



HEALTHIA LIMITED ACN 626 087 223 (“Healthia”)

CORPORATE GOVERNANCE STATEMENT | For the year ended 30 June 2021

The governance measures adopted by the board of directors of Healthia (“Board”) reflect the Board’s endorsement of the recommendations contained in the ASX Corporate Governance Council’s Principles and Recommendations, 4th edition (the “Principles”). This Corporate Governance Statement discloses the extent to which Healthia complies with the Principles and if it does not, why not. The commentary addresses the reasons for any departure from the requirements and the following table has been used to summarise the status of Healthia’s compliance with the Principles:

This Corporate Governance Statement was approved by the Board and is current as at 30 August 2021. The statement and information identified therein are available on Healthia’s website at <https://investors.healthia.com.au/investor-centre/?page=corporate-governance>

ASX Recommendation		Compliant with ASX Recommendation	Commentary
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (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.	Yes	The Board has outlined in the Board Charter, the Board’s roles and responsibilities and has established a clear distinction between its functions and those delegated to management. Members of the management team are provided with clear position descriptions and operate under a delegation of authority policy adopted by the Board. A copy of <i>Board Charter</i> is located at https://investors.healthia.com.au/investor-centre/?page=corporate-governance
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and	Yes	Any director that is being considered for appointment to the Board is subject to appropriate checks prior to their appointment including criminal records checks, bankruptcy checks, disqualified person checks and background checks to verify their educational and employment history.

	(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.		Healthia provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director at general meetings.												
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	All directors and senior executives have written agreements with Healthia setting out the terms and conditions of their appointment.												
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.	Yes	Healthia's company secretary is accountable directly to the Board, through the Chairperson on all matters to do with the proper functioning of the Board.												
1.5	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) 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. 	Yes	<p>Healthia's <i>Diversity and Inclusion Policy</i> is located at https://investors.healthia.com.au/investor-centre/?page=corporate-governance</p> <p>Healthia's Nomination and Remuneration Committee resolved to set the below diversity targets during the financial year 2021.</p> <table border="1"> <thead> <tr> <th>Measurable Objective</th> <th>Target</th> <th>Result for FY21</th> </tr> </thead> <tbody> <tr> <td>Proportion of females employed within the supervisory and management group of Healthia</td> <td>Greater than or equal to 40%</td> <td>33%</td> </tr> <tr> <td>Proportion of females employed by Healthia</td> <td>Greater than or equal to 50%</td> <td>68% - Objective achieved for FY21</td> </tr> <tr> <td>Board gender targets</td> <td>At least 30% of Non-Executive Directors are female</td> <td>33%</td> </tr> </tbody> </table>	Measurable Objective	Target	Result for FY21	Proportion of females employed within the supervisory and management group of Healthia	Greater than or equal to 40%	33%	Proportion of females employed by Healthia	Greater than or equal to 50%	68% - Objective achieved for FY21	Board gender targets	At least 30% of Non-Executive Directors are female	33%
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Board gender targets	At least 30% of Non-Executive Directors are female	33%													

	If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.		
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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes	Healthia confirms that a Board evaluation and skill review is being undertaken in the second half of the 2021 calendar year which will provide more useful insights given the appointment of a new Executive Director (Colin Kangisser appointed 30 November 2020). The results of this evaluation and review will be disclosed in Healthia's 2022 Annual Report or earlier as deemed appropriate by the Board.
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes	Healthia confirms that such evaluations have been undertaken for the financial year 2021 and further commentary on the remuneration structure and evaluation process is disclosed within the remuneration report on pages 19 to 25 of Healthia's 2021 Annual Report.
PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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	Yes	The Board has formed a Nomination and Remuneration Committee. A copy of the Nomination and Remuneration Committee Charter is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance The members of the Nomination and Remuneration Committee are: - Lisa Dalton (Independent Non-Executive Committee Chair); - Paul Wilson (Independent Non-Executive Committee Member); and - Glen Richards (Non-Independent Non-Executive Committee Member). The number of Nomination and Remuneration Committee meetings held is disclosed on page 18 of Healthia's 2021 Annual Report.

	<p>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>		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	No	<p>The Board has been structured to comprise experienced directors and executives with a broad and diverse range of business experience and has appointed the Nomination and Remuneration Committee to make recommendations to the Board to ensure the most appropriate mix of skills, expertise and experience to effectively govern the Group.</p> <p>Healthia confirms that a Board evaluation and skill review is being undertaken in the second half of the 2021 calendar year. The results of which will be disclosed in Healthia's 2022 Annual Report or earlier as deemed appropriate by the Board. At such time, Healthia will also disclose a board skills matrix setting out the mix of skills that the Board currently has and/or is looking to achieve.</p>
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, affiliation 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 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>	Yes	<p>The independent directors are considered to be Lisa Dalton and Paul Wilson.</p> <p>Chairperson, Glen Richards is not deemed to be independent given he is a Substantial Shareholder of Healthia; however, the Board believes Glen Richards always brings independent thought and judgement when making decisions.</p> <p>The appointment dates for the directors are set out below. All directors remain directors of Healthia as at the date of this statement:</p> <ul style="list-style-type: none"> - Glen Richards: appointed as director of Healthia Limited on 10 May 2018 - Lisa Dalton: appointed as director of Healthia Limited on 10 May 2018 - Paul Wilson: appointed as director of Healthia Limited on 10 May 2018 - Anthony Ganter: appointed as executive director of Healthia Limited on 10 May 2018 - Darren Stewart: appointed as executive director of Healthia Limited on 10 May 2018 - Wesley Coote: appointed as managing director of Healthia Limited on 29 April 2019

			- Colin Kangisser: appointed as executive director of Healthia Limited on 1 December 2020
2.4	A majority of the board of a listed entity should be independent directors.	No	<p>Healthia has departed from Recommendation 2.4 by having a Board which comprises of 2 independent directors and 5 directors who are deemed to not be independent. Healthia does not consider this departure to be materially detrimental to the Group and concluded that non-executive Director, Glen Richards, brings experience, objective and unbiased judgement to the Board's deliberations and that the executive Directors (Wesley Coote, Darren Stewart, Anthony Ganter and Colin Kangisser) provide a deep understanding of the podiatry, physiotherapy and optometry industries.</p> <p>Chairperson, Glen Richards is not deemed to be independent given he is a Substantial Shareholder of Healthia.</p> <p>Healthia will continue to assess the Board composition and if deemed appropriate will make any necessary changes to ensure effective governance of the Group.</p>
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.	No	<p>While the Chairperson, Glen Richards, is not the same person as CEO of Healthia (being Wesley Coote), Healthia has departed from Recommendation 2.5 in that the Chairperson is not deemed to be independent given he is a Substantial Shareholder of Healthia.</p> <p>The Board does not consider this departure to be materially detrimental to the Group and concluded that Glen Richards is not charged with the management of the Group and there is appropriate separation between himself and those responsible for the management of the Group. Furthermore, he brings experience, objective and unbiased judgement to the Board's deliberations.</p>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	All non-executive directors were inducted into the business of Healthia prior to accepting their appointment and have received continuing information on Healthia and its operations since being appointed. Directors are given regular presentations and business updates by management. Any new director would be given the same induction programme which consists of key documents, meetings with the managing director and senior executives and visits to operating sites.

PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

3.1	A listed entity should articulate and disclose its values.	Yes	Healthia has articulated its values on its Website. Located at: https://www.healthia.com.au/our-philosophies/
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	Healthia has adopted a Code of Conduct, which is located at https://investors.healthia.com.au/investor-centre/?page=corporate-governance Monthly reports to the Board are expected to highlight any material breaches of the Code
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	Healthia has adopted a Whistleblower policy and a copy is located at https://investors.healthia.com.au/investor-centre/?page=corporate-governance Monthly reports to the Board are expected to highlight any material incidents reported under the Whistleblower Policy
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	No	Healthia is currently in the process of developing the anti-bribery and corruption policy. Healthia commits to publishing the policy before release of Healthia's 2022 Annual Report.

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY IN CORPORATE REPORTS

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	Yes	The Board has formed an Audit and Risk Committee. A copy of the <i>Audit & Risk Committee Charter</i> is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance The members of the Audit and Risk Committee are: - Paul Wilson (Independent Non-Executive Committee Chair); - Lisa Dalton (Independent Non-Executive Committee Member); and - Glen Richards (Non-Independent Non-Executive Committee Member). The relevant qualification and experience of the members of the Audit and Risk Committee are disclosed on pages 16 to 18 of Healthia's 2021 Annual Report.
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	<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>		The number of the Audit and Risk Committee meetings is disclosed on page 18 of Healthia's 2021 Annual Report.
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.	Yes	The Board has received such a declaration from both the CEO and CFO in respect of the financial records and information of the business operated by Healthia for the period ended 30 June 2021 and this sign off forms part of the Board's process prior to adoption of the financial statements.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	Healthia undertakes a process of verification, typically in conjunction with external legal or financial advisors as appropriate, for price sensitive reports which have not been audited or reviewed by an external auditor
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	Healthia has established a written <i>Market Disclosure and Communications Strategy Policy</i> to ensure compliance with ASX listing Rule disclosure requirements.

			A copy of the <i>Market Disclosure and Communications Strategy</i> policy is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Healthia's Board of directors is immediately sent all market announcements after release on the Company's Announcement Platform.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Healthia has established a written <i>Market Disclosure and Communications Strategy Policy</i> to ensure compliance with ASX listing Rule disclosure requirements at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance Healthia communicates presentation and presentation materials through the ASX announcement platform and the Investor centre at https://investors.healthia.com.au/investor-centre
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about Healthia and its governance is available on the Healthia website at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	Healthia maintains an up to date website that contains information about Healthia and its business. Healthia has engaged Principle IR to assist with effective two-way communications with its investors.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	Healthia's <i>Market Disclosure and Communications Strategy policy</i> sets out the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. A copy of Healthia's <i>Market Disclosure and Communications Strategy policy</i> is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	Healthia complies with this recommendation and poll results for Healthia's AGM were released via an ASX announcement on 30 November 2020.

6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	All shareholders of Healthia are able to communicate with Healthia and its share registry electronically and this method of communication is encouraged.
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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> <ol style="list-style-type: none"> (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 <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>	Yes	<p>The Board has established an Audit and Risk Committee. A copy of the <i>Audit & Risk Committee Charter</i> is located at:</p> <p>https://investors.healthia.com.au/investor-centre/?page=corporate-governance</p> <p>The members of the Audit and Risk Committee are:</p> <ul style="list-style-type: none"> - Paul Wilson (Independent Non-Executive Committee Chair); - Lisa Dalton (Independent Non-Executive Committee Chair); and - Glen Richards (Non-Independent Non-Executive Committee Member). <p>The number of Audit and Risk Committee meetings is disclosed on page 18 of Healthia's 2021 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>	Yes	<p>The Board has appointed the Audit and Risk Committee to assist it with discharging its oversight function in respect of material business risks and to determine if the system of risk management is sound.</p> <p>The risk management framework of Healthia has been reviewed by the Audit and Risk Committee during the financial year 2021.</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>	Yes	Healthia does not have an internal audit function. Healthia is of the view that it is not cost effective to have an internal audit function at this point in time given the size of the business and the fact that Healthia is not a complex operating model.

	(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 governance, risk management and internal control processes.		<p>This decision will, however, be kept under review. The Board works with management to review the management assurance function, to provide assurance to the Board on the effectiveness of internal controls and to recommend improvements to those controls. Where necessary independent third parties are requested to undertake audits of specific parts of the business (such as cyber security).</p> <p>Healthia's processes for evaluating and improving the effectiveness of its risk management and internal control processes is contained in its <i>Audit & Risk Management Committee Charter</i> a copy of which is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance</p>
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	Healthia has considered Recommendation 7.4 and, to the best of its knowledge, does not believe there to be any material exposure to environmental or social risks.
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (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 <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</p>	Yes	<p>The Board has established a Nomination and Remuneration Committee. A copy of the <i>Nomination and Remuneration Committee Charter</i> is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance</p> <p>The members of the Nomination and Remuneration Committee are:</p> <ul style="list-style-type: none"> - Lisa Dalton (Independent Non-Committee Chair), - Paul Wilson (Independent Non-Committee Member); and - Glen Richards (Non-Independent Non-Executive Committee Member). <p>The number of Nomination and Remuneration Committee meetings is disclosed on page 18 of Healthia's 2021 Annual Report.</p>

	that such remuneration is appropriate and not excessive.		
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.	Yes	A copy of the <i>Nomination and Remuneration Committee Charter</i> is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance Detail of remuneration for non-executive directors, executive directors and other senior executives is detailed in the remuneration report on pages 19-25 of Healthia's 2021 Annual Report.
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.	Yes	Healthia has adopted a <i>Securities Trading Policy</i> a copy of which is located at: https://investors.healthia.com.au/investor-centre/?page=corporate-governance Healthia complies with Recommendation 8.3(b) and a summary of the relevant clause is as follows: <i>"The purchase or creation of Hedge and/or Derivatives attached to or based on Company Securities is not allowed – Employees and Directors must not use, or allow to be used, any Derivatives or other products which operate to limit the economic risk of Company Securities that are unvested or vested but subject to disposal restrictions."</i>
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable	Healthia does not have a director in this position and this recommendation is therefore not applicable.
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable	Healthia is established in Australia and this recommendation is therefore not applicable.

9.3	A listed entity established outside Australia, and an externally managed 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.	Not applicable	Healthia is established in Australia and is not an externally managed listed entity and this recommendation is therefore not applicable.
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