

CORPORATE GOVERNANCE

The Directors recognise the importance of good corporate governance and are committed to business integrity, high ethical values and professionalism in all its activities. To this end the Directors have chosen to adopt the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code'). To see how the Company addresses the key governance principles defined in the QCA Code please refer to the table below.

This disclosure was last reviewed and updated on 19 March 2019

The principles of the Quoted Companies Alliance Code

QCA Code Principle	Application (as set out by QCA)	What we do
<p>1. Establish a strategy and business model which promote long term value for shareholders</p>	<p>The Board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future</p>	<p>The Biome Technologies business model and strategy is explained within our Chairman's Statement section on pages 3 to 5 of the Annual Report and Financial Statements for the year ended 31 December 2018.</p> <p>In addition, the Chairman's Statement, on page 4 of the Annual Report and Financial Statements, details the three main KPIs which the Group has adopted over the period 2018 to 2020 to enable its medium-term strategy to be fulfilled.</p> <p>The key risks and challenges to the Group are detailed on pages 6 to 9 of the Strategic Report of the Annual Report and Financial Statements.</p>
<p>2. Seek to understand and meet shareholder needs and expectations</p>	<p>Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.</p> <p>The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.</p>	<p>The Board recognises the importance of communicating with its shareholders, including its employee shareholders, to ensure that its strategy and performance are understood. This is achieved principally through the Interim Report, the Annual Report, the AGM, and information on the website.</p> <p>The Board also recognises the AGM as the main opportunity for any shareholder to attend and meet and question members of the Board. The Directors are available to discuss matters with any shareholder both before and after the AGM.</p> <p>In addition, the Chairman, Chief Executive Officer, and Group Finance Director hold meetings with a meaningful number of shareholders after significant announcements to discuss progress and answer queries.</p>

		<p>Shareholders may also contact the Company in writing via email at info@biomettechnologiesplc.co.uk. Enquiries that are received will be directed to the Group Finance Director, who will consider an appropriate response. The Company may be required to exercise discretion as to which shareholder questions shall be responded to, and the information used to answer questions will be information that is freely available in the public domain.</p> <p>Voting decisions by shareholders are considered by the Board and such decisions will be followed up by the Board if necessary.</p> <p>Given the voting record at previous AGMs and General Meetings the Directors believe that the above is the most appropriate way of engaging with shareholders and understanding and meeting shareholder needs and expectations.</p>
<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to the long-term, then those matters must be integrated into the company's strategy and business model.</p>	<p>The Group is committed to the sustainability of its success. Key stakeholders are identified as part of the Directors risk assessment of the Group, and has identified the following key stakeholders:</p> <ul style="list-style-type: none"> • Customers • Suppliers • Employees • Environment <p>The Group actively engages with all key customers and suppliers and regularly holds progress meetings with key points of contacts at customers and suppliers. Employees have an initial induction as part of commencing employment and two-way feedback with their line manager is encouraged. The Group is committed to the care of the environment, with its business divisions having a person designated responsible for all health and safety, who reviews any issues.</p> <p>Where issues are raised by any of the above stakeholders these are discussed and acted upon by the senior management team. These may result in changes to the Company's policies and procedures.</p> <p>In addition, the Company's business is in the forefront of innovation, technological progress, and sound ethical practice.</p>

	<p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	
<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.</p> <p>Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p>The main risks to the Group are disclosed on pages 6 to 9 of the Annual Report and Financial Statements for the year ended 31 December 2018.</p> <p>Significant risks are discussed in Board meetings with a risk register set up which is reviewed by senior management. The risk register is also reviewed during the Audit Committee meetings.</p>
<p>5. Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.</p> <p>The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.</p>	<p>The Company is controlled by the Board of Directors. John Standen, the Non-executive Chairman, is responsible for the running of the Board. The Board sets both the corporate and business strategy of the Group. Paul Mines, the Chief Executive Officer, has executive responsibility for running the Group's business and implementing the Group's business strategy.</p> <p>The Board meet 9 times in 2018.</p> <p>Further details regarding the number of board and committee meetings during the year to 31 December 2018, together with the attendance record of each director can be found on page 18 to 22 of the Annual Report and Financial Statements for the year ended 31 December 2018.</p> <p>The Board comprises two Executive Directors and two Non-executive Directors. The Chief Executive and the Group Finance Director work full time. The Chairman and Senior Independent Director contribute approximately 8 days a month and 2</p>

	<p>The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement.</p> <p>The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfil their roles.</p>	<p>days per month respectively but this can vary from time to time.</p>
<p>6. ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The board must have an appropriate balance of sector, financial and public market skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition.</p> <p>The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.</p> <p>As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.</p>	<p>The Board invites senior managers to attend its Board meetings at various times during the year to provide a different perspective and enable challenging discussions on the progress of the Company.</p> <p>Certain details of the directors and their relevant experience, skills and personal qualities and capabilities can be found on page 15 of the Annual Report and Financial Statements for the year ended 31 December 2018.</p> <p>Training needs are assessed on an ad-hoc basis as the need arises.</p>
<p>7. Evaluate board</p>	<p>The board should regularly review the effectiveness of</p>	<p>The Board carries out an annual, internal evaluation of its performance. This covers the</p>

<p>performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>its performance as a unit, as well as that of its committees and the individual directors.</p> <p>The board performance review may be carried out internally, or ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.</p> <p>It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.</p>	<p>effectiveness of the Board as a whole, its individual members, and its committees. Given the size of the Company's Board the Directors have determined that Board and director effectiveness is best assessed by each individual director, plus senior managers that have attended the Board meetings, in the year, contacting the Chairman individually to summarise areas that have worked well and areas for improvement. These individual responses are summarised by the Chairman and feedback given including any suggestions for change. The annual evaluation of the Chairman is run by the Senior Independent Non-executive Director using the same process. The process run during 2018 did not reveal any substantive issues.</p> <p>This appraisal process has evolved over the last couple of years away from a prescribed questionnaire and the Board believes this now gives a more relevant evaluation process.</p> <p>The appointment of new Directors must be ratified by the shareholders at the AGM following their appointment. In addition, one third of the Directors of the Company retire by rotation and seek re-election by the shareholders at each AGM. Every Director should seek re-election by shareholders at least every three years. The Board discusses at least annually succession planning, where relevant, for senior employees of the Group.</p>
<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p> <p>The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company.</p> <p>The culture should be visible in every aspect of</p>	<p>The Group is committed to business integrity, high ethical values and professionalism in all of its activities. As an essential part of this commitment the Group supports the highest standards in corporate governance.</p> <p>The Directors' Report on page 12 of the Annual Report and Financial Statements for the year ended 31 December 2018 details the environmental and social responsibility policies of the Group.</p> <p>The key risks and challenges to the Group are detailed on pages 6 to 9 of the Strategic Report of the Annual Report and Financial Statements.</p> <p>All employees have an induction on commencing their employment with the Group. This includes the ethical standards that the employee is</p>

	<p>the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.</p>	<p>expected to maintain and compliance with all applicable laws and regulations.</p> <p>A whistleblowing policy is also in place for employees to report serious matters of concern.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> • size and complexity; and • capacity, appetite and tolerance for risk. <p>The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.</p>	<p>The Corporate Governance Report on pages 17 to 22 of the Group’s Annual Report and Financial Statements for the year ended 31 December 2018 details the Company’s governance structure.</p> <p>Details of the roles of the Company’s remuneration, nomination and audit committees and their terms of reference can be found on pages 20 to 26 of the Group’s Annual Report and Financial Statements for the year ended 31 December 2018.</p> <p>The full terms of reference of the Company’s remuneration, nomination and audit committees can be found via the following links: http://biometechnologiesplc.com/docs/Remuneration_Committee.pdf http://biometechnologiesplc.com/docs/Nomination_Committee.pdf http://biometechnologiesplc.com/docs/Audit_Committee.pdf</p> <p>The Board procedures statement on page 19 of the Group’s Annual Report and Financial Statements for the year ended 31 December 2018 includes details of the main matters reserved for the board.</p> <p>The Board continually monitors its governance and will evolve this in line with best practice as appropriate as the Company grows.</p>
<p>10. Communicate how the company is</p>	<p>A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to</p>	<p>The Company encourages two-way communication with its shareholders. Regular dialogue is had with the Group’s major</p>

<p>governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>enable all interested parties to come to informed decisions about the company.</p> <p>In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist:</p> <ul style="list-style-type: none"> • the communication of shareholders' views to the board; and • the shareholders' understanding of the unique circumstances and constraints faced by the company. <p>It should be clear where these communication practices are described (annual report or website).</p>	<p>shareholders as well as the AGM being used for any shareholder to attend and raise questions.</p> <p>A report is given at each Board meeting of correspondence that any Director has had with a shareholder.</p> <p>Thought regularly is given and action taken, for the development of new and more effective ways of improving our dialogue with shareholders. This is particularly applicable to the Company's website and to direct shareholder contact.</p> <p>The Company communicates how it is governed and is performing through its annual report and accounts and regulatory announcements. The results of voting on all resolutions in future general meetings will be posted to the Group's website and announced via RNS, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.</p> <p>The Group's financial reports for the last five years can be found at http://biometechnologiesplc.com/reports/</p> <p>Notices of General Meetings of the Company for the last five years can be found at http://biometechnologiesplc.com/reports/</p>
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