

# **Corporate Governance Statement**

## **Monash IVF Group Limited (the Company)**

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### **Introduction**

This statement, approved by the Board, reports on the Group's key governance framework, principles and practices as at 30 June 2018. These principles and practices are subject to regular review and when necessary revised to reflect legislative changes or corporate governance best practice.

The Board of Directors is committed to maintaining the Group's pre-eminent status as a leader in the fields of Assisted Reproductive Services (ARS) and specialist women's imaging. This commitment will lead to sustainable growth and shareholder returns. The Board is a strong advocate of good corporate governance and its fulfilment of these practices and obligations will enhance the ability for shareholders to be appropriately rewarded.

Monash IVF Group Ltd complies in all material respects with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations released in 2014. The details of this compliance and reasons for any non compliance are set out in this statement. A separate Appendix 4G has been lodged with the Australian Securities Exchange Limited (ASX).

### **Principle 1 Lay solid foundations for management and oversight**

#### **1.1 Roles and responsibilities of the Board and Management and delegation**

The role of the Board is to oversee good governance practice in all aspects of the Group's undertakings. This includes setting and approving the strategic direction of the Group and to guide and monitor Monash IVF Group management and its businesses in achieving their strategic objectives. The Board is committed to maximising performance through continued investment in all aspects of the business including research, education and innovation in clinical services to improve patient outcomes.

The Board is committed to a high standard of corporate governance practice and fosters a culture of compliance which values ethical behaviour, integrity, teamwork and respect for others.

The Monash IVF Group Ltd Board Charter outlines the role and responsibilities of the Board along with direction on Board composition, structure and membership requirements. The Charter clearly outlines matters expressly reserved for the Board's determination and those matters delegated to Management.

The Company's Chief Executive Officer and Managing Director, David Morris, has responsibility for day-to-day management of Monash IVF Group Ltd in its entirety. David commenced as the Company's CEO & MD in November 2017 after the departure of the previous CEO & MD, James Thiedeman. David is supported by the Executive Team which is responsible for implementation of Board directed strategies at an operational level.

The Monash IVF Group Ltd Board Charter is available on the Monash IVF Group Ltd website

<http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

## 1.2 and 1.3 Board and Senior Executive Appointments

In the event of a new appointment to a director or senior executive role, appropriate probity and integrity checks are undertaken to ensure the individual has an appropriate background to hold the role with Monash IVF Group Ltd. Should the role be for election of a director for the first time a comprehensive check of the candidates personal and professional history would occur including details of any other material directorships or non executive roles.

All Board members have a written agreement outlining the terms of their appointment clearly articulating the expectations, roles and responsibilities and remuneration of their role.

All employment agreements for senior executives clearly set out their terms of appointment, remuneration and requirements to adhere to company policies and procedures. Industry regulation and Company policy requires police checks for employees which are undertaken prior to commencement. Employment contracts require employees to disclose any offences that would result in an adverse police check.

## 1.4 Company Secretary

Mr Michael Knaap was appointed in the role of Company Secretary and Chief Financial Officer with Monash IVF Group Ltd in September 2015. Michael's role is to work closely with the Board and its committees to advise on governance matters and to oversee meeting protocols are adhered to including comprehensive minutes.

## 1.5 Diversity and Inclusion Policy

Monash IVF Group recognises that its business success is a reflection of the quality of its people, and is proud of its strong diverse and inclusive workforce. The Company's workforce is made up of individuals with a diverse set of skills, values, experiences, backgrounds and attributes including those gained on account of their gender, age, disability, ethnicity, marital or family status, religious or cultural background and sexual orientation. Monash IVF Group is committed to supporting and further developing this through attracting, engaging and retaining diverse talent.

Monash IVF Group is a recognised employer under the Workplace Gender Equity Act 2012 and is compliant with the requirements of the Australian Government Workplace Gender Equity Agency. The breakdown of gender diversity at Monash IVF Group is listed below:

| Organisational Level    | Number of Women | % of Women |
|-------------------------|-----------------|------------|
| Non-Executive Directors | 2               | 40%        |
| Senior Management       | 5               | 36%        |
| Team Leader             | 36              | 88%        |
| Total Staff (inc above) | 529             | 90%        |

The Board recognises the high proportion of women in the workplace and acknowledges that this gender diversity is reflective of the nature of the organisation. Senior Management is defined as Executive Directors and Management personnel in operational leadership positions generally specific to state leadership teams.

Monash IVF Group has in place a Flexible Work Arrangements policy to promote work life balance and to accommodate family care in line with the operational requirements of the business. During FY18, 25 employees utilised the Group's

generous parental leave options. Flexible hour working arrangements either formally and informally are widely used across Monash IVF Group.

The Diversity and Inclusion Policy is overseen by the Remuneration and Nomination Committee. The Committee has no executive powers with regard to its findings and recommendations however is responsible for monitoring, reviewing and reporting to the Board on the Company's performance in respect to diversity in accordance with the Company's Diversity and Inclusion Policy.

The Board is committed to targeting a board composition aligned to its workforce and patient base over time.

The Diversity Policy is available on the Monash IVF Group Ltd website <http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

Monash IVF Group is committed to providing a diverse and culturally inclusive work environment to ensure that all employees are valued and safe in their workplace. Monash IVF Group provides an Equal Employment Opportunity policy framework in relation to harassment, bullying, discrimination and grievance procedures. The policies are available to all employees via the company intranet. The Group also offers an employee assistance program that provides a confidential counselling service to support employee wellbeing in the workplace. To ensure a full understanding of respectful workplace obligations, the organisation utilises a Learning Management System, an online learning management portal to manage and track the full compliance of all respectful workplace topics. In FY18 Monash IVF Group partnered with Pride in Diversity, a national not-for-profit employer support program for LGBTI workplace and is specifically designed to assist employers and employees with all aspects of inclusion.

## **1.6 Director Performance Evaluation**

The Remuneration and Nomination Committee under the Chair of Ms Christy Boyce undertakes the process of performance reviews of the Board, its Committees and the Chairman. Objectives of the review are to ensure the Board adheres to ASX governance principles and to identify opportunities to improve the functioning of the Board as a whole. The focus is on the performance of the Board as a whole and, to a lesser extent, the Board committees. The Chairman performs individual appraisals on each director.

The annual review completed by Monash IVF Group Ltd Board was undertaken in August 2018. It involved directors completing a confidential online questionnaire covering aspects outlined in the Board Charter. The results were aggregated and discussed by the Board to inform areas or opportunities for improvement.

## **1.7 Senior Executive Evaluations**

Monash IVF Group Ltd has an annual Performance Review Policy for all senior executives and managers as stated in the Board Charter. Senior executive and manager performance is reviewed by the CEO against KPIs which are both financial and non financial in nature. The Remuneration and Nomination Committee has oversight of this process.

The Chairman of the Board performs the CEO performance review against annual key performance indicators. David Morris' performance was formally reviewed in August and recommendations as a result were taken to the Board. The Board oversees and monitors the key performance indicators and strategic plan for the Group which also allows the Board to monitor the performance of senior executives outside the annual review process.

## **Principle 2 Structure of the Board to add value**

The Constitution of the Company provides that the number of Directors must at any time be no more than ten and no less than three members. The Monash IVF Group Ltd Board currently consists of seven directors, five independent and two non independent members. The Board charter prescribes that the Chair of the Board must be independent and the Board should consist of individuals who contribute a mix of skills and a diversity of professional backgrounds. Further information on the Board members is available in the Directors Report.

Monash IVF Group Ltd believes the current Board of seven members adequately allows its members to carry out its responsibilities without unnecessarily debasing its effectiveness with an excessive number that can hinder individual engagement and involvement of Board members. To add efficiency to the Board two committees are in-place; the Remuneration and Nomination Committee and the Audit and Risk Committee whereby meetings occurred during FY18. The Board Charter prescribes that all committee members be Independent Directors.

A summary of the Board members, their roles, independence and appointment dates shows:

| <b>Director</b>     | <b>Position</b>                    | <b>Independent</b>                                  | <b>Appointment Date</b> |
|---------------------|------------------------------------|---|-------------------------|
| Mr Richard Davis    | Independent Chairman               | Yes   | 4/6/2014                |
| Mr Josef Czyzewski  | Independent non-executive Director | Yes   | 4/6/2014                |
| Ms Christina Boyce  | Independent non-executive Director | Yes   | 4/6/2014                |
| Ms Zita Peach       | Independent non-executive Director | Yes   | 12/10/2016              |
| Mr Neil Broekhuizen | Independent non-executive Director | Yes   | 4/6/2014                |
| Mr David Morris     | CEO and Managing Director          | No – CEO and Managing Director                      | 13/10/2017              |
| Dr Richard Henshaw  | Executive Director                 | No – Fertility Specialist with Monash IVF Group Ltd | 30/4/2014               |

### **2.1 Remuneration and Nomination Committee**

The Remuneration and Nomination Committee is governed by the Remuneration and Nomination Committee Charter as found on the Monash IVF Group Ltd website at <http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

The Remuneration and Nomination Committee consists of four independent Directors of the Board:

- Ms Christina Boyce (Chair)
- Mr Richard Davis
- Mr Josef Czyzewski
- Ms Zita Peach

The Committee assists the Board by reviewing and making recommendations to the Board in relation to:

- the Company's remuneration policy;
- Board succession issues and planning;
- Board member and re-election of members to the Board and its committees;
- Director induction and continuing professional development programs for Directors;
- remuneration packages of senior executives;
- non-executive Directors and executive Directors, equity-based incentive plans and other employee benefit programs;
- Company superannuation arrangements;
- the Company's recruitment, retention and termination policies;
- succession plans of the CEO, senior executives and executive Directors;
- the process for the evaluation of the performance of the Board, its Board Committees and individual Directors;
- the review of the performance of senior executives;
- review of the Company's remuneration policies and packages; and
- the size and composition of the Board and strategies to address Board diversity and the Company's performance in respect of the Company's Diversity and Inclusion Policy, including whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees.

## 2.2 Board Skill Matrix

On establishing the Board in 2014 the desirable skills, attributes and experience required was considered in searching for potential Board members. The below skill matrix outlines the current Board Director skill set:

|                     | Strategic direction setting | New business development | Mergers and acquisitions | International business development | Health services | Clinical/ medical experience | Accounting/ Finance | Regulatory/ government relations | Technology | Work, health & safety |
|---------------------|-----------------------------|--------------------------|--------------------------|------------------------------------|-----------------|------------------------------|---------------------|----------------------------------|------------|-----------------------|
| Mr Richard Davis    |                             |                          |                          |                                    |                 |                              |                     |                                  |            |                       |
| Mr Joe Czyzewski    |                             |                          |                          |                                    |                 |                              |                     |                                  |            |                       |
| Ms Christy Boyce    |                             |                          |                          |                                    |                 |                              |                     |                                  |            |                       |
| Mr Neil Broekhuizen |                             |                          |                          |                                    |                 |                              |                     |                                  |            |                       |
| Mr David Morris     |                             |                          |                          |                                    |                 |                              |                     |                                  |            |                       |
| Dr Richard Henshaw  |                             |                          |                          |                                    |                 |                              |                     |                                  |            |                       |
| Ms Zita Peach       |                             |                          |                          |                                    |                 |                              |                     |                                  |            |                       |



Monash IVF Group Ltd believe the current Director skill set is adequate to ensure an appropriate and diverse mix of backgrounds, expertise, experience and qualifications exist to assist with being able to understand and effectively advise on Group strategy and growth.

### **2.3, 2.4 and 2.5 Board Independence**

The Board Charter outlines that at least half of the Board should be independent directors, one of whom is the Chairman. A director is deemed to be “independent” if free of any business or other relationship with the Company that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of unfettered and independent judgement.

The Board has assessed, using the criteria set out in the ASX Corporate Governance Principles and Recommendation, the independence of non-executive directors in light of their interests and relationships and considers at least half to be independent. The independence status and length of service of each director is outlined in the table under Principle 2. During FY18 the percentage of Board members considered independent was 71%. Mr Richard Davis was appointed Monash IVF Group Ltd Chairman in June 2014. He is a non-executive Independent Director. Mr Davis in his role as Chair provides leadership to the Board and advice and support to the CEO. The Chair of the Board is responsible for overseeing Board dynamics and ensuring all directors contribute effectively and constructively to Group meetings and strategic agendas.

### **2.6 Director Induction and Professional Development**

Monash IVF Group Ltd has a comprehensive induction process for Directors and senior executives. This induction includes meetings with senior management and staff to gain an understanding of the core business as well as visits to laboratories and clinics to gain a more in depth understanding of the business.

Board members have been continuously informed via research papers and presentations, financial and business results and discussion involving market strategic initiatives contributing to the continued professional development of the Board.

## **Principle 3 Act Ethically and Responsibly**

Monash IVF Group Ltd recognises the need to observe the highest standards of corporate practice, business conduct and responsible decision making. Accordingly, the Board adheres to a formal Code of Conduct which outlines Monash IVF Group Ltd policies on various matters including ethical conduct, business and personal conduct, compliance, privacy, security of information, financial integrity and conflicts of interest. This Code clearly states the standard of responsibility and ethical conduct expected of staff, directors or doctors engaged by the Company. The Code recognises the numerous legislative and compliance matters that affect the business.

### **3.1 Code of Conduct**

The Code of Conduct promotes ethical and responsible decision making by directors, contractors and employees. The Code also gives direction in the avoidance of conflicts of interest and mandates high standards of personal integrity, objectivity and honesty in the dealings of all Monash IVF Group Ltd Board members and staff, detailing guidelines to ensure the highest standards are maintained. Monash IVF Group holds all staff to act according to this code to maintain standards in confidentiality and general behaviour.

The code is provided to all staff as part of the Group induction process and compliance is reviewed regularly.

Monash IVF Group Ltd Code of Conduct policy can be found in full on our website under [www.monashivfgroup.com.au/investor-centre/corporate-governance/](http://www.monashivfgroup.com.au/investor-centre/corporate-governance/) and includes a Whistle Blower policy.

## **Principle 4 Safeguard integrity in corporate reporting**

### **4.1 Audit Committee**

The Audit and Risk Management Committee for Monash IVF Group Ltd are responsible for supervising the process of corporate governance, financial reporting and risk management, internal control, continuous disclosure, non-financial risk monitoring and external audit. The Committee's role, as outlined in the Audit and Risk Management Committee Charter, is to monitor the Group's compliance with laws and regulations and adherence to the Group Code of Conduct and to promote discussion with regard to risk between Board, management and the external auditor.

Monash IVF Group Ltd engages the services of an external auditor; who's independence and performance is monitored and reviewed by the Audit and Risk Management Committee. The external auditors and Audit & Risk Committee and audit Chair met on a number of occasions independently of Management during 2018.

The current Audit and Risk Management Committee consists of four non-executive Independent Directors with experience and qualifications in financial management as outlined in the Audit and Risk Management Committee Charter.

Current members of the Committee are:

- Mr Josef Czyzewski (Chair)
- Mr Richard Davis
- Ms Christina Boyce
- Mr Neil Broekhuizen

The Audit and Risk Management Committee Charter is available on the Monash IVF Group Ltd website at <http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

### **4.2 Financial Statement Approval**

Monash IVF Group Ltd CEO and MD, Mr David Morris and CFO, Mr Michael Knaap, reviewed and verified that the FY18 half year and full year reporting statements as listed in reports to the ASX and shareholders are true and accurate. A declaration to that effect has been signed by both to declare that the financial records have been entered and maintained as per the Corporations Act (2001) accounting standards and they give a fair and true view of the financial position and performance of Monash IVF Group Ltd. Further a detailed questionnaire is completed by senior operational, administrative and financial management attesting to the validity and integrity of the processes that they control prior to the approval of the Financial statements. These questionnaires are reviewed by the Audit and Risk Management Committee.

### **4.3 Auditor in attendance at Annual General Meeting**

Monash IVF Group Ltd has retained the services of KPMG as an external auditor for the annual financial audit of the Group. KPMG will be in attendance at the Annual

General Meeting (AGM) on 22 November 2018 to respond to Shareholders questions and provide information and feedback if required on the Auditor's report. The external auditors attended the AGM held on 24 November 2017. Shareholders were able to supply questions to the auditor before the AGM via numerous methods as well as being provided with the opportunity to ask questions at the AGM.

## **Principle 5 Make timely and balanced disclosure**

### **5.1 Continuous Disclosure**

Monash IVF Group Ltd is committed to effective communication with its investors and the wider community. The Company strives to ensure that all Stakeholders, market participants, patients and the wider community are informed in a timely manner of its activities and performance in line with its Continuous Disclosure Policy.

This policy complies with the continuous disclosure obligations under the Corporation Act (2001) and the ASX Listing Rules and as much as possible seeks to achieve and exceed best practice to promote investor confidence in Monash IVF Group Ltd.

Continuous disclosure principles and requirements are well understood by the Monash IVF Group Ltd Company Secretary and the Board of Directors and are in place to ensure all relevant information, especially of a sensitive nature, is made available in a timely manner. Any matters requiring disclosure are raised for consideration whenever necessary. The Monash IVF Group Ltd website is structured to provide shareholders and the community with easy access to information.

The Continuous Disclosure Policy can be found on the Monash IVF Group website at <http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>.

## **Principle 6 Respect the rights of security holders**

### **6.1 Communication with Shareholders**

Monash IVF Group Ltd ensures shareholders are fully informed of its governance processes and are notified of any major developments affecting the Group. In line with the Monash IVF Group Ltd Communication Policy the Company's website is considered to be the primary means to provide information to all stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner including:

- Company information including Board members;
- A 'Corporate Governance' landing page with documents including Company' codes, policies and charters;
- all announcements and releases to the ASX;
- copies of presentations to shareholders, institutional investors, brokers and analysts;
- any media or other releases;
- all notices of meetings and explanatory material;
- a copy of the Company's Prospectus and Annual Reports;
- previous annual, half yearly and quarterly reports;
- any other relevant information concerning non-confidential activities of the Company including business developments.

The Company website can be found at [www.monashivfgroup.com.au](http://www.monashivfgroup.com.au) where information can be clearly located under heading:

- Home – homepage with Company history and overview
- About – information on Our People, Collaborations and Career Opportunities



- Our Business – lists the Monash IVF Group Ltd subsidiary companies
- Research and Innovation – lists current and published research and our scientific firsts.

## **6.2 Investor Relations**

In addition to the Company website, there is a dedicated Investor Relations page found at <http://ir.monashivfgroup.com.au/Investor-Centre/> which provides investors and shareholders with information on Monash IVF Group Ltd Board members, Announcements, Corporate Governance documents, Results presentations and webcasts. The Investor Centre also acts as a portal for two way communication between the Company and investors with links to a 'Contact Us' page which allows individuals to email enquiries and also provides postal address and contact number to allow access to the Company. The Communication Policy can be located at: <http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

## **6.3 Attendance at Company meetings**

As cited in the Monash IVF Group Ltd Communications Policy, the Company encourages full participation of Shareholders at the Annual General Meeting which provides an excellent opportunity for the Company to provide information to its shareholders and to receive Shareholder feedback.

The next Annual General Meeting will be held on 22 November 2018.

In the event Shareholders are not able to attend the meetings, questions can be directed to the Group for addressing at the Annual General Meeting and the presentations and webcasts are promptly added to the website. These can be found at <http://ir.monashivfgroup.com.au/Investor-Centre/?page=Presentations-Webcasts>

Shareholders are also able to direct any questions via the Group's share registry provider, Link Market Services.

## **6.4 Electronic Communication**

The Company recognises that electronic communication is often a more efficient and more desired form of communication. Monash IVF Group Ltd Communications Policy addresses this and accordingly Shareholders are given the option to communicate with the Company Share Registry electronically.

The Company's email system allows staff and stakeholders to communicate with ease with Management and staff of the Company. Doctors, employees and other stakeholders have access to this system and are encouraged to use it to improve the flow of information and communication generally.

The Monash IVF Group Ltd Communications Policy can be located at:

<http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

## **Principle 7 Recognise and Manage Risk**

The Monash IVF Group Ltd Board, primarily through the Audit and Risk Management Committee, reviews and manages risk areas for the Group.

### **7.1 Audit and Risk Committee**

The identification and appropriate management of risks is an important priority for the Monash IVF Group Ltd Board. 'Risks' are identified as any possible outcomes that

could materially impact the Company's financial performance, assets, reputation, people or the environment.

Risk recognition and management are viewed by the Company as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies. The Audit and Risk Management Committee oversees and governs risk management strategy and policy, to monitor risk management and to establish procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

The Committee abides by the Audit and Risk Management Committee Charter to assist the Board in fulfilling its corporate governance and oversight responsibilities in actively identifying risks and developing appropriate mitigants. The Board Committee adheres to the Risk Management Policy for the business which highlights the risks relevant to Company operations.

Monash IVF Group Ltd's Audit & Risk Management Committee Charter can be found on the website at:

<http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

This Charter prescribes that the Audit and Risk Management Committee consist of at least three Board Directors that are non-executive independent Directors.

## **7.2 Risk Management**

Monash IVF Group provides a framework for risk management which supports the achievement of our strategic and operational objectives. We are committed to maintaining an organisational philosophy and culture which ensures that effective risk management is integrated into day to day activities.

The Group maintains a Risk Register that documents all identified risks, lists appropriate preventative actions to mitigate risks, reviews process of risk reduction and nominates responsible persons who take ownership of the risk strategy process. The Risk Register is reviewed by the Risk Owners, Leadership teams and Executive Team help determine whether risks are still current, controls are effective and identify any emerging risks, which are then flagged to the Audit and Risk Management Committee. An annual review of Risk Management is undertaken annually and was completed in May 2018.

Specialist software used to record adverse events and feedback ensures that exposures to risk are continually monitored to ensure they are adequately understood and managed. This system of reporting also allows for formal monitoring of patient safety, identification training needs and informs clinical policy decision making.

## **7.3 Internal Audit**

Monash IVF Group Ltd has an outsourced Internal Audit Function that commenced at the beginning of FY17. The internal audit function compliments our external auditors review and report on internal controls bringing a systemic, disciplined approach to evaluating and continually improving the effectiveness of Monash IVF Group Ltd risk management and internal control processes. The Group appointed PriceWaterhouseCoopers as its internal audit provider in August 2016 who performed financial and non-financial internal audits in the financial, operational, information systems and compliance areas within the Group.

The CEO and CFO also have key responsibility in ensuring that internal controls are in place and operating effectively. As part of the various accreditation and licencing processes undertaken by the business, key internal audits are undertaken. These

audits are then made available to accrediting/licensing bodies. The Group believes internal controls implemented such as segregation of duties, delegation processes and structured approval process are in place to counter many risks.

## 7.4 Risk Exposure

Monash IVF Group Ltd provides assisted reproductive services in Australia and Malaysia and specialist women's imaging services in Australia. As a Group we are committed to conducting our services in an open and transparent environment and in a manner that is honest and ethical. The Group's focus embraces responsibility for corporate actions and encourages a positive impact on the environment and stakeholders including customers, employees, investors and the community.

Since our early pioneering days in assisted reproductive treatment, resulting in the first IVF pregnancy in 1973, Monash IVF Group Ltd has played an important role in the local communities we serve and society at large. Our focus on evidenced based fertility care provides the opportunity to commit resources to scientific research, clinical teaching and training.

From an ethical perspective, Monash IVF Group Ltd and its companies ensure national regulation and state legislation drives the standards of care to ensure we protect our customers, donors and any children born as a result of treatment provided by the Group.

All Monash IVF facilities meet the appropriate standards for accreditation including:

- Our assisted reproductive treatment sites in Australia are accredited with the Reproductive Technology Accreditation Committee (RTAC) and we ensure continued appropriate registrations are held by our sites, doctors, nurses and scientists. This accreditation incorporates components covering ethics and safety in practice and management of adverse events.
- Our day surgeries are accredited with National Safety and Quality Health Service (NSQHS) standards which ensure quality standards are consistent with an exceptional standard of care expected by consumers in health facilities.
- Our diagnostic laboratories are accredited to ISO 15189 and relevant NPAAC Guidelines.
- Our diagnostic imaging (ultrasound) facilities are accredited to the Department of Health Diagnostic Imaging Accreditation Scheme (DIAS).
- Our Malaysian site whilst not legally requiring the same level of approval operates to the same standards having been externally accredited to the international RTAC standards.

The Group recognises that our staff and Doctors are instrumental to the success of the organisation. Comprehensive recruitment, credentialing, induction, training and development programs are designed to attract and retain teams equipped to deliver outstanding customer care. Staff actively participate in the continual improvement of our internal policies and processes and are encouraged to participate in innovation and research.

The Monash IVF Group Workplace Health and Safety Policy framework covers policies on general safety in the workplace.

Monash IVF Group Ltd recognises protecting the environment is a critical issue and a key responsibility of the business and corporate community. With 22 fertility clinics, 18 specialist women's imaging sites, 5 service centres, 2 specialised diagnostic laboratories, 3 day hospitals and one central administration headquarters, we consider our environmental impact is minimal. Monash IVF Group is an organisation that is not involved in manufacturing or resource extraction and hence we consider our environmental footprint to be small and we adopt a philosophy of clinical

excellence in an environment of safe and supportive service provision. No material environmental or social sustainability risks have been identified.

The Quality Management System in place in each laboratory supports the review and monitoring of quality of product from suppliers. New consumables undergo a full quality screening process and products are thoroughly evaluated to review where and how products are manufactured before being used in the laboratories. All products are reviewed formally on an annual basis to ensure they maintain quality standards and informally on a day to day basis. Currently all Monash IVF Group sites use predominantly products from the top two suppliers in lab products supplying to Australia in order to maintain consistency in quality.

The Group takes cyber security and its potential consequences extremely seriously. The Group has comprehensive security arrangements in place to isolate attacks on its systems and ensure that attempted intrusions are identified and viruses are not spread across the Group's network or systems. The Group's IT systems operate safely and securely. Numerous levels of redundancy and backup are built into the IT systems providing a high degree of system availability and protection of data. An independent third party review of the Group's cyber security risk was performed during FY18. Recommendations from this review will further enhance cyber security measures in place.

Economic risk continues to be potentially material to Monash IVF Group Ltd. Our services in Australia are indirectly funded to a significant extent by the Australian Federal Government through the Medicare Benefit Schedule and Extended Medicare Safety Net. Any change to the funding arrangements could lead to reduced demand for our services affecting financial performance and sustainability of the Group. Market contraction and changes to market dynamics can significantly affect business outcomes and is a risk for the Group. Market competitiveness has heightened for this reason. One area where Monash IVF Group Ltd has been integral in leading the industry has been in advocating for governing bodies to be more transparent in reporting outcomes of treatments to allow customers to be better informed before commencing treatment. Tightening industry standards to ensure policies on consistency of data gathering, outcome reporting and transparency of results to the community will lead to improved outcomes for patients and the industry generally.

## **Principle 8 Remunerate fairly and responsibly**

### **8.1 Remuneration and Nomination Committee**

As outlined above under 'Structure the Board to add value' Monash IVF Group Ltd has a combined Remuneration and Nomination Committee which assists the Board with discharging its responsibilities to Shareholders with regard to developing and monitoring remuneration policies and practices for Directors, Senior Executives and employees.

The Committee works under the guidance of the Remuneration and Nomination Committee Charter and Remuneration Policy.

### **8.2 Remuneration of executive and non-executive directors**

Under the guidance of the Remuneration and Nomination Committee and the Remuneration Policy the Monash IVF Group Ltd Board has established a framework for remuneration that is designed to ensure consistent and reasoned remuneration policies and practices are observed which enable the attraction and retention of directors and management and fairly rewards Directors and senior management for positive performance.

Monash IVF Group Ltd remuneration practices for Executive appointments are expanded on in the Remuneration Report. The Monash IVF Group Ltd Remuneration Policy can be found on the Group website at: <http://ir.monashivfgroup.com.au/Investor-Centre/?page=Corporate-Governance>

### **8.3 Equity Based remuneration**

Currently the CEO, CFO and International Business Development Manager have long term incentives that are equity based. The COO will be issued with equity based remuneration in FY19. The participants have no mechanisms available to limit the risk associated with that scheme.