

Corporate Governance Statement

Principles and Recommendations	Compliance	Comply
Principle 1 Lay solid foundations for management and oversight		
1.1 <i>A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.</i>	<p>The Board is responsible for overall corporate governance of the Company.</p> <p>The role of the Board and delegation to management have been formalised in the Charter which outlines the main corporate governance practices in place for the Company and to which the Board and each Director are committed. The conduct of the Board is also governed by the Constitution, and where there is inconsistency with that document, the Constitution prevails to the extent of the inconsistency. The Charter will be reviewed and amended from time to time as appropriate taking into consideration practical experience gained in operating as a listed company.</p>	Complies
1.2 <i>A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</i>	<p>The Company has completed police checks, insolvency and banned director searches in relation to the existing directors. The Company will conduct appropriate checks for future appointments.</p>	Complies
1.3 <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i>	<p>The Company has entered into written agreements with each director and senior executive.</p>	Complies

Corporate Governance Statement

<p>1.4 <i>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i></p>	<p>This is consistent with the Charter and corporate structure of the Company. The Company Secretary has a direct relationship with the Board in relation to these matters and operates independently of the executive.</p>	<p>Complies</p>
<p>1.5 <i>Establish a diversity policy and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period.</i></p>	<p>The diversity policy for the Company has only recently been implemented and accordingly, the Company has not reported on measurable objectives in any annual report to date.</p>	<p>Does not comply, however, in accordance with the policy the Company intends to disclose the measurable objectives for achieving gender diversity in each annual report and the Company's progress in achieving diversity objectives.</p>
<p>1.6 <i>A listed entity should (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i></p>	<p>The Board Charter provides for regular performance reviews to be conducted.</p>	<p>Complies</p>
<p>1.7 <i>A listed entity should (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i></p>	<p>The Board's broad function is to chart strategy and set financial targets for the Company, monitor the implementation and execution of strategy and performance against financial targets, appoint and oversee the performance of executive management, and generally to take an effective leadership role in relation to the Company.</p> <p>The Chairman, with assistance from the Nominations Committee, annually assesses the performance of Directors and senior executives, and the Chairman's performance is assessed by the other Directors.</p>	<p>Complies</p>

Principle 2 Structure the board to add value

<p>2.1 <i>The board of a listed entity should:</i> (a) <i>have a nomination committee which:</i> (1) <i>has at least three members, a majority of whom</i></p>	<p>A Nominations Committee has been established with its own Charter and consists of Melvyn Bridges (committee chair), Jay Hetzel and Iain Ross. The Nominations Committee partially complies with recommendation 2.4, which</p>	<p>Given the current nature and scale of Anantara's activities, the Company considers it appropriate that Mel Bridges chair the Nominations Committee.</p>
---	--	--

Corporate Governance Statement

*are independent directors; and
(2) is chaired by an independent director, and disclose:*

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

recommends that the Committee have at least three members, the majority of whom must be independent.

2.2 *A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Company has established charter rules for the Nominations Committee as a guide for Board deliberations. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the Company and its business.

Does not presently comply, however, the Board intends to formalise a skills matrix.

2.3 *A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.*

The Board considers each of the following directors to be independent:
Iain Ross (appointed 7 February 2014)
Tracie Ramsdale (appointed 4 August 2014)
Jay Hetzel (appointed 4 August 2014)
Paul Grujic (appointed 24 February 2015)

Complies

The Board notes the following directors are deemed not independent for the purposes of the Guidelines:

Mel Bridges (appointed 15 July 2010) – Mel is a founding shareholder of the Company and has a significant shareholding.

David Venables (appointed 17 February 2014) – David continues to be an adviser to the Company.

2.4 *A majority of the board of a listed entity should be independent directors.*

The Company currently has a five member Board, of whom four are independent non-executive Directors.

Corporate Governance Statement

<p>2.5 <i>The Chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</i></p>	<p>The Chairman, Mel Bridges, is a non-executive Director, however he is deemed not to be independent. The Company's CEO, Paul Schober, is not the same individual as the Chairman.</p>	<p>Does not comply, however the Board believes the deemed non-independence of the Chairman does not impede proper oversight of the Managing Director by the Chairman and the Board which comprises a majority of independent directors.</p>
<p>2.6 <i>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</i></p>	<p>This is consistent with the Board Charter and processes implemented by Anantara.</p>	<p>Complies</p>

Principle 3 Act ethically and responsibly

<p>3.1 <i>A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.</i></p>	<p>The Company has adopted a code of conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance.</p>	<p>Complies</p>
--	---	-----------------

Principle 4 Safeguard integrity in corporate reporting

<p>4.1 <i>The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant</i></p>	<p>The Company has established an Audit and Risk Management Committee to assist and report to the Board. The Audit and Risk Management Committee consists of Tracie Ramsdale (committee chair), Jay Hetzel, Iain Ross, and Paul Grujic all independent Directors and will be chaired by an independent Director who is not the Chairman.</p>	<p>Complies</p>
---	--	-----------------

Corporate Governance Statement

qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

4.2 *The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

4.3 *A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

This is consistent with the approach to be adopted by the Audit and Risk Management Committee and Board.

Complies

Anatara's auditor will be requested to attend the AGM and shareholders will be entitled to ask questions in accordance with the Corporations Act and these Guidelines.

Corporate Governance Statement

Principle 5 Make timely and balanced disclosure

- | | | |
|--|---|-----------------|
| <p>5.1 <i>A listed entity should (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.</i></p> | <p>Anatara has a written continuous disclosure policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules.</p> | <p>Complies</p> |
|--|---|-----------------|

Principle 6 Respect the rights of security holders

- | | | |
|---|--|--|
| <p>6.1 <i>A listed entity should provide information about itself and its governance to investors via its website.</i></p> | <p>The Board Charter and other applicable policies are available on the Company's website.</p> | <p>Complies</p> |
| <p>6.2 <i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors</i></p> | <p>The Company aims to ensure that all Shareholders are well informed of all major developments affecting the Company and that the full participation by Shareholders at the Company's AGM is facilitated.</p> | <p>Does not presently comply, however the Company is consulting with its investor relations adviser to implement an effective program.</p> |
| <p>6.3 <i>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders</i></p> | <p>The Company intends to facilitate effective participation in the AGM, as well as the ability to submit written questions ahead of the AGM. The Company intends to adopt appropriate technologies to facilitate the effective communication and conduct of general meetings.</p> | <p>The Company has not disclosed a formal policy or process, but has however engaged recognised and reputable share registry service provider and investor relations consultant to further these objectives.</p> |
| <p>6.4 <i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i></p> | <p>The Company has instructed its share registry to facilitate this option for investors, as well as future shareholders at appropriate times.</p> | <p>Complies</p> |

Principle 7 Recognise and manage risk

- | | | |
|---|--|-----------------|
| <p>7.1 <i>The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting</i></p> | <p>The Company has a combined Audit and Risk Management Committee to oversee risk. See above for independent status of the committee members. The functions and operations of the Committee are established under the Charter.</p> | <p>Complies</p> |
|---|--|-----------------|

Corporate Governance Statement

period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

7.2 *The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place*

The Charter establishes the role of the committee. The committee will establish the risk management framework.

Does not comply to the extent that the committee has newly formed and not conducted an annual review.

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

Due to the Company's limited number of employees and relative nature and scale of its operations, the costs of an independent audit function would be disproportionate. The Company has an external auditor and the Audit and Risk Management Committee will monitor and evaluate material or systemic issues. The Board believes it and the Audit and Risk Management Committee have adequate oversight of the existing operations.

Complies

7.4 *A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Board does not believe the Company has any such material risks. The Company must operate in accordance with the regulatory and ethical standards prescribed by the APVMA in Australia and other relevant regulators overseas.

Complies

Principle 8 Remunerate fairly and responsibly

8.1 *The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and*

The Board has established a Remuneration Committee to assist the Board to discharge its responsibilities in relation to remuneration and issues relevant to remuneration policies and practices,

Complies

Corporate Governance Statement

(2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

including those for senior management and nonexecutive Directors. The remuneration committee consists of Iain Ross (committee chair), Mel Bridges, Jay Hetzel and Paul Grujic. It consists of a majority of independent directors, is chaired by an independent director who is not the Chairman, and has at least three members. The composition and role of the Remuneration Committee is set out in the Remuneration Committee charter.

8.2 *A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company intends to adopt remuneration policies which comply with the Guidelines including separately disclosing the remuneration of nonexecutive directors, and the remuneration of executive directors and other senior executives. No senior executive is involved directly in deciding their own remuneration.

Complies

8.3 *A listed entity which has an equity-based remuneration scheme should:*
(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
(b) disclose that policy or a summary of it.

In accordance with the Company's share trading policy, participants in any equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Complies