

Anteris Technologies Ltd

Corporate Governance Statement 2020

Principle 1: Lay solid foundations for management and oversight

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(1.1) Role of Board and management	The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, as set out in the Anteris Technologies Ltd ("Anteris") Board Charter (Charter). The Charter also provides an overview of the roles of the Chair, individual Directors, the Managing Director and Chief Executive Officer (MD & CEO) and the Company Secretary. A copy of the Charter is available in the Governance section of the Company's website.
(1.2) Senior executive appointments and information regarding the election and re-election of directors	Anteris carefully considers the character, experience, education and skillset, as well as interests and associations of potential candidates for appointment to the Board or as a senior executive and conducts checks to verify the suitability of the candidate. Anteris has procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the notice of meeting provided to shareholders.
(1.3) Written contracts of appointment	In addition to being set out in the Charter, the roles and responsibilities of Directors are also formalised in a letter of appointment. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relation to committee work or any other special duties attaching to the position, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and refer to the Company's key governance policies. Each senior executive enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Contract details of senior executives which are Key Management Personnel are summarised in the Remuneration Report which is included in the Annual Report.
(1.4) Company Secretary	The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary. The appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Annual Report.

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(1.5) Diversity	The Company is committed to diversity and inclusiveness. To support this, the Board has implemented a Diversity Policy as a measure to ensure diversity is welcomed and valued at all levels of the Company. A copy of this Policy is available on the Company's website. The Board continues to recognise the importance of proactively addressing gender equality and supports initiatives that recognise the benefits of flexible working arrangements and remuneration parity on the basis of gender. The Diversity Policy operates alongside the Company's Code of Conduct and Antidiscrimination, Bullying, Harassment and Whistleblower policies. The Company has compliance training and development modules via an e-learning platform which includes diversity content such as: discrimination and equal opportunity, sexual harassment, and workplace bullying and harassment. The Company's objective is to achieve and maintain a 50/50 gender balance across all levels of the organisation. For the year ended 31 December 2019, there was one female board member for the first five months of the year. In addition, female staff comprised 32% of the executive management team and 47% of all other staff.
(1.6) Board reviews	A performance review is undertaken annually in relation to the Board and the Board Committees in addition to individual evaluation sessions between the Chair and individual Directors. Formal evaluations did not take place during the Reporting Period. However, aspects of evaluation and feedback are provided on a regular basis at Board and Committee meetings allowing continuous improvement including giving the Chair and Management feedback on agendas and development of Board and Committee papers. A review of Board performance will occur during the 2020 reporting period.
(1.7) Management reviews	Performance against Company objectives is assessed periodically throughout the year and a formal performance evaluation for senior management is completed for the Reporting Period. An online performance and development system has been implemented.

Principle 2: Structure the Board to be effective and add value

RECOMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATION
(2.1) Nomination Committee	A separate Nomination Committee has not been formed. The Board considers that, based on the Company's stage of development, no benefits or efficiencies are to be gained by delegating this function to a separate committee. The full Board carries out the duties of the Nomination Committee. If a vacancy exists, through whatever cause, the Board considers candidates with the appropriate expertise and experience. In so acting, the full Board follows the Nominations Committee Charter which is available on the Company's website.

RECOMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATION
(2.2) Board skills matrix	The Company's objective is to have an appropriate mix of expertise and experience on the Board and its Committees in accordance with the Company's Diversity Policy so that the Board can effectively discharge its corporate governance and oversight responsibilities. This mix is described below. Expertise: • Finance • Strategy • Commercial acumen • Executive leadership • Sales and distribution • Marketing • Management • Mergers and restructures The Board is comfortable with the diversity and skills matrix represented by the current Board.
(2.3) Disclose independence and length of service	The Board annually assesses the independence of each Non-Executive Director. During the course of this year's assessment, the Board: • noted that Ms Lishan Zhang (resigned 30 May 2019) and Dr Yanheng Wu have an indirect controlling interest in entities that have a material interest in the Company; • noted that Dr Wenyi Gu was nominated by an entity that has a material interest in the Company; • noted that Mr Stephen Denaro has an arm's length consultancy agreement with the Company to provide professional company secretarial services; • determined that Ms Lishan Zhang (resigned 30 May 2019) and Dr Yanheng Wu having an indirect controlling interest in entities that have a material interest in the Company are unlikely to result in instances where their interests will be different to interests of other shareholders, but where conflict exists, appropriate measures are taken to remedy that conflict; • determined that while Dr Wenyi Gu's nomination by an entity that has a material interest in the Company, it does not require him to act in the interests of that entity and should not impact his ability to act independently, he was nominated by entities that have a material interest in the Company and he may be reasonably perceived to be influenced by those nominating entities, but where actual or perceived conflict exists, appropriate measures are taken to remedy that conflict; • determined that Mr Stephen Denaro's consultancy agreement with the Company was not material and should not impact his ability to act independently; • noted that Mr John Seaberg and Mr Stephen Denaro were granted Options that include performance conditions linked to the growth in the Anteris share price which were approved by shareholders at the Extraordinary General Meeting on 26 February 2020. It was determined that the issuance of Options to the non-executive directors align their interests with those of shareholders and that these Options are not material to either Mr John Seaberg nor Mr Stephen Denaro and should not impact on their ability to act independently; and • noted that notwithstanding the nature of their interests or circumstances of their appointment, each of Ms Lishan Zhang (resigned 30 May 2019), Dr Yanheng Wu, and Dr Wenyi Gu will be subject to director duties imposed by law. The length of service of each of the Directors is set out in the Company's Annual Report.

RECOMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATION
(2.4) Majority of directors are independent	The majority of Directors are not independent. Mr Wayne Paterson the MD & CEO is not considered independent, by virtue of him being an Executive of the Company. Dr Yanheng Wu is not considered to be independent given he has an indirect controlling interest in entities that have a material interest in the Company. Dr Wenyi Gu is not considered to be independent given his appointment was nominated by entities that have a material interest in the Company. However, the Board has determined that their interests will help to align their interests with those of other shareholders, and the circumstances of their appointment does not change their duties as directors under law. The Company did not consider Ms Lishan Zhang (resigned 30 May 2019) to be independent given her indirect controlling interest in entities that have a material interest in the Company.
(2.5) Chair is independent	The Chairman, Mr John Seaberg, is an independent Non-Executive Director. The role of the MD & CEO is performed by another Director.
(2.6) Induction and professional development	An induction process including appointment letters exists to promote early, active and relevant involvement of new members of the Board. All Anteris Directors are invited to become members of the Australian Institute of Company Directors (AICD) and are encouraged to further their knowledge through publications provided by the AICD and seminars hosted by the AICD. Directors are given the opportunity to broaden their knowledge of the business by annually visiting the Company's offices and meeting with senior management. The Board, performing the duties under the Nomination Committee Charter, regularly reviews whether the Directors as a whole have the necessary skills and knowledge to fulfil their role on the Board. If a gap is identified, training/development opportunities are considered.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(3.1) Values	The Company has embraced core values of Accountability, Objectivity, Respect, Teamwork, Integrity and Courage.
(3.2) Code of conduct	The Company has adopted a Code of Conduct which provides guidance to Directors, officers, employees and contractors on the standards of behaviour expected in the discharge of their duties on behalf of the Company. The Code is based on respect for the law and acting accordingly, dealing with conflicts of interest appropriately and requires business affairs to be conducted ethically and with integrity. A copy of the Code of conduct is available on the Company's website. The Code of Conduct was last reviewed by the Board in March 2020.
(3.3) Whistleblower Policy	The Company has a Whistleblower Policy to encourage employees and stakeholders to report conduct that is inconsistent with the values upon which the company operates. A copy is available on the Company's website
(3.4) Anti bribery and Corruption Policy	The Company's Code of Conduct includes the Company's Anti Bribery and Corruption Policy. A copy is available on the Company's website.

Principle 4: Safeguard integrity of corporate reports

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(4.1) Audit committee	The Company has established an Audit and Risk Management Committee (ARMC). The ARMC assists the Board to monitor the Company's financial reporting and auditing, as well as the management of financial risks. The ARMC comprises of the following three members, all of whom are nonexecutive directors and the majority of whom are independent directors: • Mr Stephen Denaro (Chair); • Mr John Seaberg; and • Dr Wenyi Gu. Mr Denaro, Chair of the ARMC, is an independent Non-Executive Director and is not the Chair of the Board. The Chief Financial Officer and the Company's external auditors are usually in attendance at ARMC meetings by invitation. Members of the ARMC possess the requisite accounting and financial expertise and/or have a sufficient understanding of the industry in which the Company operates, to effectively carry out the ARMC's mandate. Please refer to the Annual Report for qualifications and attendance at ARMC Meetings. Members are also able to seek independent external advice in order to carry out their duties on the ARMC to assess the integrity of the financial statements.
(4.2) CEO and CFO certification of financial statements	The MD & CEO and the Chief Financial Officer provide a declaration to the Board as part of the financial reporting process. The declaration states that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards in accordance with section 295A of the Corporations Act 2001. The ARMC and Board notes this written advice when considering the financial accounts of the Company.
(4.3) Safeguard the integrity periodic corporate reports	Anteris provides quarterly reports (Appendix 4C) which includes the financial performance for the quarter as well as the Company's progress on business activities. These reports are reviewed by the Chairman, Chief Executive Officer, Company Secretary and Chief Financial Officer prior to release. In addition, individual components are also reviewed by management with responsibility for the specific component subject matter.

Principle 5: Make timely and balanced disclosure

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(5.1) Disclosure and Communications Policy	The Company is committed to promoting investor confidence and ensuring that shareholders and the market have equal access to information and are provided with timely and balanced disclosure of all material matters concerning the Company. The Company has developed a Continuous Disclosure and Shareholder Communication Policy which aims to ensure timely compliance with the Company's obligations under the ASX Listing Rules to facilitate communication with shareholders. A copy of this policy is available on the Company's website. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with continuous disclosure requirements of the ASX Listing Rules and overseeing and co-ordinating information disclosures.
(5.2) Board receipt of market announcements	The Company Secretary ensures that the Board receives a copy of any ASX announcements promptly after an announcement has been made.

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(5.3) Investor and analyst presentations	The Company ensures that copies of new and substantive investor or analyst presentations (such as those typically given at AGMs, investor days and broker conferences) are released on the ASX platform ahead of the presentation in accordance with the Continuous Disclosure and Shareholder Communication Policy.

Principle 6: Respect the rights of security holders

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(6.1) Information on website	The Company provides all relevant information concerning its activities and governance on its website. There is a dedicated corporate governance section found under the 'About' tab of the website home page. In addition, the Company's website maintains timely information with respect to Anteris' financial performance and posts links to all announcements to the ASX, notices of meetings, annual reports and financial statements. The website also includes a 'Contact Us' feature for shareholders, and other interested parties, to contact the Company communications function for information on relevant activities.
(6.2) Investor relations programs	Shareholders are invited to attend the Company's annual general meeting and are given the opportunity to address questions to the Board and the Company's external auditors. Shareholders are encouraged to follow official Company social media channels for regular updates and general enquiries may also be directed to the Company via the contact form on the Company's website.
(6.3) Facilitate participation at meetings of security holders	Anteris uses technology to facilitate the participation of shareholders in meetings. The Company also provides a direct voting facility to allow shareholders to vote ahead of the meeting without having to attend or appoint a proxy. Shareholders are encouraged to participate in general meetings and are given an opportunity to ask questions of the Company and its auditor at the annual general meeting.
(6.4) Substantive resolutions	All resolutions including substantive resolutions at an Annual General Meeting or Extraordinary General Meeting of shareholders are decided by a poll rather than a show of hands.
(6.5) Facilitate electronic communications	Anteris provides investors the option to receive communications from and send communications to, the Company and the share registry electronically.

Principle 7: Recognise and manage risk

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(7.1) Risk Committee	The Board, through the ARMC, oversees the process for identifying and managing material risks in the Company in accordance with the Company's risk management policy.
(7.2) Annual risk review	The ARMC annually reviews the risk management practices of the Company to satisfy itself that it continues to be sound and that the Company manages risk within the Board approved risk appetite. A review of the Company's risks and risk management practices was completed in late 2018 and is planned for the first half of 2020.
(7.3) Internal audit	While the Company does not have a formal internal audit function, it employs processes for evaluating and continually improving the effectiveness of its risk management and internal control processes. These are contained in the Company's risk management policies. The external audit function is performed by HLB Mann Judd.

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(7.4) Environmental and social risks	The Company is subject to environmental regulation and other licences due to its research, development and manufacturing. The Company complies with all relevant Federal, State and Local environmental regulations. The Board is not aware of any breach of applicable environmental regulations by the Company. The Company has policies in relation anti-bribery and corruption, diversity, a code of conduct and a statement of corporate values all aimed at addressing the social risks of crime, corruption, employee and customer/supplier mistreatment.

Principle 8: Remunerate fairly and responsibly

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(8.1) Remuneration Committee	The Remuneration Committee comprises of the following three members, a majority of whom are independent Non-Executive Directors: • Mr John Seaberg (Chair); • Mr Stephen Denaro; and • Dr Wenyi Gu. The purpose of the Remuneration Committee is to review and make recommendations to the Board in relation to the overall remuneration policy for the Company. The full role and responsibilities of the Remuneration Committee are contained in the Remuneration Committee Charter, which is available on the Company's website. The Board determines the level of remuneration for Directors based on the provision of services to the Company. Remuneration levels are set with reference to industry and market conditions. Details of the Company's remuneration policy are set out in the Remuneration Report. The remuneration report is included in the Annual Report and sets out the remuneration for all key management personnel.
(8.2) Disclosure of Executive and Non-Executive Director remuneration policy	The Company seeks to attract and retain high performance Directors and Executives with appropriate skills, qualifications and experience to add value to the Company and fulfil the roles and responsibilities required. Non-Executive Directors (excluding Dr Yanheng Wu) are paid a fixed fee for their services plus Mr John Seaberg and Mr Stephen Denaro were granted options that include performance conditions linked to the growth in the Anteris share price which were approved by shareholders at the Extraordinary General Meeting on 26 February 2020. Remuneration including superannuation is a composite fee (covering all Board and Committee responsibilities). No other retirement benefits schemes are in place with respect to Non-Executive Directors.
(8.3) Policy on hedging equity incentive schemes	Anteris has adopted a written Securities Trading Policy (STP) which is available on the Company's website. The STP addresses hedging unvested entitlements and prohibits restricted persons from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities.

Additional recommendations

RECOMMENDATION	ANTERIS' COMPLIANCE WITH RECOMMENDATIONS
(9.1) Language considerations	One former Director on the Board who was not fluent in English had a translator available to assist with understanding and contributing to discussions and considering key corporate documents.



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