

Corporate Governance Statement

For EKF Diagnostics Holdings Plc (“EKF”) it is vitally important to recognise value of good corporate governance in every part of its business. In the past EKF recognised principles of the UK Corporate Governance Code where applicable. Although, as an AIM company, compliance with the code was not required. Since March 2018 London Stock Exchange issued AIM Notice 50 principally requiring AIM companies to adopt a recognised corporate governance code and disclose how the AIM company complies with that code and where it departs from that code with explanation of the reasons for doing so.

In September 2018 the EKF Board has adopted the principles of the 2018 Quoted Companies Governance Code – (“the QCA Code”). The directors accepted the ten principles set out in the QCA code have to be fully adopted even though most of them were adopted when it recognised the UK Corporate Governance Code.

Compliance with Ten Principles of the QCA Code are as follows:

	Principle	How QCA code complied and if not complied why it hasn't
1.	Establish a strategy and business model which promotes long-term value for shareholders	EKF has always laid out its strategy and business model very clearly in the Annual Reports. The Chairman’s Statement articulates clearly how long term value for shareholders is achieved.
2.	Seek to understand and meet shareholder needs and expectations	EKF reports formally to shareholders when it publishes its full year and half year results. The Board engages with shareholders to understand their needs and expectations at Annual General Meetings where all shareholders are invited. The Chairman, Chief Executive Officer and Finance Director meet individual investors mainly institutional investors and those with significant shareholdings and investor briefings annually to shareholders with small shareholding. All the directors including Non-Executive Director are happy to meet any shareholders who wish to raise matters with them.
3.	Take into account wider stakeholder and social responsibilities and their implications for long-term success	EKF recognises that it is responsible not only to its shareholders and employees, but to a wider group of stakeholders including its customers, suppliers and the local communities in which it operates. EKF has a duty to be a good corporate citizen and is conscious that its business processes minimise harm to the environment and that it contributes as far as is practicable to the local communities in which it operates.

4.	Embed effective risk management, considering both opportunities and threats throughout the organisation	<p>EKF has adopted Risk management and Policy guidance in managing the risk it faces. The objective of this policy guidance sets out EKF's vision, approach and key roles and responsibilities for how risks are managed in the Group. The policy is reviewed on periodic basis.</p> <p>The key principles that embody EKF's risk management approach are outlined below:</p> <ul style="list-style-type: none"> - It is the responsibility of all employees to ensure they understand and comply with this policy and their defined risk management roles and responsibilities. - There is a defined risk management governance structure with clear accountabilities at each EKF location. - A consistent risk management approach is used throughout EKF to identify and manage risks. - Risk management is embedded in all key processes and decision points within EKF (including strategy setting, budgeting, planning and performance), as well as day-to-day operations and activities. <p>A Risk register is maintained with updating periodically. The register includes the risk description, risk owner, mitigation/control description and risk profile</p> <p>The EKF has also disclosed in the Annual Report the principal risks it faces, along with how it mitigates those risks.</p>
5.	Maintain the board as a well-functioning, balanced team led by the chair	<p>The Board currently includes a right balance of three Non-Executive directors and two Executive directors.</p> <p>The Board is supported by Audit and Remuneration Committees. The Nomination Committee has not been set up formally as yet with the Board collectively consider the nomination process of appointing new directors on the Board.</p> <p>Currently it is the Board's opinion that the two directors, Adam Reynolds and Carl Contodini, are independent in character and judgment and that there is no relationships or circumstances which could materially affect or interfere with the exercise of their independent judgement. Both Adam and Carl have been appointed to the Board of numerous companies with Adam specialising in corporate finance matters and Carl specialising in healthcare and electronics sectors.</p> <p>All Directors are subject to election by Shareholders at the</p>

		<p>first Annual General Meeting after their appointment, and are subject to re-election at least every three years. Non-Executive Directors are appointed for a specific term of office which provides for their removal in certain circumstances, including under section 168 of the Companies Act 2006. The Board does not automatically re-nominate Non-Executive Directors for election by Shareholders.</p> <p>Further details of the composition of the Board, time commitment required from the Directors and each Director's attendance at Board and Committee meetings are shown in the Annual Reports.</p> <p>Further details of the composition of the Board, time commitment required from the Directors and each Director's attendance at Board and Committee meetings are shown in the Annual Report.</p>
6	Ensure directors have the necessary up-to-date experience, skills and capabilities	<p>The Board currently comprises of three Non-Executive Directors and two Executive Directors who have appropriate balance of skills between them covering the In-Vitro Diagnostics industry, finance and experience in managing public face of EKF.</p> <p>Profile of each Director is provided on the website and in the Annual Report. All Directors receive regular updates on legal, regulatory and governance issues and where necessary further training in any particular issue. In addition each Director has access to EKF's senior employees and external advisors including legal counsel and Nominated Advisors to discuss any matters in-order to have a full understanding before making any decisions.</p> <p>The Directors also receive regular briefings and updates from the Company Secretary and EKF's Nominated Advisors in respect to continued compliance with AIM Rules in particular the Market Abuse regulations. The Company Secretary is responsible for advising the Board on corporate governance matters and facilitating the flow of information to and from the Board.</p>
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	<p>Currently the annual review of the effectiveness of the Board is conducted by the Non-Executive Chairman on informal basis.</p> <p>The performance review of individual executive directors is done by the Remuneration Committee with more details is provided normally in the Annual Report.</p>

		<p>The Board collectively is responsible for succession planning of the executive team. The succession planning is reviewed on an ongoing basis alongside the capability of the senior management and the Directors.</p> <p>This is the principle the Board would like to develop further in the future in evaluating the performance of the Board and Committees annually. The Board would like, facilitated through the Company Secretary and using an external consultant in this field, to review and assess the effectiveness of all aspects of the Board and its Committees and include composition, experience, dynamics, and the Board's role and responsibilities in connection with the strategy, oversight of risk and succession planning. EKF will provide further information in the near future once an assessment is completed.</p>
8	<p>Promote a corporate culture that is based on ethical values and behaviours</p>	<p>Employee handbook, which is read by all employees as part of their induction in various locations, provides further specific detail of the policies in place to promote and support ethical behaviour and values. The EKF's Human Resource department monitor and ensure that the employee handbooks in each local jurisdictions are followed and any fundamental breach the Board is informed.</p> <p>In addition the EKF has also adopted a code of conduct policy. The adoption of the policy is in order to inform employee about criminal offence on insider dealing, promote honest and ethical conduct, promote full, fair, accurate, timely and understandable disclosure in reports and other public communications made by EKF; promote compliance with applicable government laws, rules and regulations, promote fair dealing practices and deter wrongdoing.</p>
9	<p>Maintain governance structures and processes that are fit for purpose and support good decision making by the board</p>	<p>The roles and responsibilities of specific Directors and Board Committees, as well as the list of matters reserved for the Board, are available on our website.</p> <p>The Board meets formally at numerous times in each year. The Audit and Remuneration Committees have terms of reference outlining the specific responsibilities delegated to it. The summarised terms of reference of each Committee is disclosed on our website.</p> <p>The appropriateness of the Board's structures and processes are reviewed through the ongoing Board evaluation process and on an ad hoc basis by the Non-Executive Chairman. These will evolve in parallel with the EKF's objectives, strategy and business model as it develops.</p>

10	Communication how company is governed and is performing by maintaining with shareholders and other relevant stakeholders	<p>The Company communicates progress throughout the year through London Stock Exchange Regulatory News Service announcements and in more detail in its Annual Reports and Interim results.</p> <p>Results of shareholder votes are made public on the EKF's website after the meetings concerned.</p> <p>Shareholders may contact EKF directly through the website through general enquiries email address and phone 029 2071 0570.</p>