

2021 Corporate Governance Statement

For personal use only

2021 Corporate Governance Statement

The Pro Medicus Limited Board of Directors (**Board**) is pleased to present the Company's Corporate Governance Statement for 2021 (**Statement**). This Statement outlines our principal corporate governance practices in place during the financial year ended 30 June 2021. Copies of all governance documents referred to in this Statement can be found at Promed.com.au.

The Board and management team maintain high standards of corporate governance as part of our commitment to create value for our stakeholders through effective strategic planning, risk management, transparency, and corporate responsibility.

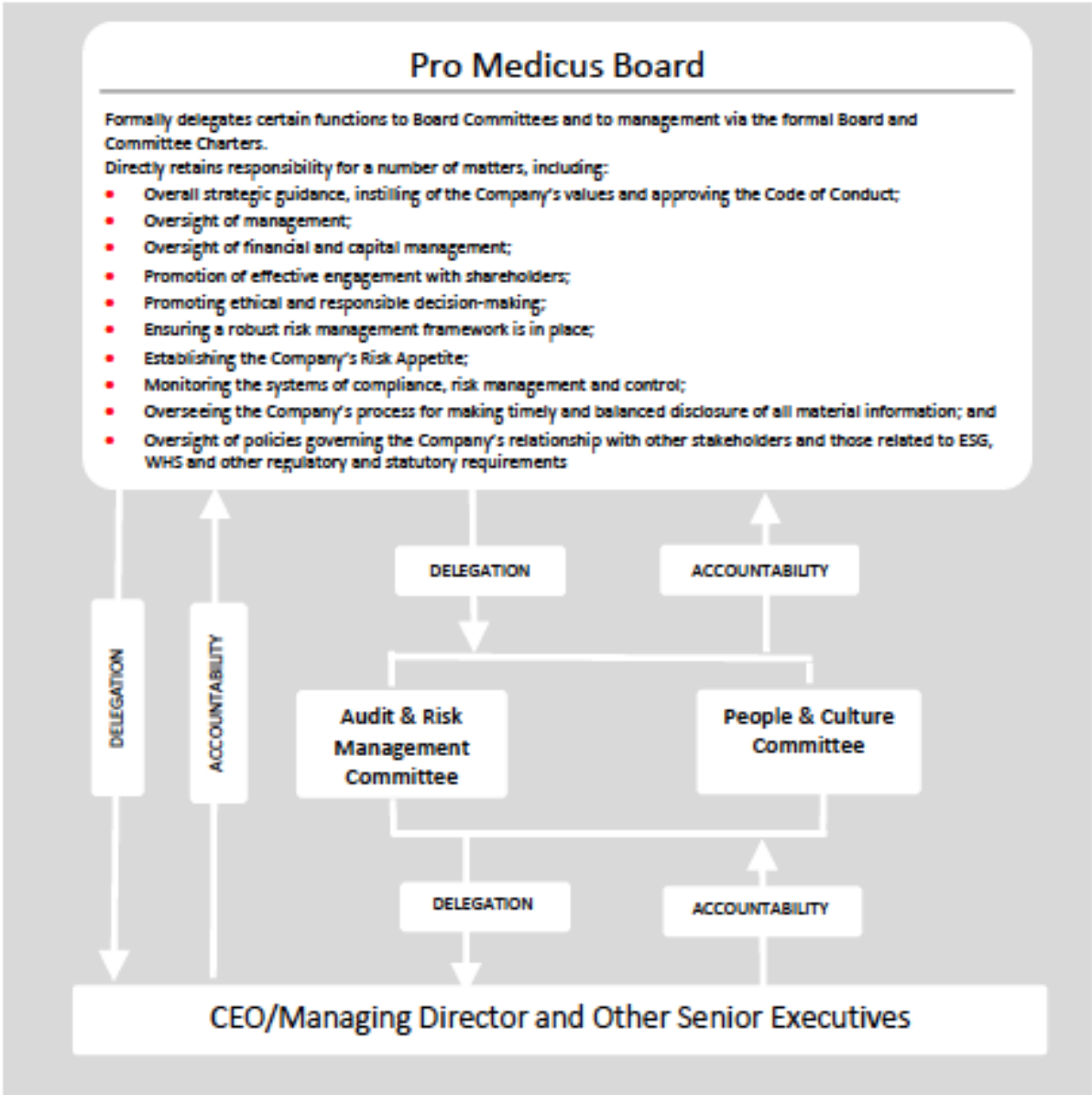
Our governance policies and practices have been largely consistent with the 4th edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (**ASX Governance Principles**) throughout the year. These policies and practices, together with reasons for any non-compliance with the ASX Governance Principles, are reflected in this Statement as well as our Appendix 4G.

We regularly review our governance practices in light of the recent significant growth in the Company and relevant emerging corporate governance developments.

Our governance framework ensures accountability, both of the Board and senior executives, to the Company and our shareholders. The diagram below summarises our governance framework, including the functions reserved for the Board. The functions carried out by the two standing Board Committees are outlined in section 2 of this Statement.

Charters and policies referred to in this Statement can be found at:
<http://www.promed.com.au/investors/corporategovernance/>

Diagram 1



2020-21 Areas of governance focus

Key areas of governance focus and activities undertaken by the Board, its Committees and management during 2020-21 included:

- Strategic and financial performance
 - a Board and executive strategy session was held with a focus on existing and new market growth and product development
- Our People
 - established our People and Culture Committee, responsible for reviewing executive remuneration benchmarking, succession planning, diversity and board composition
- Governance
 - reviewed and updated relevant governance policies, charters, and practices to reflect the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
 - established an additional board committee, the People and Culture Committee
 - adopted a board charter and charters for each of the board committees
 - adopted a Disclosure and Communications policy
 - engaged KPMG to conduct a review of ESG, risk reporting and governance frameworks disclosure in our Annual Report
 - continuing oversight as management responded to COVID-19 and the impact of increased expectations and actions from regulators across the sector
 - engaging and meeting with key regulators
 - meeting with shareholders and proxy advisors as part of Pro Medicus' ongoing engagement to discuss matters relating to our business performance, governance and remuneration
- Board Renewal
 - appointed an additional independent, non-executive director
 - re-constituted the Audit and Risk Management Committee
- Social and environment
 - initiated a project being conducted by KPMG around ESG reporting, likely to be completed by the end of the calendar year 2021

1 The Board of Directors

Relevant governance document:

- Board Charter
-

1.1 The responsibilities of the Board

The Board is accountable to our stakeholders and as such the Board is responsible for demonstrating leadership, establishing strategic objectives, approving our statement of values and Code of Conduct, establishing acceptable levels of risk, and oversight of the management of the Company. To clarify the roles and responsibilities of directors and management and assist the Board in discharging its responsibilities, our Board operates under a formal Charter that sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management.

The Board has reserved for itself the specific responsibilities summarised in the Diagram 1.

Further detail around the responsibilities reserved for the Board and those specifically delegated to the CEO/MD are outlined in the Board Charter, which is reviewed on an annual basis to ensure that the division of functions between the Board and management continues to be appropriate for the needs of the Company.

Our Board has delegated specific authority to two Board committees, which assist the Board by examining various issues and making recommendations. A description of each committee and its responsibilities are set out in section 2 of this Statement.

1.2 Board composition

As at 30 June 2021 there were six directors on our Board. Table 1 below sets out each director, the commencement of their tenure, and their status as an independent or non-independent director.

Table 1

Director	Tenure commencement	Independent / Non-independent
Mr Peter Kempen	12 March 2008	Independent, non-executive director and Chairman
Dr Sam Hupert	1 March 1983	Non-independent, Chief Executive Officer and Managing Director
Mr Anthony Hall	1 March 1983	Non-independent, executive director
Mr Anthony Glenning	1 May 2016	Independent, non-executive director
Dr Leigh Farrell	8 September 2017	Independent, non-executive director
Ms Deena Shiff	1 August 2020	Independent, non-executive director

Ms Alice Williams was appointed as an independent non-executive director on 1 September 2021.

Directors' qualifications and experience are contained in the Directors' Report in our Annual Report, including details of their other listed entity directorships. This information can also be found on the Company's website.

1.3 Director independence

Pro Medicus recognises that independent directors have an important role in assuring shareholders that the Board is able to act in the best interests of the Company and independently of management. Because of this, the Board assesses all directors' independence annually. Our criteria for assessing director independence aligns with the guidance provided in the ASX Governance Principles.

Information about any such interests or relationships, including any related financial or other details, is assessed by the Board to determine whether the interest, position, or relationship could, or could reasonably be perceived to, materially interfere with the exercise of a director's unfettered and independent judgement. As part of this process, the Board considers each of the factors relevant to assessing the independence of a director set out in Box 2.3 of the ASX Governance Principles and other facts, information, and circumstances that the Board considers relevant. The Board considers the materiality of any given relationship on a case-by-case basis.

The Board also assesses the independence of new directors prior to their appointment.

The findings of the annual review of Director independence are considered by the Board.

As illustrated in Table 1, the following directors have been determined as being independent as at 30 June 2021 – Mr Anthony Glenning, Dr Leigh Farrell and Ms Deena Shiff. Our Board has made this assessment on the basis that none of these directors have been employed in an executive capacity by the Company within the last three years, has not had a material business relationship with the Company within the last three years, is not a substantial holder of Pro Medicus shares and do not fall within any other criteria listed in Box 2.3 of the ASX Governance Principles.

Further rationale for the determination of these directors being independent is they conduct themselves at arm's length in their engagement with the Company and bring their considerable skillsets to bear on matters before the Board. The approach of these directors to matters of the board is always independent in both appearance and in fact.

Mr Peter Kempen was appointed as a non-executive director in March 2008. Despite his length of tenure and level of shareholding in the Company, the Board has concluded he should be classified as an independent director. The basis of this conclusion is that he is non-executive, conducts himself at arm's length, brings his expertise to Board deliberations and always acts independent in appearance and in fact.

As noted earlier in this Statement, Ms Alice Williams was appointed to the Board on 1 September 2021, as an independent, non-executive director.

Dr Sam Hupert and Mr Anthony Hall, by virtue of their executive positions with the Company are considered non-independent, based on the criteria in Principle 2 of the ASX Governance Principles.

Based on these assessments, our Board has a majority of independent directors.

1.4 Our Chairman

As noted above, the directors have elected Mr Peter Kempen as Chairman of the Board. Mr Kempen is considered to be independent, and the rationale for his appointment is outlined above. He is non-executive, and his role is outlined in the Board Charter. The duties of the Chairman and the CEO/MD are carried out by separate people.

1.5 Relationship between the Board and our CEO/MD

Our CEO/MD oversees the day-to-day management of the business and, with the support of senior management, reports to the Board on the exercise of his delegated authority. Our CEO/MD has been delegated the authority to manage the Company in accordance with the strategy, plans and policies approved by the Board. The delegations are reviewed by the Board from time to time.

Our Non-executive Directors have the opportunity to meet at each Board meeting without the CEO/MD or management present.

1.6 Nomination and appointment of Directors

When considering the appointment of directors to the Board, a formal process is undertaken to identify various candidates, with interviews held and appropriate background checks carried out. In addition, the Board considers and formally resolves to support the election or re-election of directors to shareholders at general meetings/annual general meeting.

Before director candidates are selected, the Board considers the current collective skills and competencies and will assess its needs at that time and in the future and develop selection criteria for the candidates. Candidates are required to disclose their other commitments and confirm that they are able to dedicate sufficient time to their duties. A shortlist of candidates is considered by the Board relative to its selection criteria.

We provide shareholders, in the relevant notice of meeting, with information in our possession relevant to assist them to make an informed decision on all directors standing for election or re-election. This information includes biographical details, covering relevant qualifications, experience, and skills directors bring to the Board, details of any other material directorships currently held by the candidate, the term of office currently served by the directors, a statement on the independence of the candidate and the reasons why, and a statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

Directors are elected or re-elected in accordance with the Company Constitution, the *Corporations Act 2001* (Cth) (**Corporations Act**), and the ASX Listing Rules. At our 2020 Annual General Meeting, Mr Anthony Hall and Dr Leigh Farrell were re-elected by shareholders and Ms Deena Shiff was elected by shareholders.

1.7 Induction and ongoing development

A director induction program has been designed, and our directors are expected to participate in this induction and orientation program on appointment. In addition, industry updates are regularly provided to the Board to ensure they are informed about developments within the company and the industry in which it operates.

1.8 Knowledge, skills, and experience

During the year, the Board established a Board Skills Matrix that outlines the skills and experience considered by the Board to be important for its directors to collectively possess. These skills are set out in Table 2, with each considered a competency that the Board believes it requires to effectively discharge its duties. In establishing the Board Skills Matrix, the Board identified that, collectively, the Board does have the necessary mix of skills and experience appropriate to the current size and complexity of the Company's business. However, there were several emerging areas identified where there are skills gaps and the board is supplementing their collective skillset with external advisors who are experts in these areas. Further, an additional independent non-executive director was

appointed on 1 September 2021 to augment the existing skills of the board and provide additional accounting, audit and finance skills.

It is intended that the Board Skills Matrix and competency descriptions will be reviewed annually to ensure the skills remain relevant to the Company.

Diagram 2 illustrates the number of directors that have a level 3, 'high', or level 2, 'medium' competency, and experience in the described skill (where directors were asked to rate their competency level for each skill as follows:

- High: Strong working knowledge or expertise and experience;
- Medium: Solid working knowledge and some experience; and
- Low: Limited knowledge and not an area of experience.

These numbers are extracted directly from the Board Skills Matrix, where directors are rated on their level of competence in each identified skill.

In addition to the skills and experience set out in Table 2, we consider that each director has the following attributes:

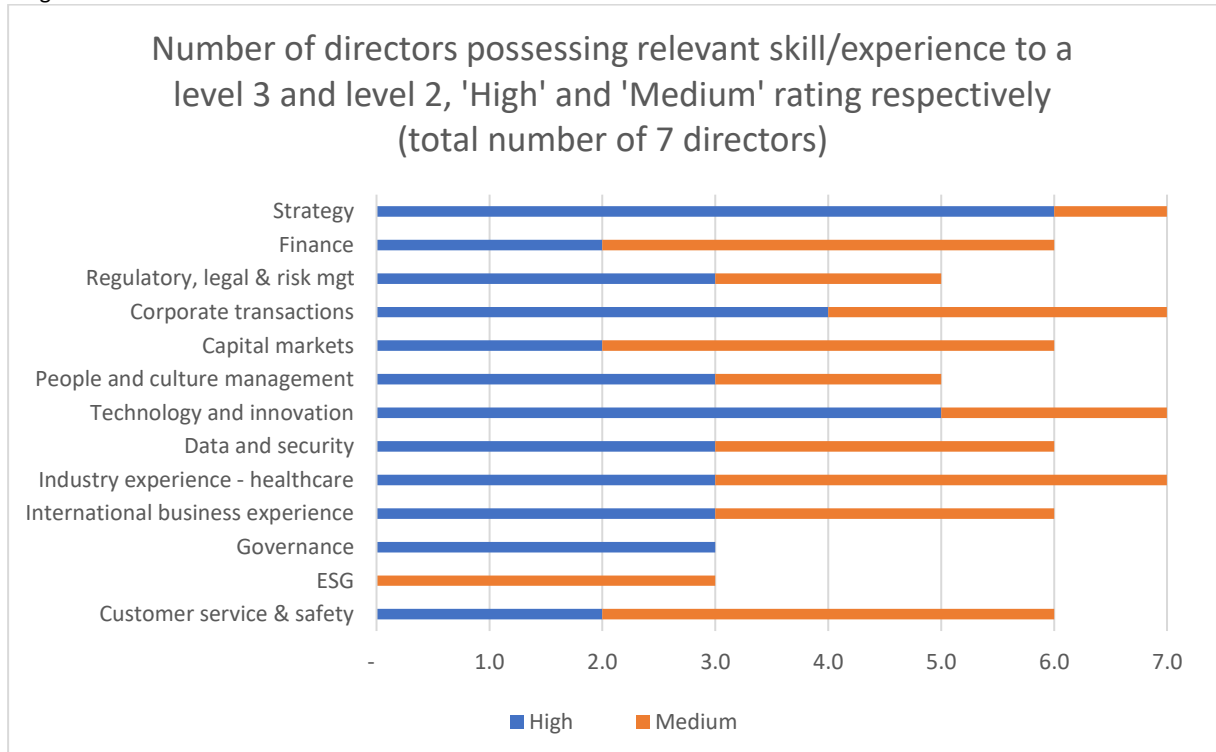
- honesty and integrity;
- the ability to think strategically;
- the time available to devote to Pro Medicus' business;
- a willingness to question and challenge; and
- a commitment to the highest standards of governance.

All directors are expected to use their range of relevant skills, knowledge and experience and to apply their judgement to all matters discussed at Board meetings.

Table 2

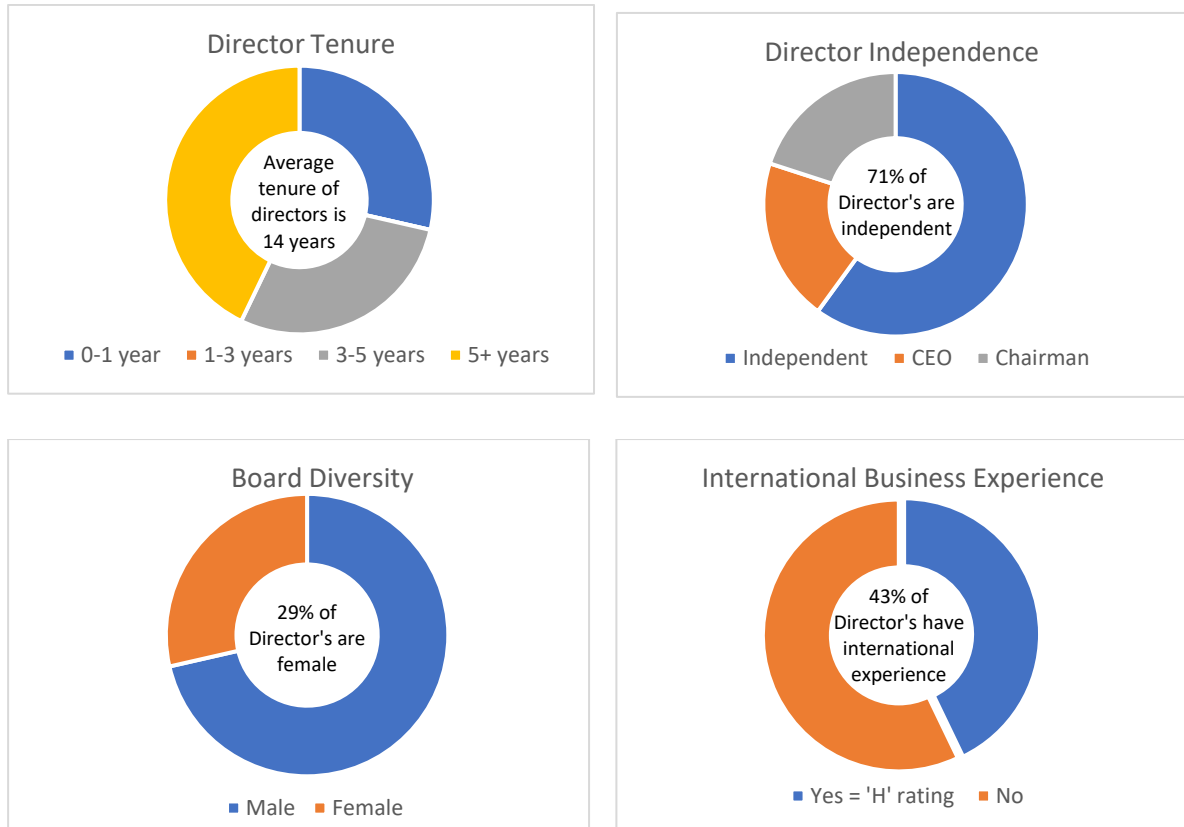
Desired Skill	Description
Strategy	Experience in defining strategic objectives, assessing business plans and driving execution. Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions.
Finance	Understanding the financial drivers of the business, experience in financial accounting and reporting, audit, corporate finance and internal financial controls.
Regulatory, Legal and Risk Management	Experience in identification, monitoring and management of material financial and non-financial risks, including legal and regulatory compliance, WHS, oversight of compliance management frameworks, controls and systems, ability to identify and oversee mitigation strategies for emerging risk and compliance issues in the organisation. Knowledge of legal and regulatory requirements of the group.
Corporate Transactions	Experience in assessing and completing complex business transactions, including mergers, acquisitions, divestments, capital management, major projects and business integration
Capital Management	Expertise in considering and implementing efficient capital management, including alternative capital sources and distributions, yields and markets.
People and Culture Management	Board Committee or senior executive equivalent experience relating to people management and human resources, corporate culture and remuneration issues of a global organisation.
Technology and Innovation	Experience and expertise in the area of technology applied to consumer service companies, including governance of technology projects, digital, privacy and security, and keeping abreast of emerging technology relevant to the group.
Data and security	Understanding the use of data and requirements relating to data security, cyber risk and privacy.
Industry Experience - Healthcare	Experience and broad understanding of the healthcare industry including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework. Understanding of healthcare systems in the Company's key markets.
International business experience	Experience in international business, trade and/or investment at a senior executive level and exposure to global markets, and a range of different political, regulatory, and business environments.
Governance	Knowledge and experience in best practice governance structures, policies and processes, including experience with other ASX-listed entities.
ESG	Expertise in the areas of environment, social and governance (ESG), and the ability to advise the Company of required policies, actions and disclosures on these matters.
Customer Service and Safety	Experience developing customer-focussed strategies and delivering best-practice customer/client outcomes.

Diagram 2



86% of Directors have a high level of strategy experience
 100% of Directors have a high or medium level of healthcare industry experience
 71% of Directors have a high level of technology & innovation experience
 100% of Directors have a high or medium level of corporate transactions experience

The following charts depict board tenure, independence, gender diversity, and international business experience.



Diagrams 3 - 6

2 Operation of the Board

Relevant governance documents:

- **Audit and Risk Management Committee Charter**
- **People and Culture Committee Charter**

2.1 Board Committees

Our Board has established the following standing Committees, which assist it with the execution of its responsibilities. The composition and effectiveness of the committees are reviewed on an annual basis:

- Audit and Risk Management Committee; and
- People and Culture Committee.

Each of these committees operate in accordance with specific charters approved by our Board, which sets out its composition, functions and responsibilities.

In addition, our Board may establish ad-hoc committees or delegate authority to existing committees to oversee specific activities.

Details of the number of committee meetings held during the year and individual directors' attendance at these meetings can be found in the 2021 Directors' Report. Details of the qualifications and experience of committee members can also be found in the Directors' Report.

A description of the role of each committee and its composition is set out in the following table.

Table 3

Committee	Members	Composition	Role
Audit and Risk Management Committee	Ms Alice Williams (Chair) Mr Anthony Glenning Dr Leigh Farrell Ms Deena Shiff Mr Peter Kempen	<ul style="list-style-type: none">- At least three members, all of whom must be non-executive directors and a majority of whom are independent directors.- The chair must be an independent non-executive director, who is not the chairman of the Board.- Comprise members who are financial literate and include at least one member who has accounting and/or related financial management expertise and some members who have an understanding of the industries in which the Company operates.	Our Audit and Risk Management Committee assists the Board in carrying out its oversight of the quality and integrity of the accounting, auditing and financial reporting of the Company. The Committee also reviews the adequacy of Pro Medicus' internal control structure, corporate reporting processes, and risk management framework, monitors the effectiveness, objectivity and independence of the external auditor and reviews reports from the external auditor.
People and Culture Committee	Ms Deena Shiff (Chair) Mr Anthony Glenning Dr Leigh Farrell Ms Alice Williams	<ul style="list-style-type: none">- At least three members, all of whom are non-executive and the majority of whom are independent directors.- The chair should be an independent director.- All members should have sufficient technical expertise to discharge its mandate effectively.	Our People and Culture Committee assists and advises the Board on remuneration policies for directors and senior executives, induction and continuing professional development programs for directors, succession planning, composition and size of the board, process for evaluating the performance of the board, and overseeing employee engagement and talent programs.

2.2 Remuneration of Directors and Senior Executives

Our remuneration framework is designed to ensure that the level and composition of remuneration is both competitive and reasonable. Our policies are designed to attract and retain talented and motivated employees as well as raising the level of performance of the Company.

Remuneration of Executives

Our remuneration framework is designed to attract, motivate and retain employees, including senior management, and ensure that the interests of the employees are aligned with those of the shareholders. In discharging its duties, the People and Culture Committee reviews and makes recommendations to the Board on the remuneration of the CEO/MD, CFO, and other senior executives, including:

- short and long-term remuneration, including both fixed remuneration and performance-based remuneration;
- any termination payments;
- appropriate grants of securities under the Long Term Incentive Plan; and
- other employee benefit programs.

In making its recommendations the People and Culture Committee ensures that:

- remuneration is set with reference to prevailing market rates for similar positions, adjusted to account for experience, productivity and ability;
- remuneration packages are designed to motivate senior management to pursue the long-term growth and success of the Company, and not reward conduct that is contrary to the Company's values or risk appetite; and
- a clear relationship exists between performance and remuneration.

Details of the nature and amount of remuneration for each Executive KMP and Pro Medicus' remuneration policies and practices are contained in the Remuneration Report in our Annual Report.

Remuneration of non-executive Directors

We distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives. Our non-executive Directors are remunerated by way of fees which are set with reference to the prevailing market rates. They do not participate in the schemes designed for the remuneration of executives, nor do they receive bonus payments, or any retirement benefits other than any required statutory superannuation.

Conversely, to preserve independence and impartiality, no element of non-executive director remuneration is 'at risk' (that is, it is not based on the performance of the group).

2.3 Performance evaluation

Our Board is committed to enhancing its effectiveness through performance management and review, although has not undertaken a formal board performance evaluation to date.

The newly established People and Culture Committee has been tasked with 'developing procedures for the evaluation of the performance of the Board, each Board Committee and individual Directors', and this will be considered in FY22.

All Key Performance Indicators (**KPIs**) are considered by the People and Culture Committee, which evaluates the CEO/MD's performance and makes a recommendation to the Board in relation to performance and remuneration.

An annual assessment of the performance of all other senior executives is undertaken by the Board on the basis of recommendations from the CEO/MD, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, was undertaken in the reporting period in accordance with the process disclosed above.

Further information on directors' and executives' remuneration, including principles used to determine remuneration and KPIs, is set out in the Annual Report under the heading 'Remuneration Report'.

2.4 Independent Advice

In order to facilitate independent judgement in decision-making, each director has the right to seek independent professional advice at the Company's expense.

2.5 Agreements with directors and senior managers

Our non-executive directors are appointed pursuant to formal letters of appointment which, among other things, set out the key terms and conditions of the appointment, the Board's expectations in relation to the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration.

All senior executives are currently direct reports to the CEO/MD. All senior executives have detailed service contracts in place, with performance criteria requirements for short term or long-term incentives outlined in incentive offer documents provided to them on an annual basis.

2.6 Company Secretary

The Board Charter expressly provides that the company secretary is directly accountable to the Board through the Chair on all matters to do with the proper function of the Board. All directors have access to the company secretary, who is appointed by, and accountable to, the Board on all governance matters.

2.7 Board Meetings

Details of Board meetings held during the year and individual directors' attendance at these meetings can be found in the Directors' Report in the 2021 Annual Report.

3 Inclusion and Diversity

Relevant governance document:

- Diversity Policy

3.1 Diversity and inclusion at Pro Medicus

We recognise the value contributed to the organisation by employing people with varying skills, cultural backgrounds, ethnicity and experience. The company believes its diverse workforce is the key to its continued growth, improved productivity and performance.

We actively value and embrace the diversity of our employees and are committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated. While we are committed to fostering diversity at all levels, gender diversity has been and continues to be a priority for the Company.

A formal Diversity Policy has been adopted by the Board which outlines the Company's commitment to providing an inclusive work environment in which everyone belongs. The Policy is reviewed annually and covers a variety of factors such as gender, work and life balance, and disability. The Company has a diverse mix of employees with the appropriate qualifications for roles within the current business.

3.2 Pro Medicus' diversity profile, diversity initiatives, and measurable objectives

The newly established People and Culture committee has been tasked with:

- developing measurable objectives to achieve diversity in the composition of the Board, senior executives and workforce generally in accordance with the Company's Diversity Policy; and
- monitoring, reviewing and reporting to the Board on the Company's performance in respect of diversity and inclusion in accordance with the Company's Diversity Policy.

In September 2021, the People and Culture Committee recommended, and the Board agreed, to establish the gender diversity target of 30% females in the composition of the Board, Senior Executive team and the Company's workforce generally.

Initiatives to ensure these targets are achieved, measurement of the achievement and reporting to the People and Culture committee on a regular basis, are being established by management for review by the People and Culture committee as at the date of this Statement.

A snapshot of the gender diversity levels in the Group, as at 30 June 2021, is set out below at Table 4.

Table 4.

Employee Category	Female	Male	Total	% Female
Board	2	5	7	28.57%
Senior Executive	1	8	9	11.11%
Company-wide (excluding Senior Executive & Board)	16	65	81	19.75%
Total	19	78	97	19.59%

'Senior Executive' is defined as an executive who tasked with the strategic running of the organisation and includes attendees of Strategy Meetings and Management Meetings.

In addition to gender, the Company's Diversity Policy supports the Company's stance of a policy of non-discrimination that ensures all employees are treated fairly.

For personal use only

4 Risk Management and Assurance

Relevant governance document:

- **Audit and Risk Management Committee Charter**
 - **Environment Position Statement**
 - **Modern Slavery Policy**
-

4.1 Role of the Audit and Risk Management Committee

Our Audit and Risk Management Committee assists the Board in carrying out its oversight of:

- integrity of the Company's corporate reporting processes and financial statements, and the integrity and effectiveness of the internal control environment of the Group;
- the effectiveness of the Company's system of risk management, and the Company's systems for compliance with applicable legal and regulatory requirements;
- the adequacy of the Company's risk management framework;
- disclosure of risks;
- the appointment, remuneration, independence and competence of the Company's external auditors; and the internal auditors where that is a co-sourced or outsourced function; and
- the performance of the Company's external audit function and review of the audit.

The qualifications and experience of the members of the Audit and Risk Management Committee are outlined in the Directors' Report in the 2021 Annual Report.

Senior executives, senior members of Finance, and the external auditors attend meetings by invitation of the committee. Our committee holds regular meetings with the external auditor without management or executive directors present. Any director who is not a member of the Audit and Risk Management Committee may attend any meeting of the committee.

4.2 Risk Management Framework

Our Audit and Risk Management Committee has been tasked with reviewing and assessing the Company's risk management framework at least annually. This process includes reviewing the implementation, management, and maintenance of appropriate enterprise-wide risk management systems, policies and procedures, reporting protocols, and internal controls to ensure they continue to be sound and that the Company is operating in line with the current risk appetite set by the Board.

KPMG has been engaged to assist in the development of an appropriate risk management framework for the business, and this work is currently in progress.

Once this framework is established, an annual review as described above will be undertaken annually.

4.3 External auditor

One of the functions of our Audit and Risk Management Committee is to review and monitor the performance and independence of the external auditor.

Our current auditor is Ernst Young (EY). Our current lead audit partner, Mr Tony Morse, was appointed as a result of auditor partner rotation in FY2019.

EY has provided an independence declaration to the Board for the year ended 30 June 2021, and this declaration forms part of the 2021 Directors' Report. Details of non-audit services provided by the external auditor over the reporting period are included in the Financial Statements.

Our external auditor is required to attend the annual general meeting and is available to answer questions from shareholders about the conduct of the audit and the preparation and content of the external auditor's report; accounting policies adopted by the Company in relation to the preparation of the financial statements; and independence of the auditor in relation to the conduct of the audit.

4.4 Internal audit

We do not currently have an internal audit function nor do we engage an external internal auditor. However, our Audit and Risk Management Committee has been tasked with assessing the Company's internal control framework and compliance functions. Should it be deemed appropriate, the Company may consider separate internal audits in the future.

4.5 Risks

The management of the Company and the execution of its growth strategies are subject to a number of risks, which could adversely affect the Company's future development.

These risks are monitored and managed by the Board, Audit and Risk Management Committee and management in accordance with the framework set out in the Audit and Risk Management Committee Charter. Key business risks, their impact and mitigants are outlined in the Directors' Report in the Annual Report.

4.6 The Company's Response to COVID-19

The economic, health and social impacts of the COVID-19 pandemic were significant in the first half of FY21 and continue to be experienced across Australia at the date of this report.

Fortunately, COVID-19 did not have a material impact on the Company during FY21. The impact of COVID-19 and the associated risks to the Company are detailed in the Directors' Report in the Annual Report.

4.8 Integrity in Financial Reporting and Periodic Corporate Reports

We have a requirement that the CEO/MD and CFO provide written assurance to the Board, prior to the approval of the Company's financial statements for each financial period, that in their opinion, the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of Pro Medicus' financial position and performance, and that this opinion has been formed on the basis of a sound system of risk management and internal control which operates effectively.

This written declaration was received by the Board prior to its approval of the full year and half year financial statements for the financial year ended 30 June 2021.

We have a process in place to verify the integrity of any other financial or non-financial corporate reports not reviewed by the external auditor. Any periodic corporate report receives the approval of the Board prior to release to the market. This approval is based on a review of all relevant

information provided by management. The specific process for each periodic corporate report will vary depending on the particular release but generally involves management analysis, discussion and recommendation, backed up by supporting documentation.

For personal use only

5 Corporate Responsibility

Relevant governance documents:

- **Code of Conduct**
 - **Whistleblower Protection Policy**
 - **Anti-Bribery and Corruption Policy**
 - **Privacy Statement**
-

5.1 Our values

We have an established set of values which define what type of organisation we aspire to be and what it expects from its directors, executives and employees to achieve that aspiration.

Our values are:

Service and Product Excellence

- Commit to provide well-supported, stable products and services to our customers enabling them to improve workflow and diagnoses, ultimately providing more efficient patient care
- Commit to continuous improvement of our systems, products and services

Integrity and Trust

- Doing the right thing by our people, customers and patients.
- Doing what we say we will do.
- Maintaining confidentiality.

Commit to a culture that is inclusive, respectful, honest and transparent in all that we do.

Our **mission** is to provide the best value enterprise Healthcare Imaging software solutions, “moving the needle” on clinical outcomes.

Our **vision** is to be the leading provider of best-in-class enterprise medical imaging software

5.2 Code of Conduct

Our Code of Conduct (the **Code**) is designed to promote and set the standard of behaviour expected of the Board, employees and contractors.

Our Code provides general guidance as to the standards of work performance, ethical standards and behaviour required in line with our principles and values.

The purpose of the Code is to set out the values, commitments, ethical standards and policies of the Company and outline the standards of conduct expected of our business and people, taking into account the Company’s legal and other obligations to its stakeholders.

Any material breaches of the Code are reported through to the Board.

5.3 Whistleblower Protection Policy

We have adopted a Whistleblower Protection Policy, the purpose of which is to allow people who are concerned about any improper conduct to feel comfortable reporting that conduct. It enables reporting of dishonest, fraudulent, illegal, or otherwise improper behaviour by employees, contractors, partners, former employees, and other relevant stakeholders.

The policy forms part of our risk management framework and is underpinned by our mission.

The policy provides information on how to raise concerns internally, by offering a reporting and investigative mechanism that is objective, confidential, independent and protects from reprisal or disadvantage.

The Board is informed of any material incidents reported under this policy.

5.4 Anti-Bribery and Corruption Policy

We are committed to directors, officers, employees, contractors and consultants conducting themselves according to the highest standards of ethical conduct, including a zero tolerance for bribery and corruption.

To this end, we have adopted an Anti-Bribery and Corruption Policy which forms part of our risk management framework and is underpinned by our mission. The policy is applicable to all of our operations worldwide and applies to employees (whether permanent, fixed term or temporary), contractors, consultants, secondees and directors.

The Board is informed of any material breaches of this policy.

5.5 Privacy

We have published a Privacy Statement, which ensures compliance with privacy laws where the Company operates.

We have implemented various systems and processes internally to manage privacy, ensure compliance and mitigate risks.

5.6 Environment, Social and Governance (ESG)

Sustainable and responsible business practices are important to the creation of value for our employees, residents, suppliers, and shareholders, and the community and environment at large. During FY21 the Company engaged KPMG to undertake a review of ESG impacts and risks, initiatives the Company can implement and an ESG reporting framework. Updates on our commitments, activities, and progress in relation to ESG matters will be disclosed in our Annual Report on an ongoing basis.

5.7 Economic, Environmental and Social Sustainability Risks (specifically in relation to Recommendation 7.4)

In the course of Pro Medicus' business operation, the Company is exposed to a variety of risks inherent in the sector. As noted in section 5.6 above, as part of KPMG's engagement, an ESG report is being prepared which will be disclosed on the Company's website once complete and approved by the board.

Further information on our key business/industry risks and key financial risks, including economic, environment and social sustainability risks and the Company's management of these risks are provided within the ESG section in our Annual Report.

For personal use only

6 Engaging with our Shareholders and Investors

Relevant governance documents:

- **Disclosure and Communication Policy**
-

6.1 Communications and external disclosure

We have adopted a Disclosure and Communication Policy, the objectives of which are to:

- ensure that the Company is able to meet its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act; and
- establish internal procedures so that all Group Personnel understand their obligations to ensure:
 - confidential information is protected; and
 - disclosure of price sensitive information to the Disclosure Officer.

The purpose of this policy is to:

- ensure that the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act;
- confirm officers and employees are aware of the Company's continuous disclosure obligations; and
- establish procedures for:
 - the collection of all potentially price-sensitive information;
 - assessing if information must be disclosed to ASX under the ASX Listing Rules or the Corporations Act;
 - releasing to ASX information determined to be price-sensitive information and to require disclosure;
 - dealing with market rumours and speculation;
 - communicating with analysts and investors;
 - establish authorised Company spokespersons; and
 - responding to any queries from ASX (particularly queries under Listing Rule 3.1B).

The overarching principle of this policy is governed by Listing Rule 3.1, which requires the Company to immediately notify the ASX of any information that a reasonable person would expect to have a material effect on the price or value of Pro Medicus' quoted securities, provided that the information does not fall within the exception to disclosure under the Listing Rules. The Policy provides for the exceptions to Listing Rule 3.1 as outlined in Listing Rule 3.1A.

Further, all material ASX announcements are promptly circulated to directors upon the release to the market.

6.2 Shareholder communications

We are committed to maintaining direct, open, and timely and effective two-way communications with all shareholders. Our policy is that shareholders are informed of all material developments that impact the Company.

We communicate with shareholders via the following means:

- release of half-year and full-year financial statements;
- release of ASX Announcements relating to important strategic and financial initiatives;
- publication of an Annual Report;
- the Annual General Meeting;

- live audiocasts of results briefings and Annual General Meetings; and
- provision of information and resources through the online Investor Centre at www.promedicus.com.au/investors

We also invite shareholders to communicate directly with us and provide contact information and a dedicated email address on our Investor Centre. All shareholders have the option to receive communications from, and send communications to, the Company and our Share Registry electronically.

To also facilitate communication, we have established a Disclosure and Communication Policy. The aim of this policy is to promote and maintain the confidence of the Company's shareholders through ongoing timely, balanced and effective communication.

When we hold a new investor or analyst presentation, a copy of the presentation materials is released to the ASX ahead of the presentation.

6.3 General Meetings

We encourage shareholders to participate in general meetings and we aim to choose a date, time and venue convenient to shareholders. Our 2020 AGM was held as a virtual meeting as a result of Government mandated restrictions during the COVID-19 pandemic, however this allowed those unable to attend in person to vote and ask questions or make comments online.

Our annual general meeting is typically held in November each year.

Notices of meeting are accompanied by explanatory notes on the items of business and together they seek to clearly explain the nature of the business of the meeting.

If shareholders are unable to attend a general meeting, they are encouraged to vote on the proposed resolutions by appointing a proxy. The proxy form included with a notice of meeting explains how to appoint a proxy. Online proxy is also available to shareholders.

Unless specifically stated in a notice of meeting, all shareholders are eligible to vote on all resolutions. Pro Medicus's practice is that voting on each proposed resolution is conducted by poll.

Transcripts of the chairman's address, CEO's address and any investor presentation are released to the ASX prior to the commencement of the annual general meeting, and the outcome of voting on resolutions at the meeting is released to the market after the conclusion of the meeting. Both documents are also be posted on the Company website.

All shareholders have the option to receive communications electronically from and send communications to the Company's registry service provider, Link Market Services.

6.4 Investor engagement program

We have a dedicated investor engagement program for engaging with shareholders and the broader investment community.

Key activities in our investor engagement program include:

- the Annual General Meeting
- the release of our Annual Report
- regular releases of financial information, including half-year and full-year financial results, and trading updates as required

- For personal use only
- media and analyst calls with Pro Medicus's CEO and CFO following the release of key financial information
 - the provision of investor-related resources on our website at www.promedicus.com.au/investors including information on the operations of the group, the Board, management, corporate governance charters and policies, ASX announcements, the share price, dividend distribution, and material ESG matters
 - one-on-one briefings with members of the investment community
 - responding to shareholder queries
 - engaging with the Australian Shareholders' Association, retail stockbrokers, and proxy advisor organisations

6.5 ASX Releases to the Board

We have a process of ensuring that all material ASX announcements are distributed to directors immediately upon its release to the market. This process is mandated in the Disclosure and Communication Policy.

7 Securities

Relevant governance document:

- **Share Trading Policy**
-

7.1 Share Trading Policy

We have adopted a Share Trading Policy that is intended to explain the types of conduct in relation to dealing in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects our directors, officers, employees and management against the misuse of unpublished information that could materially affect the value of securities.

Our Share Trading Policy sets out trading windows during which Designated Persons can deal with securities.

In all instances, buying or selling of shares is not permitted at any time by any person who possesses price-sensitive information.

Our Share Trading Policy provides that Designated Persons must not enter into any transaction that operates to limit the economic risk associated with holding securities in the Company. In addition, Designated Persons are prohibited from engaging in short-term dealing of Pro Medicus shares, where 'short-term' is considered 12 months.

This Corporate Governance Statement was approved by a resolution of the Board on 20 October 2021.

Our Corporate Governance Statement and Key to Disclosures (Appendix 4G) have been lodged with the ASX and are available at <http://www.promed.com.au/investors/corporategovernance/>