

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

VOLPARA HEALTH TECHNOLOGIES LIMITED

ABN / ARBN:

606 946 867

Financial year ended:

31<sup>st</sup> March 2020

Our corporate governance statement<sup>2</sup> for the above period above can be found in the pages that follow this Appendix 4G.

The Corporate Governance Statement is accurate and up to date as at 29 May 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.



29 May 2020

Craig Hadfield

Company Secretary

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at this location: <a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a>	
1.2	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.4	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

<sup>3</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> at this location:  <a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:  <a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a></p> <p><del>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</del></p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> at this location:  <a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p>	
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> at this location:  <a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [this location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a> in the Directors Report section of the Annual Report.</p>	
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.		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
2.4	A majority of the board of a listed entity should be independent directors.	...the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	
2.5	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
2.6	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	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.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://volparasolutions.com/investor-information/corporate-governance/">http://volparasolutions.com/investor-information/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at <a href="http://volparasolutions.com/investor-information/board-of-directors/">http://volparasolutions.com/investor-information/board-of-directors/</a></p> <p>The number of times each member of the Audit Committee attended the Audit Committee meetings will be disclosed in the Annual Report.</p>	
4.2	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
4.3	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	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.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://volparasolutions.com/investor-information/">http://volparasolutions.com/investor-information/</a>	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> at <a href="http://volparasolutions.com/investor-information/corporate-governance/">http://volparasolutions.com/investor-information/corporate-governance/</a>	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://volparasolutions.com/investor-information/corporate-governance/">http://volparasolutions.com/investor-information/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>The number of times each member of the Audit and Risk Committee attended the Audit and Risk Committee meetings will be disclosed in the Annual Report.</p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
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.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>3</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee (3):</p> <p><input checked="" type="checkbox"/> at <a href="http://volparasolutions.com/investor-information/corporate-governance/">http://volparasolutions.com/investor-information/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://volparasolutions.com/investors/">http://volparasolutions.com/investors/</a> in the Directors Report section of the Annual Report.</p>	
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.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	



**Volpara Health Technologies Limited**  
**(NZ Company no. 2206998 / ARBN 609 946 867)**

**Appendix 4G**

# **Corporate Governance Statement**

**for the year ending 31 March 2020**

## Corporate Governance Statement

The Board of Directors of Volpara Health Technologies Limited (“Volpara” or “Company”) is responsible for the governance of the Company. Good corporate governance is a fundamental part of the culture and business practices of the Company.

The Board of Directors confirms that the Company’s corporate governance framework complies in almost all respects with the ASX’s Corporate Governance Council’s *Corporate Governance Principles and Recommendations* (3rd Edition) (“Recommendations”) and that where it does not comply, it is due to the current relative size of the Company, its stage of development, and the scale and nature of its operations. The Council recognises that different entities may legitimately adopt different governance practices, based on a range of factors, including their size, complexity, history and corporate culture.

The Company provides below a review of its corporate governance framework using the same numbering as adopted for the Recommendations.

Further details in relation to the Company’s governance framework are set out in a dedicated corporate governance information section of the Company’s website [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/). This section of the Company’s website contains copies of all of the corporate governance policies and Board Committee charters.

This Corporate Governance Statement was been approved by the Board of Directors of the Company on, and is current as at 29 May 2020.

## **Recommendation 1.1: Principle 1: Lay Solid Foundations for Management and Oversight**

The Company did not comply with Recommendations 1.5, but did comply with Recommendations 1.1, 1.2, 1.3 1.4, 1.6 and 1.7, for the financial year ended 31 March 2020.

### **Recommendation 1.1:**

*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.*

The Board's responsibilities are defined in the Board Charter, a copy of which is available at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/), and there is a clear delineation between the functions reserved for the Board and those conferred upon the Chief Executive Officer ("CEO") and certain other officers of the Company.

### **Recommendation 1.2:**

*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.*

The Company undertakes checks the Board considers appropriate before appointing a person or putting forward to security holders a candidate for election, as a director. However, this will not apply to the re-election of existing directors.

Subject to any legal obligations to the contrary, the Company will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

### **Recommendation 1.3:**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The Company has written agreements with all directors relating to the terms and conditions of their appointment as directors of the Company.

The Company has written agreements with its senior executives (including the CEO) setting out the key terms and conditions of their appointment.

### **Recommendation 1.4:**

*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.*

The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

### **Recommendation 1.5:**

*A listed entity should:*

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- (b) disclose that policy or a summary of it; and*

*(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:*

- 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
- 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

The Company has adopted a Diversity Policy, which includes the requirement for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. However, due to the stage of development and the relatively small number of employees (compared to others listed on the ASX), the Board did not set objectives for diversity for the past financial year. As the Company moves closer to achieving its commercialisation goals and increases its number of employees, it will re-examine its approach in this regard.

There were six men and one woman on the Board for most of the 2020 financial year. However, in January 2020 one male director was replaced on the Board by a female director, bring the total to five men and two women as at the date of this Annual Report.

As at the date of this Corporate Governance Statement, the proportion of women in the Company as a percentage of its total employees was 71 out of 174, or 40.8% (2019: 35.4%). The proportion of women as a total of the senior executive positions (not including the CEO) is 2 out of 7, or 29%. For this purpose, senior executives are members of management who report directly to the CEO.

The Company is not a "relevant employer" under the Workplace Gender Equality Act as it does not have 100 or more employees in Australia.

A copy of the Diversity Policy is available at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/).

#### **Recommendation 1.6:**

*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.*

The Company has a performance evaluation process documented in the Board Charter, available at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/).

A review of the Board was conducted during the year with all members providing feedback to the Chairman. A Wellington based Director was also appointed Chairman of the Board in FY19 in part to provide more direct contact and mentorship to the CEO. Given it's only three years since the Company listed on the ASX no other changes were thought appropriate at this time.

#### **Recommendation 1.7:**

*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.*

The Company's Board Charter requires the Board to be responsible for the evaluation of the performance of the Company's CEO. The Board Charter is available at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/).

The Board has conducted a performance evaluation of the CEO for the financial year ended 31 March 2020.

The CEO reviews the performance of the Company's executives against key performance targets set by the CEO and based upon the CEO's key targets which were set by the Board for FY20. Performance evaluations were conducted in May 2020 in relation to the 2020 financial year.

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

The Company did not comply with Recommendations 2.2 but did comply with Recommendations 21., 2.3, 2.4, 2.5 and 2.6 for the financial year ended 31 March 2020.

### **Recommendation 2.1:**

*The board of a listed entity should:*

- (a) have a nomination committee 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 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.*

The Company complied with Recommendation 2.1 during the financial year. The Board established a Nomination Committee, which jointly forms the Remuneration and Nomination Committee. The three members include, Mr. Diddams (previous Chair), Mr. Reid (Current Chair) and Mr. Roger Allen. Mr. Diddams and Mr. Reid are independent non-executive directors. The qualifications and experience of the members of the Committee are disclosed on the Company's website at [www.volparasolutions.com/investor-information/board-of-directors/](http://www.volparasolutions.com/investor-information/board-of-directors/)

The number of meetings of the Remuneration and Nomination Committee and number of meetings attended by each of the members for the 2020 financial year are disclosed in the Annual Report to be issued in June 2020.

The Remuneration and Nomination Committee Charter is available [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

### **Recommendation 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.*

Whilst the Board has not, at this time, adopted a specific 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 Board aims to be composed of Directors who have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to the Group's businesses and the Board's responsibilities. The Board considers that it currently has an appropriate mix of skills and diversity and will provide/provides in the 2020 Annual Report and on the website, information about the skills, experience and expertise relevant to the position of director held by each director. Furthermore, the Board replaced a director during the year to enhance the Board's mix of skills.

Details of each director, including their skills and expertise can be found at [www.volparasolutions.com/investor-information/board-of-directors/](http://www.volparasolutions.com/investor-information/board-of-directors/)

### **Recommendation 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 of the Recommendations] 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 Ms. Lindgren, Mr. Diddams, Mr. Pavlidis and Mr Reid to be independent directors. The Board does not consider them to have any interest, position, association or relationship of the type described in Box 2.3 of the Recommendations.

The current composition of the Board and length of service of each member is as follows:

<b>Name</b>	<b>Position</b>	<b>Date appointed</b>	<b>Independent</b>	<b>Audit Committee</b>	<b>Risk Committee</b>	<b>Remuneration &amp; Nomination Committee</b>
Roger Allen	Director (Non-Executive)	14/6/2010	No	Yes	No	Yes
Ralph Highnam	CEO & Director (Executive)	24/2/2009	No	No	No	No
John Diddams	Director (Non-Executive)	20/10/2015	Yes	Yes	No	Yes
Sir John Michael Brady	Resigned 30/1/2020					
Monica Saini	Director (Executive)	23/8/2018	No	No	No	No
John Pavlidis	Director (Non-Executive)	1/2/2015	Yes	No	Yes	No
Paul Reid	Chairman (Non-Executive)	22/03/2018	Yes	Yes	Yes	Yes
Karin Lindgren	Director (Non-Executive)	30/1/2020	Yes	No	Yes	No

The number of meetings of the Board and number of meetings attended by each of the directors for the 2020 financial year are disclosed in the Annual Report to be issued in June 2020.

#### **Recommendation 2.4:**

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

Upon the resignation of Sir John Michael Brady and upon the appointment of Ms. Karin Lindgren in January 2020, the composition of the Board included four out of seven Directors who were considered independent.

#### **Recommendation 2.5:**

*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.*

The roles of Chairman and CEO are performed by different persons. The Chairman is an independent director.



## **Recommendation 2.6:**

*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.*

The Company has an induction program for new directors which provide a summary of the Company and its product and activities. The program includes one-on-one meetings with the Chairman, CEO and senior members of management. In addition, the Company is prepared to provide professional development opportunities to directors reasonably requested by directors.

## **Principle 3: Act ethically and responsibly**

The Company complied with Recommendation 3.1 for the financial year ended 31 March 2020.
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## **Recommendation 3.1:**

*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.*

The Company has adopted a Code of Conduct which applies to all directors, employees and contractors of the Company, as well as a Securities Trading Policy. Copies of the Code of Conduct and the Securities Trading Policy are available on the Company's website at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

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

The Company complied with Recommendations 4.1 to 4.3 for the financial year ended 31 March 2020.
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## **Recommendation 4.1:**

*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 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.*

The Company complied with Recommendation 4.1 for the full financial year. The Board has an Audit Committee which has three members, Mr. Diddams (Chair), Mr. Reid and Mr. Roger Allen. Mr. Diddams and Mr. Reid are independent non-executive directors. The qualifications and experience of the members of the Committee are disclosed on the Company's website at [www.volparasolutions.com/investor-information/board-of-directors/](http://www.volparasolutions.com/investor-information/board-of-directors/)

The number of meetings of the Audit and Risk Committee and number of meetings attended by each of the members for the 2020 financial year are disclosed in the Annual Report to be issued in June 2020.

The Audit Committee Charter is available [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

**Recommendation 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.*

Prior to the Board approving the Company's financial statements for the financial year ended 31 March 2020, the CEO and the Chief Financial Officer declared in writing to the Board that, in their opinion, the financial records of the Company 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 Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

**Recommendation 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.*

The Company's previous auditors, Deloitte, attended the Company's Annual General Meeting held in August 2019. The Company's new auditors, PwC, will be present at the AGM to be held in August 2020.

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

The Company complied with Recommendation 5.1 for the financial year ended 31 March 2020.
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**Recommendation 5.1:**

*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.*

The Company has adopted a Continuous Disclosure Policy. A copy of the Company's Continuous Disclosure Policy is available at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

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

The Company complied with Recommendations 6.1 to 6.4 for the financial year ended 31 March 2020.
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**Recommendation 6.1:**

*A listed entity should provide information about itself and its governance to investors via its website.*

Information about the Company and its corporate governance is disclosed on the Company's website at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

**Recommendation 6.2:**

*A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company engages an external investor relations consultant, to facilitate engagement with investors and address queries which arise from time to time from security holders. The Company through its investor relations consultant, Continuous Disclosure Policy, investor newsletters, market updates, financial reporting and website, provides investors with the opportunity to have an understanding of the Company's business, governance and financial performance.

#### **Recommendation 6.3:**

*A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Company's Continuous Disclosure Policy and Shareholder Communications Policy sets out the Company's policies and processes to facilitate and encourage participation at meetings of security holders.

#### **Recommendation 6.4:**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company's contact details are available on its website at <http://volparasolutions.com/investor-information/>

Security holders are able to submit an electronic query to the Company via the website or contact its registry, Boardroom, by mail, telephone, email or via online access.

#### **Principle 7: Recognise and manage risk**

The Company complied with Recommendations 7.1 to 7.4, for the financial year ended 31 March 2020.
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#### **Recommendation 7.1:**

*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 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.*

The Company complied with Recommendation 7.1 for the full financial year. The Board had in place a Risk Committee which jointly formed the Audit and Risk Committee. The three members which made up this joint committee were Mr. Diddams (Chair), Mr. Reid and Mr. Allen. Mr. Diddams and Mr. Reid are independent non-executive directors. During the year, upon the appointment of Ms. Karin Lindgren to the Board of Directors, a decision was made to split the Audit and Risk Committee into a separate Audit Committee and Risk Committee. The new, separate Risk Committee has three members Ms. Karin Lindgren (Chair), Mr. Pavlidis and Mr. Reid. The qualifications and experience of the current and previous members of the Committee are disclosed on the Company's website at [www.volparasolutions.com/investor-information/board-of-directors/](http://www.volparasolutions.com/investor-information/board-of-directors/)

The number of meetings of the Risk Committee and number of meetings attended by each of the members for the 2020 financial year are disclosed in the Annual Report to be issued in June 2020.

The Risk Committee Charter is available [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

**Recommendation 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.*

Volpara operates various policies and procedures to identify, assess and manage business and operational risks. Responsibility for risk management is shared across the organisation. The Board has the primary responsibility for risk management and for setting the organisation's risk appetite. Senior Management has the responsibility and authority for the development of risk mitigation plans and the implementation of risk reduction strategies in the activities of their respective areas.

The Board has delegated to both the Audit Committee (Financial Risks) and Risk Committee (Enterprise Risks excluding Financial Risk) the responsibility for the strategic oversight of the Company's approach to risk management. In addition, the Audit Committee and Risk Committee are required, under their respective charters, to report on the adequacy of the Risk Management Policy, at least once annually. A review of the Company's exposure to key risks was undertaken during the period.

**Recommendation 7.3:**

*A listed entity should:*

- (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.*

The Company does not have an internal audit function. In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy to assist it to identify, evaluate and mitigate business risks. The Audit Committee and Risk Committee together with oversight from the Board have the responsibility to review and assess the Company's processes for evaluating and continually improving the effectiveness of its risk management and internal control processes. Management reviews and assesses the key risks of the Company together with the controls in place to mitigate these risks prior to presenting the risk management framework to the Audit Committee and Risk Committee for review.

The Company has established a Risk Management Policy. A copy of the Risk Management Policy is available at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

**Recommendation 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 Company's operations are not subject to any specific environmental regulations. Furthermore, while the Company has exposure to elements of risks relevant to the industry in which the Company operates, the Company does not consider, given the nature of its business, that it has any material exposure to economic, environmental and social sustainability risks.

**Principle 8: Remunerate fairly and responsibly**

The Company complied with Recommendations 8.1 to 8.3 for the financial year ended 31 March 2020.
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**Recommendation 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*
- 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.*

The Company complied with Recommendation 8.1 for the full financial year. The Board has a Remuneration Committee which has three members, Mr. Diddams (Chair), Mr. Reid and Mr. Roger Allen. Mr. Diddams and Mr. Reid are independent non-executive directors. The qualifications and experience of the members of the Committee are disclosed on the Company's website at [www.volparasolutions.com/investor-information/board-of-directors/](http://www.volparasolutions.com/investor-information/board-of-directors/)

The number of meetings of the Remuneration Committee and number of meetings attended by each of the members for the 2020 financial year are disclosed in the Annual Report to be issued in June 2020.

The Remuneration and Nomination Committee Charter is available [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)

## **Recommendation 8.2:**

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

The Remuneration Committee is responsible for reviewing and approving executive director remuneration and incentive policies and practices, before being finally approved by the Board. The Company has a clear distinction between the structure of non-executive directors' remuneration and that of executive directors and senior executives. Disclosure in relation to the Company's share option plan that provides for the issuance of options to employees and directors is provided in the Annual Report.

All senior executives of the Company are subject to an annual performance review. Each year the CEO sets senior executive key performance targets which are approved by the newly formed Remuneration Committee. These targets are aligned to the overall business goals and the Company's requirements. In the case of the CEO, these key performance targets are negotiated between the CEO and the Remuneration Committee, before being finally agreed to by the Board. Short term and long-term incentives are dependent on the outcome of these evaluations. All equity-based rewards require the approval of the Board.

It has been resolved that the total aggregate amount to be paid to the Directors (excluding any Executive Director) is NZ\$500,000 per annum.

As at the date of this report, the Directors' fees payable by the Company to its non-executive directors, other than Mr. Ralph Highnam who is not paid a director's fee, are as follows:

- Chairman - \$90,000 per annum;
- Non-Executive Director - \$50,000\* per annum;
- Audit Committee Chair – an additional \$20,000 per annum;
- Risk Committee Chair – an additional US\$10,000 per annum;
- Remuneration and Nomination Committee Chair – no additional fee.

\* Except in the case of Mr. Pavlidis and Ms. Lindgren who receive US\$40,000 per annum and Mr. Diddams who receives an additional \$10,000.

Please note that all director's fees have been reduced by 20% from 1 April 2020, due to COVID-19. These reductions will be in place until such time as trading conditions improve.

The Independent Chairs of the Audit Committee and Risk Committee were appointed as directors in October 2015 and January 2020 respectively. The Independent Chair of the Remuneration Committee was appointed as a director in March 2018.

The following option grants under the legacy and new option schemes, to executive and non-executive directors, were disclosed in the prospectus, prior to listing on the ASX and such additional grants which have been disclosed in the applicable ASX notifications:

- to Mr. Roger Allen, Chairman – Options to purchase 300,000 Shares;
- to Mr. Ralph Highnam – Options to purchase 2,548,336 and 600,000 Shares;
- to Sir John Michael Brady (retired during the year) – Options to purchase 300,000 Shares;
- to Mr. John Pavlidis – Options to purchase 451,872 Shares; and
- to Mr. John Diddams – Options to purchase 1,320,000 Shares.

A further 450,000 share options were issued to Paul Reid upon his appointment as an independent director on 22 March 2018, and subsequently ratified at the AGM in August 2018. A further 450,000 share options were issued to Monica Saini upon her appointment as an independent director on 23 August 2018. A further 450,000 options were issued and ratified at the AGM in August 2019 to both Mr. Diddams and Mr. Pavlidis. These were all issued in line with the New ESOP's terms as outlined in the initial prospectus and subsequently amended and ratified by shareholders at the AGM in August 2019. Ms. Lindgren is proposed to receive 450,000 subject to shareholder ratification at the AGM to be held in August 2020.

No other fees are currently paid to the non-executive directors. Directors may however be reimbursed for travel and other expenses incurred in attending to the Company's affairs.

### **Recommendation 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.*

The Company's Securities Trading Policy prohibits participants in the Company's share option plans or who otherwise hold securities in the Company from engaging in any conduct that seeks to limit the economic risk attached to the relevant securities. Please refer to the policy for further details.

A copy of the Securities Trading Policy is available at [www.volparasolutions.com/investor-information/corporate-governance/](http://www.volparasolutions.com/investor-information/corporate-governance/)