

24 September 2020

Ms Melissa Kostopoulos
Compliance Advisor, Listings Compliance
ASX Compliance Pty Ltd
Level 4, 525 Collins Street
Melbourne VIC 3000

Dear Ms Kostopoulos

PRO MEDICUS LIMITED (PME) – Remuneration Committee composition

I refer to your letter dated 18 September 2020, regarding the composition of the Remuneration Committee at Pro Medicus Limited and provide the following responses to your questions:

1. Pro Medicus has previously not been in compliance with Listing Rule 12.8, whereby an ASX300 listed entity should have and disclose a remuneration committee comprising solely of non-executive directors for the duration of the year.
2. Pro Medicus at its Board meeting of 23 September 2020 approved and immediately appointed Deena Shiff as Chair of the Remuneration Committee. The Remuneration Committee comprises herself as an independent chair and Leigh Farrell and Anthony Glenning also as independent directors.
3. We confirm that the Remuneration Committee has now been structured and confirm it complies with the requirements of the Listing Rules.
4. Please find attached an updated Appendix 4G that includes an effective date of the Corporate Government Statement and confirms the Remuneration Committee.
5. I confirm that Pro Medicus is in compliance with the listing rules and, in particular, listing rule 12.8.

Yours faithfully



Clayton Hatch
Company Secretary



18 September 2020

Reference: ODIN23020

Mr Clayton Hatch
Company Secretary
ProMedicus
450 Swan Street
Richmond Victoria 3121

By email: clayton@promed.com.au

Dear Mr Hatch

Pro Medicus Limited ('PME'): Remuneration Committee composition of an S&P/ASX 300 entity - Breach

ASX refers to the following:

- A. PME's 'Appendix 4G and Corporate Governance Statement' for the financial year ended 30 June 2020 lodged on the ASX Market Announcements Platform ('MAP') on 20 August 2020 ('Corporate Governance Statement'). The Corporate Governance Statement discloses that PME does not have a Remuneration Committee.
- B. The announcement entitled 'S&P Dow Jones Indices Announces March 2018 Quarterly Rebalance of the S&P/ASX Indices' lodged on MAP on 9 March 2018 that states that PME is now included in the S&P/ASX 300 Index effective at the open of trading 19 March 2018.¹
- C. Listing Rule 12.8 that states the following:

"An entity, which was included in the S&P/ASX 300 Index at the beginning of its financial year, must have a remuneration committee, comprised solely of non-executive directors, for the entire duration of that financial year."
- D. Section 20 of Guidance Note 9 that outlines ASX's enforcement practices in relation to corporate governance matters. In particular, the Guidance Note states:

"ASX reviews the corporate governance statement of each listed entity to confirm that it materially complies with its disclosure obligations under Listing Rule 4.10.3. If the entity was in the S&P/ASX 300 Index or S&P All Ordinaries Index at the beginning of its financial year, ASX also checks that the entity has complied with the applicable audit committee and remuneration committee requirements under Listing Rules 12.7 and 12.8."
- E. Recommendation 8.1 of the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' available at <https://www.asx.com.au/documents/regulation/cgc-principles-and-recommendations-fourth-edn.pdf> that states that the board of a listed entity should have a Remuneration Committee that consists of:
 - At least three members, a majority of whom are independent directors (in the case of an entity included in the S&P/300 Index made up of only non-executive directors); and that is
 - Chaired by an independent director.

¹ Further, an announcement lodged on MAP on 14 June 2019 'S&P Dow Jones Indices Announces June 2019 Quarterly Rebalance of the S&P/ASX Indices' stated that PME was now included in the S&P/ASX 200 Index effective at the open of trading 24 June 2019.

F. The Appendix 4G lodged by PME on MAP on 20 August 2020 does not include the effective date of the Corporate Government Statement as required under Listing Rule 4.10.3.

Action required

In light of the above, ASX requires PME:

1. To immediately make an announcement to the effect that it has not complied with Listing Rule 12.8 and outline the steps it will take to comply with the requirements of the Listing Rules;
2. To structure a Remuneration Committee that complies with the ASX Corporate Governance Council's recommendation 8.1 by no later than 9:30 AM (AEST) 18 December 2020;
3. Immediately announce to the market once PME's Remuneration Committee has been structured and confirm it complies with the requirements of the Listing Rules;
4. To release an updated Appendix 4G that includes the effective date of the Corporate Governance Statement; and
5. To confirm to ASX in writing that it has made necessary arrangements to mitigate further Listing Rule breaches.

When and where to send your response

Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Friday, 25 September 2020**.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office.

Compliance with the Listing Rules

ASX reminds PME of its contract to comply with the Listing Rules. Please note that ASX is required to record details of breaches of the Listing Rules by listed entities as part of its reporting obligations.

In the circumstances, ASX considers it appropriate that PME reviews its compliance arrangements to ensure it does not continue to breach the Listing Rules.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Melissa Kostopoulos
Compliance Adviser, Listings Compliance (Melbourne)