

## **ASX ANNOUNCEMENT**

### **CORPORATE GOVERNANCE STATEMENT**

**SYDNEY, Australia [15 April 2016]: TYRIAN DIAGNOSTICS Limited (ASX: TDX)**

The Company aims to meet the levels of best corporate governance for listed companies as set out in the ASX Corporate Governance Council's Principles and Recommendations (the "ASX Principles and Recommendations").

The Company's corporate governance principles, details of which can be found below include:

- Statement of Corporate Governance Principles
- Board Charter
- Audit & Risk Committee Charter
- Remuneration & Nominations Committee Charter
- Continuous Disclosure and Communications Policy
- Securities Trading Policy

#### **1 Board and management**

##### **1.1 Role of the Board and Senior Management**

The role of the Board is to provide strategic guidance for the Company and effective oversight of its management to the Chief Executive Officer and other senior executives. The Board has adopted a formal board charter that details the board's functions and responsibilities and those functions which are delegated to senior management. Where a Chief Executive Officer has not been appointed, the Chief Financial Officer will be deemed to fulfil this role for the purposes of the Corporate Governance Statement.

##### **1.2 Evaluation of Performance of Senior Executives**

The Company has a written agreement with each senior executive that sets out the terms of their appointment. The Remuneration & Nominations Committee is specifically responsible for reviewing the ongoing performance of the Chief Executive Officer and ensuring there is an appropriate process to review the performance of senior executives and for setting and approving performance objectives of senior executives in relation to bonus payments and options. Each year the Remuneration & Nominations Committee:

- approves individual milestone objectives for the CEO and Senior Executives for the coming 12 month period. Milestones are based on the Company's strategic plan as approved by the Board;
- evaluates the performance of the CEO compared to milestone objectives set at the beginning of the performance period and approves the payment of any bonus and/or the grant and vesting of any performance rights related to the CEO's performance;
- in relation to senior executives, reviews recommendations, considers and approves the payment of any bonus and/or the grant and vesting of any performance rights based on performance of milestone objectives for the preceding 12 month performance period.

The Remuneration & Nomination Committee conducted its most recent performance evaluation of the Chief Executive Officer and senior management in September 2010. No performance evaluations have been undertaken since 2010 due to the termination of all executives and staff.

#### **2 Board Composition**

The Company's Board currently comprises three independent non-executive directors. The Board has been structured to provide a team of directors with a range of skills, expertise and experience appropriate for it to undertake its duties and its role and responsibilities for the proper and effective management of the Company's business and affairs. In particular the composition of skills, expertise and experience of the directors span the areas of diagnostic product development and commercialisation, finance, accounting, public company affairs and corporate governance. These skills may be represented in the following skills matrix:

Skills	Roger Amos	Merilyn Sleigh	Simon O'Loughlin
Diagnostic Product Development		✓	
Product Commercialisation		✓	
Legal			✓
Finance	✓	✓	
Accounting	✓		
Public Company Affairs	✓	✓	✓
Corporate Governance	✓		✓
International Markets	✓	✓	

The recommendation of candidates for the Board is carried out by the Remuneration & Nominations Committee, which reviews the skills of existing directors and identifies additional skills that would contribute to the success of the Company's strategy and operations.

Before appointing a person, or putting forward to security holders a candidate for election, as a director, the Remuneration & Nominations Committee will undertake appropriate background checks including interviewing referees, contacting professional bodies, if any, to ascertain any membership credentials claimed, and interviewing former employers. The Remuneration & Nominations Committee may engage an appropriately qualified executive search firm to conduct this exercise.

When putting forward to security holders a candidate for election, as a director, the Company will provide security holders with all material information in its possession that it believes is relevant to the decision on whether to or not to elect or re-elect a director.

The Company does not have a formal program for inducting new directors. As new directors are appointed their individual induction requirements will be ascertained on a case by case basis commensurate with the skills and experience of the individual appointee. The provision of professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively will also be assessed and provided on an as-needs basis.

## 2.1 Independence of directors

The Board has assessed the independence of all non-executive directors and has determined that the following non-executive directors are independent: Roger Amos (Chairman), Merilyn Sleigh (Chairman of the Audit & Risk Committee) and Simon O'Loughlin.

All Tyrian Diagnostics directors are aware of, and adhere to, their obligation under the Corporations Act 2001 to disclose to the Board any interests or relationships that they or any associate of theirs may have in a matter that relates to the affairs of the Company, and any other matter that may affect their independence. All directors have agreed to give the company notice of changes to their relevant interests in Company shares within two days to enable both them and the Company to comply with the Australian Stock Exchange (ASX) Listing Rules. The Board regularly reviews the independence of its directors and in doing so has regard for, amongst other things, the ASX Principles and Recommendations in relation to independence of directors. The Board considers that an independent director is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In determining whether an interest or relationship is considered to interfere with a director's independence, the Board has regard to the materiality of the interest or relationship. In considering the issue of materiality, the Board considers the nature, circumstances and activities of the Director, and considers the materiality of the relationship in question from the perspective of the Company, the persons or organizations with which the Director has an affiliation, and from the perspective of the Director.

## 2.2 Independent professional advice

Where a director obtains independent professional advice in furtherance of his or her duties, the Company will meet the reasonable costs of such advice provided that:

- the Chairman of the Board gave prior approval to the obtaining of the advice; or
- if the Chairman refused to give such approval, the Board gave prior approval to the obtaining of the advice.

## 2.3 Remuneration & Nominations Committee

The Board has established a Remuneration & Nominations Committee to provide recommendations to the Board on matters including:

- Composition of the Board and competencies of Board members;
- Appointment and evaluation of the Chief Executive Officer and other senior executives;

- Succession planning for Board members and senior management;
- Processes for the evaluation of the performance of the directors, the Chief Executive Officer and other senior management.

The Remuneration & Nominations Committee currently comprises two independent non-executive directors including an independent Chairman. The Board has not formalised the procedures for selection and appointment of new directors or re-election of incumbent directors, however the board regularly reviews its composition to determine whether it has the right mix of skills and experience. The Board engages external recruitment firms in order to assist it in the selection and evaluation of new directors.

## **2.4 Performance review and education**

The performance of the Board, its Committees and senior executives is reviewed and evaluated by the Remuneration & Nominations Committee and the Board, as appropriate, using the results of a questionnaire which is completed by each director.

The Board conducts reviews of board effectiveness and contribution. The most recent performance evaluation of the board, its committees and directors was conducted in March 2010.

## **2.5 Remunerate fairly and responsibly**

Refer to the Remuneration Report for a full discussion of the Company's remuneration policies, and to the Directors' Report for details of the membership of meetings of the Remuneration & Nominations Committee.

# **3 Ethical and responsible decision making and Diversity**

## **3.1 Code of Conduct**

Although the Company has not established a formal code of conduct, directors and employees are obliged to observe standards of conduct and behaviour in accordance with the terms of their appointment or employment as applicable. All directors and employees are therefore expected to act in accordance with the highest standards of integrity and business ethics.

The Company has fostered a corporate culture which embraces diversity among its management and employees. The Company has not formalised its diversity policy as it has no employees, however it is noted that the Board has a majority of female directors.

## **3.2 Securities trading policy**

By promoting director and employee ownership of shares, the Board hopes to encourage directors and employees to become long-term holders of Company securities, aligning their interests with those of the Company. It does not condone short-term or speculative trading in its securities by directors and employees. The Company has a comprehensive securities trading policy which applies to all directors and employees. The policy aims to inform directors and employees of the law relating to insider trading, and provide them with practical guidance for avoiding unlawful transactions in Company securities. The Company has reviewed and updated its securities trading policy as necessary in order to fully comply with the ASX's new requirements for company trading policies introduced through an amendment to the ASX Listing Rules, which came into effect on 1 January 2011.

# **4 Audit & Risk Committee**

The Company has established an Audit & Risk Committee to provide advice and assistance to the Board in discharging its corporate governance and oversight responsibilities in relation to the Company's financial reporting process, internal financial control, risk management system, legal compliance and the external auditing process. The Audit & Risk Committee has a formal charter which is available on the company's website. In discharging its obligations, the Audit & Risk Committee has direct access to any employee, the auditors or any other independent experts and advisers it considers appropriate to carry out its duties.

The composition of the Audit & Risk Committee is set out in the relevant table in the Directors' Report, and the number of committee meetings and attendance at those meetings is set out the same table. In accordance with the ASX Principles and Recommendations, the Audit & Risk Committee has been structured so that it has an independent chairman who is not the chairman of the Board.

The Audit & Risk Committee has two members, rather than the three suggested by the ASX Principles and Recommendations. The Board considers that the current two members, both being independent non-executive directors, possess sufficient skills and experience to provide appropriate advice to the Board and that the composition of the Audit & Risk Committee is appropriate considering the size and operations of the Company.

The Board of the Company, before it approves the Company's financial statements for a financial period, receives 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.

## **5 Disclosure**

### **Continuous disclosure and communications policy**

The Company is committed to complying with its continuous disclosure obligations as set out in the ASX Listing Rules and the ASX Principles and Recommendations.

The Company has adopted a comprehensive policy governing continuous disclosure and communication to investors and shareholders which complies with the ASX Principles and Recommendations.

## **6 Shareholder communication**

### **6.1 Communications and Investor Relations policy**

The Company aims to ensure that investors, shareholders and the financial market have timely access to material information concerning the Company. The Company's communications policy sets out the communication guidelines established by the Company. The Company uses its website to complement the official release of material information and periodic reports to the market including ensuring that all press releases, ASX announcements and notices of and presentations made at general meetings for at least the past three years are available on the website.

The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.

### **6.2 Auditor availability**

The Company's external auditor attends the Company's annual general meeting and is available to answer questions raised by shareholders concerning the conduct of the audit and the preparation and content of the auditor's report.

### **6.3 Meetings of Security Holders**

The Company encourages the attendance and participation of its security holders at any meetings of security holders. Invitations are issued to the security holders' nominated address and meetings are held at a Sydney CBD location that is convenient to transport and during normal business hours. During these meetings, attendees are encouraged by the Chair to ask questions.

## **7 Recognise and manage risk**

### **Risk management**

The Board, on advice and recommendation of the Audit & Risk Committee, oversees and manages the risks to which the Company is exposed. The Audit & Risk Committee's role and responsibilities for risk oversight and management are set out in the Audit & Risk Committee charter. These include:

- overseeing the Company's financial reporting and understanding current areas of greatest financial risk and how these are being managed;
- understanding internal control systems for financial transactions, recording and processing of financial data and compliance of financial statements with relevant standards and requirements;
- ensuring compliance with legal and regulatory obligations, accounting standards and best practice guidelines;
- evaluating the overall effectiveness of the internal control and risk management frameworks and considering whether recommendations made by the external auditors have been implemented by management; and
- considering accountability of management for risks associated with computer systems and applications.

The Audit & Risk Committee reports to the Board at least twice each year on all matters relating to its responsibilities for risk management. The Board reviews the Audit & Risk Committee's reports and recommendations and makes an assessment of the effectiveness of the Company's systems and processes for risk management. Under its Charter, the Audit & Risk Committee requires management to design and implement a risk management and internal control matrix to manage the company's material business risks. Management is required to report to the Audit & Risk Committee annually on how the company is performing against its risk management matrix. The risk matrix was last reviewed in February 2016.

The Company does not have any material exposure to environmental and social sustainability risks. The Company's exposure to financial and economic risks are disclosed in the Notes to the Financial Statements.

## **8 Role of Company Secretary**

The Company Secretary of the Company is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

### **Contact for further information:**

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