Management, including the Managing Director/Chief Executive Officer and the Chief Financial Officer, commenced in May 2019 and was completed in July 2019. It comprised a comprehensive 360 degree feedback process. The Executive, including the CEO, were evaluated by Board members, clinicians, peers/colleagues and direct reports. The PRC reviewed the 360 degree feedback reports on each person.

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## Principle 2: Structure the Board to add value

Recommendation 2.1: The Board of a listed entity should:

- (a) have a Nomination Committee which:
  - (i) has at least three members, a majority of whom are independent Directors; and
  - (ii) is chaired by an independent Director, and disclose:
    - (iii) the Charter of the Committee;
    - (iv) the members of the Committee; and
    - (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or
- (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.

The Board has a Nomination Committee (NomCo) which assists the Board in carrying out its responsibilities, as set out in the Nomination Committee Charter. The composition of the NomCo consists of three members, all of whom are Non-Executive Directors and all of whom are independent Directors. The NomCo is chaired by an independent Director.

Current members of the Committee are:

Names	Title	Independence
Helen Kurincic	(Chair) Non-Executive Director	Independent
John Atkin	Non-Executive Director	Independent
Rupert Harrington	Non-Executive Director	Independent

A copy of the Nomination Committee Charter can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

Details of the NomCo's member's qualifications and meeting attendances are set out in the Directors Report contained in the Annual Report.

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**Recommendation 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 Board has reviewed its Board Skills Matrix that sets out the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. It has been used when recruiting new Directors and assessing which skills need to be outsourced based on the attributes of the current Board members.

Skill and experience category	Description of attribute	Current board representation <sup>1</sup>
Board experience and governance	Demonstrated commitment to highest standards of governance including experience with companies subject to rigorous governance standards and member of a governance body.	Five Directors
Executive leadership	Sustainable success in business at a Senior Executive level in relevant sectors including health, IT, finance, consumer and professional services.	Five Directors
Healthcare sector experience	Experience as a medical professional, Senior Executive or deep Board experience in the health care services sector.	Five Directors
Strategy development	Experience in developing, implementing and challenging a plan of action designed to achieve the long-term goals of the Company.	Five Directors
Financial and risk management	Experience in financial accounting and reporting, corporate finance and internal controls and/or experience in business risk management. Includes the ability to probe the adequacy of financial and risk controls.	Five Directors
Quality and safety	Experience related to work health and safety governance and/or quality and safety clinical governance.	Seven Directors
Regulatory and public policy	Experience in Government relations, public and regulatory policy or qualified legal professional.	Three Directors
Business acquisition and integration	Experience in M&A and implementation/business integration	Five Directors
Remuneration, organisational development and human resources	Board Remuneration Committee membership or management experience in relation to remuneration, organisational development and human resource management.	Five Directors
Technology strategy and governance	Knowledge and experience in IT, information management and digital strategies.	Five Directors

<sup>1</sup>. Number of Directors where skills, experience or expertise were assessed as high or medium.

The Board believes that its membership adequately represents the required skills as set out in the matrix.

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Recommendation 2.3: A listed entity should disclose:

- (a) the names of the Directors considered by the Board to be independent Directors;
- (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
- (c) the length of service of each Director.

Outlined below are the names of current Directors, independence status and length of service:

Names	Title	Independence	Length of service
Helen Kurincic	Chair, Non-Executive Director	Independent	4.5 years <sup>2</sup>
Dr Ian Kadish	Managing Director/Chief Executive Officer	Non-Independent	2 years
Dr Chien Ho <sup>1</sup>	Executive Director	Non-Independent	11 years <sup>2</sup>
Dr Sally Sojan <sup>1</sup>	Executive Director	Non-Independent	5 years <sup>2</sup>
John Atkin	Non-Executive Director	Independent	4 years
Rupert Harrington	Non-Executive Director	Independent	4 years
Raelene Murphy	Non-Executive Director	Independent	2 years

<sup>1</sup> Radiologists employed by Integral Diagnostics Limited.

<sup>2</sup> Director of Lake Imaging Holdings Pty Ltd, prior to the Company's development, name change and listing as Integral Diagnostics Limited on 21 October 2015.

Biographies of the Directors are published on the Company's website at.

<https://www.integraldiagnostics.com.au/page/who-we-are/our-directors/>

The Board Charter sets out guidelines to assist in considering the independence of Directors and the Board considers a Director to be independent where he or she is not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment.

The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Non-Executive Director in light of information disclosed to the Board. The Non-Executive Directors are required to complete an Independence Declaration each year. The Board also reviews the Director's standing disclosure of interests register at each Board meeting.

Recommendation 2.4: A majority of the Board of a listed entity should be independent Directors.

The majority of the Board are independent Directors. The Board currently consists of four independent Non-Executive Directors and three Executive Directors (Managing Director/Chief Executive Officer and two employed radiologists).

Doctors Chien Ho and Sally Sojan are employed radiologists and as such, provide deep knowledge and medical expertise in diagnostic imaging. The Board believes they bring objective judgement to the Board's deliberations and that each of the non-independent Directors makes invaluable contributions through their deep understanding of Integral Diagnostics' medical specialty business.

Recommendation 2.5: The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.

Ms Helen Kurincic is Chair of the Board and is a Non-Executive independent Director of the Company. Dr Ian Kadish is the Managing Director/Chief Executive Officer.

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**Recommendation 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.

The Nomination Committee is responsible for the Director induction program and for providing appropriate professional development opportunities for Directors to enable them to develop and maintain the necessary skills and knowledge to perform their roles effectively.

A documented induction program is in place and is reviewed annually by the Committee. Directors have previously participated in the induction program which has included meetings with Directors, executives, management and radiologists, operational site visits and provision of documents such as plans, policies and other Board reference documents.

Directors have participated in ongoing professional development opportunities. This has included completion of site visits throughout the course of each year, forums with radiologists and local management, attendance at the Company's National Clinical Conference, and briefings from external experts on relevant regulatory, industry and legal developments.

## Principle 3: Act ethically and responsibly

**Recommendation 3.1:** A listed entity should:

- (a) have a code of conduct for its Directors, Senior Executives and employees; and
- (b) disclose that code or a summary of it.

The Board is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct that outlines how Integral Diagnostics expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All employees of Integral Diagnostics including temporary employees, contractors and Directors must comply with the Code of Conduct. Any breaches of this policy are reported to the Board.

A copy of the Company's Code of Conduct can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

## Principle 4: Safeguard integrity in corporate reporting

**Recommendation 4.1:** The Board of a listed entity should:

- (a) have an audit Committee which:
  - (i) has at least three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors; and
  - (ii) is chaired by an independent Director, who is not the Chair of the Board, and disclose:
    - (iii) the Charter of the Committee;
    - (iv) the relevant qualifications and experience of the members of the Committee; and
    - (v) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit Committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.



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The Board maintains a combined Audit, Risk and Compliance Committee (ARCC) to assist the Board in carrying out its accounting, auditing, financial reporting and risk management responsibilities.

The composition of the ARCC consists of four members, all of whom are Non-Executive Directors, and all are independent Directors. The ARCC is chaired by an independent Director, who is not the Chair of the Board.

Current members of the Committee are:

Names	Title	Independence
Raelene Murphy	Committee Chair, Non-Executive Director	Independent
Rupert Harrington	Non-Executive Director	Independent
Helen Kurincic	Non-Executive Director	Independent
John Atkin	Non-Executive Director	Independent

A copy of the Audit, Risk and Compliance Committee Charter can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

The members have between them sufficient accounting and financial knowledge, and sufficient understanding of the industry in which the Company operates, to effectively discharge the Committee's responsibilities. Details of the ARCC member's qualifications are set out in the Directors Report contained in the Annual Report.

Details of meeting attendance for members of the ARCC are set out in the Directors Report contained in the Annual Report. The CEO, Executives and other employees and external parties, may be invited to provide information or reports or attend Committee meetings as required.

**Recommendation 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 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.

Prior to Board approval of the financial statements for a financial period, the Managing Director/Chief Executive Officer and the Chief Financial Officer of Integral Diagnostics provide the Board with such declarations and in accordance with section 295A of the Corporations Act.

**Recommendation 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.

The external auditor, PricewaterhouseCoopers (PwC), attends the AGM and is available to answer shareholder questions relevant to the audit.

The Company considers that this is important in promoting and encouraging shareholder participation and reflects and supports the role of the auditor and the auditor's accountability to shareholders.

## Principle 5: Make timely and balanced disclosure

**Recommendation 5.1:** A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the listing rules; and
- (b) disclose that policy or a summary of it.

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Listing rule 3.1 requires a listed entity, subject to certain exceptions, to disclose to the ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The Company is committed to providing the market with complete and timely information about disclosure events in compliance with its continuous disclosure obligations and the *Corporations Act 2001*.

The Company maintains a written Continuous Disclosure Policy which outlines the responsibilities and procedures relating to:

- The Company's continuous disclosure obligations under the ASX Listing Rules and Corporations Act (2001); and
- How Integral Diagnostics employees are required to deal with potentially price-sensitive information, and communications with external stakeholders such as the media, security holders and the community to ensure that the Company meets its continuous disclosure obligations.

It is the Company's policy to ensure that all market participants have an equal opportunity to review and access material information made available by the Company, and that the Company complies with both the letter and spirit of its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Continuous Disclosure Policy sets out the procedures that apply to the collection, control, assessment and where required, release to the ASX of material information.

A copy of the Continuous Disclosure Policy can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

## Principle 6: Respect the rights of security holders

**Recommendation 6.1:** A listed entity should provide information about itself and its governance to investors via its website.

One of the Company's key communication tools is its website. The Company endeavours to keep its website up to date. Important information about the Company in relation to governance documents, Directors and Executives, Board and Committee Charters, annual reports, ASX announcements and contact details can be found on its website.

**Recommendations 6.2 and 6.3:** A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2). A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

Integral Diagnostics aims to ensure that shareholders are kept informed of all major developments affecting the state of affairs of the Company. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time.

In order for the investors to gain a greater understanding of the Company's business, governance practices, financial performance and future prospects, the Company has implemented an Investor Relations Program.

The Company schedules interaction during the year where it engages with institutional and private investors and analysts. Scheduled interactions take place following the announcement of half year and full year results. Where presentations are given to shareholders at institutional investor events, Integral Diagnostics discloses the conference presentation to ASX prior to the time of the presentation.

Meetings and discussion with analysts must be approved by the Managing Director/Chief Executive Officer and are conducted by the Managing Director/Chief Executive Officer and the Chief Financial Officer. The discussions are restricted to explanation of information already within the market or which deal with non-price sensitive information. These meetings are not held within the blackout period which commences at the half year period end dates, 31 December and 30 June, in advance of the release of interim or full year results.

The Company encourages shareholders to attend the Company's Annual General Meeting and are provided with explanatory notes on the resolutions proposed through the Notice of Meeting. A copy of the Notice of Meeting is also posted on the Company's website and lodged with the ASX.

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In addition, a document is enclosed with the notice of meeting to invite shareholders to submit questions of the Board, management or the auditors prior to the Annual General Meeting so that they may be answered during the meeting.

Shareholders are encouraged to vote on all resolutions and unless specifically stated otherwise in the Notice of Meeting, all shareholders are eligible to vote on all resolutions. The transcripts of the Chair and Managing Director/Chief Executive Officer's address, together with the results of the Annual General Meeting, will be provided to the ASX and also be posted on the Company's website.

**Recommendation 6.4:** A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company provides shareholders with the option of receiving communications from, and sending communications to, the Company and Share Registry electronically. All shareholders are advised that the Annual Report can be found on the Company's website.

The Company's share register is managed and maintained by Computershare Investor Services Pty Ltd (Computershare). Shareholders can elect to receive email notifications when the Annual Report and certain other information is posted to the Company's website. Shareholders can communicate with the Company or Computershare by mail, telephone, email or online via the Computershare Investor Centre portal.

Shareholders may choose to receive communications from and send communications to the Company and Computershare electronically.

Shareholders can access their shareholding details or make enquiries about their shareholding electronically through the link provided on the Integral Diagnostics website in the Investors section, or through the Computershare's website at <http://www.computershare.com/au>

## Principle 7: Recognise and manage risk

**Recommendations 7.1:** The Board of a listed entity should:

- (a) have a Committee or Committees to oversee risk, each of which:
  - (i) has at least three members, a majority of whom are independent Directors; and
  - (ii) is chaired by an independent Director, and disclose:
    - (iii) the Charter of the Committee;
    - (iv) the members of the Committee; and
    - (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or
- (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.

The Board maintains a combined Audit, Risk and Compliance Committee. The members of the Committee are detailed in Recommendation 4.1 above.

A copy of the Audit, Risk and Compliance Committee Charter can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

The Charter includes the Committee's responsibilities which include procedures for general risk oversight and monitoring, internal control and risk management, risk transfer and insurance and other responsibilities.

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The Company also has an established Clinical Leadership Committee to promote and support a collegiate culture across all practices and to provide advice on clinical governance matters including patient care, clinical standards and quality assurance. The Integral Clinical Leadership Committee's Charter can be found on the Company's website.

<https://www.integraldiagnostics.com.au/page/for-investors/corporate-governance/>

Details of the ARCC members' qualifications and meeting attendances are set out in the Directors Report contained in the Annual Report.

The Managing Director/Chief Executive Officer, Executives and other employees and external parties, may be invited to provide information or reports or attend the Committee meeting as required.

**Recommendation 7.2: The Board or a Committee of the Board should:**

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The ARCC and the Board have reviewed and updated the Company's Enterprise Risk Management Framework during the period. This review occurs annually or more regularly as required. The ARCC and the Board also reviewed risk appetite statements and measures for each of its risk categories and reviewed the Company's material business risk assessments during the period.

**Recommendation 7.3: A listed entity should disclose:**

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company has an internal audit function. The head of Internal Audit function is accountable to the ARCC on all internal audit matters. In performing their work, Internal Audit has unrestricted access to review all aspects of the Group's operations. The ARCC has reviewed the effectiveness and the performance of the internal audit, approved the Annual Internal Audit plan, reviewed internal audit reports completed and agreed actions, and ensured that planned audit activities are in alignment to business risks. A risk based methodology is used in setting the annual internal audit plan.

Further details of what role the internal audit function performs can be found within the Audit, Risk and Compliance Committee Charter on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

**Recommendation 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.**

The Management of the Company and the execution of its growth strategies are subject to a number of risks, which could adversely affect Integral Diagnostics future development. The management and Board seek to mitigate exposures to Integral Diagnostics and will continue to enhance response plans to address risks. The following is not an exhaustive list or explanation of all risks and uncertainties associated with Integral Diagnostics (and its subsidiaries), but those considered by management to be the principal material risks which could impact the future financial performance of the Company:

## **Economic Business Risks**

### **Strategic Growth**

- Mergers and acquisitions. It is the Company's strategy to drive growth organically and through mergers and acquisitions. This strategy may place significant demands on management, resources, internal controls and systems resulting in the failure to realise anticipated benefits or effectively integrate acquisitions.
- Maintaining strong referrer relationships. The risk of a material loss of or lack of growth in referrals to IDX would impact the Company affecting the financial and operational performance of the Company.

# Corporate Governance Statement continued

Year ended 30 June 2019

## **Regulation and Compliance**

- Regulatory change to revenue stream. Changes to government policies and regulations may have a material adverse impact on the financial and operational performance of the Company.
- Regulatory compliance. Not meeting industry or regulatory compliance requirements may lead to the loss of licenses and accreditation and the inability to provide services or offer rebates which will reduce the provision of services.
- Contracts and service agreements. Contracts and service agreements may be breached, terminated or not renewed resulting in loss of capacity and revenue.

## **Quality and Safety**

- Clinical risk management. The risk of patient harm due to human error or a lack of effective clinical governance and processes.
- Health and safety. The risk of avoidable harm to employees due to a lack of effectiveness in workplace health and safety systems.
- Privacy and confidentiality. The Company relies on secure processing, transmission and storage of confidential, proprietary and other information in its IT infrastructure. The loss or misuse of personal information, or inadequate and insecure data protection and privacy protocols may result in a breach of a patient or referrer privacy and confidentiality.

## **Technology and Security**

- Contemporary technology and innovation. The failure to adapt or respond to contemporary disruptive innovations and technologies will see an increase in competition and a decline in referrals.
- Cyber security. The risk of a material cyber security event or attack on the Company affecting its operations and involving significant remediation resources.
- Disaster recovery and crisis management. The risk of an ineffective response to a business continuity or disaster recovery event impacting on operations, patients and other stakeholders.

## **Recruitment and Retention**

- The risk of an inability to attract and retain quality radiologists, management and staff due to competition across the market, geographical location of some sites or other factors.

## **Environmental and Social Sustainability Risks**

Although no material environmental or social sustainability risks have been identified, and the environmental impact of the Company's activities is minimal, the management of environmental and social risks is a key responsibility. Integral Diagnostics adopts the approach of a responsible corporate citizen with regard to environmental and social matters:

- The disposal of healthcare waste and consumables is undertaken by qualified third-party contractors to ensure compliance with applicable legislation;
- The disposal of packaging, office paper, computers and obsolete IT equipment is managed to ensure compliance with applicable legislation;
- The Company continues to minimise the use of paper by introducing electronic patient records wherever local legislation and operational process allows, reductions in marketing collateral and the elimination of hard copy board and committee papers. Employees are encouraged to minimise the excessive use of paper and recycling activities are undertaken where possible;
- Encouraging all forms of electronic communication;
- The Company is not a significant consumer of electricity, water or gas and accordingly the opportunities for material reductions in power consumption are limited;
- The Company aims to provide a safe, diverse and appropriate workplace, through the implementation of its policies such as the Diversity Policy and Code of Conduct;
- Oversight and management of work health and safety; and

# Corporate Governance Statement continued

Year ended 30 June 2019

- Engagement by the Company and its staff in the wider Community.

## Principle 8: Remunerate fairly and responsibly

### Recommendation 8.1: The Board of a listed entity should:

- (a) have a Remuneration Committee which:
- (i) has at least three members, a majority of whom are independent Directors; and
  - (ii) is chaired by an independent Director, and disclose:
  - (iii) the Charter of the Committee;
  - (iv) the members of the Committee; and
  - (v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or
- (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.

The Board has established a PRC to assist the Board with discharging its responsibilities with regard to developing and monitoring remuneration policies and practices for the Board, the Managing Director/Chief Executive Officer, the Chief Financial Officer and Senior Management.

The composition of the PRC currently consists of four members, all of whom are Non-Executive Directors and all of whom are independent Directors. The Committee is chaired by an independent Director, who is not the Chair of the Board. Current members of the Committee are:

Names	Title	Independence
John Atkin	(Chair) Non-Executive Director	Independent
Helen Kurincic	Non-Executive Director	Independent
Rupert Harrington	Non-Executive Director	Independent
Raelene Murphy <sup>1</sup>	Non-Executive Director	Independent

<sup>1</sup>Raelene Murphy was appointed to the PRC on the 22 March 2019

A copy of the People and Remuneration Committee Charter can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

Details of meeting attendance for members of the People and Remuneration Committee are set out in the Directors Report contained in the Annual Report. The Managing Director/Chief Executive Officer, Senior Management and other employees and external parties, may be invited to provide information or reports or attend the Committee meeting as required.

**Recommendation 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.**

Refer to the Remuneration Report, which is contained within our 2019 Annual Report. The Remuneration Report discloses the policies and practices regarding remuneration of Non-Executive Directors Executive Directors and Key Management Personnel.

### Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:

- (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

# Corporate Governance Statement continued

Year ended 30 June 2019

(b) disclose that policy or a summary of it.

The Company has an equity-based remuneration scheme which was approved by shareholders at the 2017 Annual General Meeting. Any dealing in respect of an incentive is prohibited unless the Board determines otherwise or the dealing is required by law and the participant has provided satisfactory evidence to the Company of that fact, and it is in accordance with the Company's Securities Dealing Policy. The Securities Dealing Policy specifically states that Company securities acquired under a director or employee incentive plan must never be hedged prior to the vesting and that hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities. A copy of the Policy can be found on the Company's website.

<http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance>

Transition to the Australian Securities Exchange's (ASX) Corporate Governance Principles and Recommendations (fourth edition) February 2019 (4<sup>th</sup> Edition).

The Company has begun a review of its Corporate Governance Framework, Policies and Practices to ensure they meet the needs and circumstances of the Company. As part of this process the Company will consider and ensure compliance where appropriate with 4th Edition.

The following items were approved or reviewed by the Board during the year and have been published on the Company's website:

- The Company's Values
- Whistle-blower Policy
- Anti-Bribery, Fraud and Corruption Policy

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Integral Diagnostics Limited

ABN / ARBN:

55 130 832 816

Financial year ended:

30 June 2019

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: [www.integraldiagnostics.com.au](http://www.integraldiagnostics.com.au)

The Corporate Governance Statement is accurate and up to date as at 26 August 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 26 August 2019

Name of Secretary authorising lodgement: Kirsty Lally

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.



## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<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 (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> detail contained in the Company's AGM Notice of Meeting	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> our Board Charter at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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 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>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>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>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>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, 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>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in Directors Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-gove">http://www.integraldiagnostics.com.au/page/for-investors/corporate-gove</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <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>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Directors report</p> <p><a href="http://www.integraldiagnostics.com.au/page/who-we-are/our-directors/">http://www.integraldiagnostics.com.au/page/who-we-are/our-directors/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, 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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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, 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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Directors Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> in the Annual Report	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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 of 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 fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Directors Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Remuneration Report section of the Annual report at <a href="http://www.integraldiagnostics.com.au/page/for-investors/">http://www.integraldiagnostics.com.au/page/for-investors/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Securities Dealing Policy at <a href="http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance">http://www.integraldiagnostics.com.au/page/for-investors/corporate-governance</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>