

EBR SYSTEMS, INC. (ARBN 654 147 127) (“COMPANY”)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the extent to which the Company currently follows or will follow, as at the admission of the Company to the official list of ASX, the recommendations set out by the ASX Corporate Governance Council’s 4th edition Corporate Governance Principles and Recommendations.

	Recommendations	Compliance	Comment
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.	Complies	The Company’s Board Charter sets out the specific roles and responsibilities of the Board and management, including those matters expressly reserved to the Board and those delegated to management.
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 (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.	Complies	The Board intends to undertake appropriate background checks before appointing a new director or senior executive, 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). Backgrounds checks have been undertaken in respect of all current directors. The Company will seek to 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.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The Company has written appointment letters or agreements with each director and senior executive individually, setting out the terms 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.	Complies	The Company has a company secretary based in the United States, Mr John Sellers, as well as an Australian company secretary, Mr Brendan Case, who will both be accountable directly to the Board, through the Chair. The Australian company secretary will also be the Company’s representative for the purposes of ASX Listing Rule 12.6.

Recommendations	Compliance	Comment
<p>1.5 A listed entity should:</p> <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. 	<p>Complies in part</p>	<p>The Company's Diversity Policy applies to all directors, senior executives and employees and certain third parties representing the Company (such as consultants and contractors). It is available on the Company's website.</p> <p>The Company currently only has a small number of employees. When appropriate having regard to its scale and resources, the Company intends to:</p> <ul style="list-style-type: none"> (a) establish appropriate and measurable objectives for achieving gender diversity; and (b) annually review and assess both the measurable objectives for achieving gender diversity and the Company's progress in achieving them.
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> (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. 	<p>Will comply from listing</p>	<p>The Board will adopt and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors.</p> <p>After the end of each reporting period, the Company will disclose whether such an evaluation has taken place.</p>

	Recommendations	Compliance	Comment
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	Complies	<p>Under the Company's Board Charter, the Board is responsible for the evaluating the performance of the Chief Executive Officer and executives.</p> <p>After the end of each reporting period, the Company will disclose whether such an evaluation has taken place.</p>
2	Structure the Board to be effective and add value		
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,</p> <p>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>	Complies in part	<p>The Board has a Nomination and Remuneration Committee, which has four members: Karen Drexler (Chair), Allan Will, Chris Nave and Trevor Moody. Whilst the Nomination and Remuneration Committee is chaired by an independent director and three of the four members are non-executive directors, a majority of the members (Mr Will, Dr Nave and Mr Moody) are not independent directors. The Board considers the composition of the Nomination and Remuneration Committee to be appropriate given the Company's stage of development.</p> <p>The qualifications and experience of the members of the committee are contained in Section 7.1 of the Prospectus.</p> <p>The Nomination and Remuneration Committee Charter will be available on the Company's website. After the end of each reporting period, the Company will disclose the number of times the committee met through the period and the individual attendances of the members at those meetings.</p>
2.2	<p>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.</p>	Will comply following listing	<p>Section 7.1 of the Prospectus discloses the mix of skills and diversity of the current Board. The Board will look to formalise a skills matrix before its first annual stockholders' meeting.</p>

Recommendations	Compliance	Comment
<p>2.3 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 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>	Complies	<p>The Board considers that Bronwyn Evans, David Steinhaus and Karen Drexler are independent directors. These directors do not have any interest, position, association or relationship of the type described in Box 2.3 of the Corporate Governance Principles and Recommendations.</p> <p>The length of service of each director is disclosed in Section 7.1 of the Prospectus.</p> <p>The Board will disclose the length of service of each director in the corporate governance statement to be released after the end of each reporting period.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	Does not comply	<p>Three of the seven members of the Board are independent directors. While the majority of the Board is not comprised of independent Directors, the Board believes that each of the non-independent Directors (Allan Will, John McCutcheon, Chris Nave and Trevor Moody) make an invaluable contribution to the Company through their deep understanding of the business. Dr Nave and Mr Moody are also non-executive directors. Consequently, having considered the Company's immediate requirements as it transitions to an ASX-listed company, the Board believes that the composition of the Board reflects an appropriate range of skills, expertise and experience for the Company after listing.</p>
<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.</p>	Partially complies	<p>The Chair of the Board, Mr Allan Will, is not an independent director. However, the Board considers Mr Will to presently be the most appropriate person to serve as Chair given the size of the Board and the Company's stage of development, as well as Mr Will's extensive knowledge of the Company and its industry. Mr Will does not serve in the capacity of CEO of the Company.</p>
<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.</p>	Will comply following listing	<p>The Company will establish a formal program for inducting new directors in advance of any new directors joining the Board. In addition, the Company is prepared to provide professional development options to directors reasonably requested by directors.</p>

Recommendations		Compliance	Comment
3	Instil a culture of acting lawfully, ethically and responsibly		
3.1	A listed entity should articulate and disclose its values	Complies	The Company discloses its values in its Code of Conduct which will be available on its website. The senior executive team will be charged with the responsibility of inculcating those values across the business.
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.	Complies	The Company's Code of Conduct applies to directors, senior executives and employees. It will be available on the Company's website and will be included as part of the induction process for new directors, senior managers and employees. The Code of Conduct requires that material breaches are notified to the Board.
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.	Complies	The Company's Whistleblower Policy for accounting and auditing matters applies to all directors, senior executives and employees and certain third parties interacting with the Company. It will be available on the Company's website and requires that all material incidents are reported to the Board.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Complies	The Company's Anti-Bribery and Anti-Corruption Policy applies to all directors, senior executives and employees and certain third parties acting for or on behalf of the Company. It will be available on the Company's website and requires that all material breaches of the policy are reported to the Audit and Risk Committee or the Board.

	Recommendations	Compliance	Comment
4	Safeguard the integrity of corporate reports		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (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, <p>and disclose:</p> <ul style="list-style-type: none"> (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 <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>	Complies	<p>The Board has an Audit and Risk Committee which has three members: Dr Bronwyn Evans (Chair), Dr Chris Nave and Dr David Steinhaus. All three members are non-executive directors and a majority (Dr Evans and Dr Steinhaus) are independent directors.</p> <p>The chair of the Audit and Risk Committee is Dr Bronwyn Evans, who is an independent director and not the Chair of the Board. The qualifications and experience of the members of the committee are contained in Section 7.1 of the Prospectus.</p> <p>The Audit and Risk Committee Charter will be available on the Company's website. After the end of each reporting period, the Company will disclose the number of times the committee met through the period and the individual attendances of the members at those meetings.</p>

Recommendations	Compliance	Comment
<p>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.</p>	<p>Will comply (applying the US concepts where necessary)</p>	<p>Before it approves the Company's financial statements for a financial period, the Board will seek from its Chief Executive Officer and Chief Financial Officer 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 fair and accurate 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 Company is giving a "fair and accurate" view, which is appropriate as the Company applies the accounting principles generally accepted in the United States and further, the declaration of 'true and fair' standard is a Corporations Act requirement that does not apply to the Company because it is incorporated outside of Australia.</p>
<p>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.</p>	<p>Complies</p>	<p>The Company's external auditor will be invited to attend the annual meeting of stockholders and will be available to answer questions from security holders relevant to the audit at the annual general meetings.</p>
<p>5 Make timely and balanced disclosure</p>		
<p>5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>Complies</p>	<p>The Company's Continuous Disclosure Policy will be available on the Company's website.</p>
<p>5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>Complies</p>	<p>The Company's Continuous Disclosure Policy charges the ASX Representative with responsibility for providing copies of all material market announcements to the Board promptly after they have been made.</p>
<p>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.</p>	<p>Complies</p>	<p>The Company's Continuous Disclosure Policy requires that if the Company gives a new and substantive investor or analyst presentation, it must release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>
<p>6 Respect the rights of security holders</p>		

Recommendations		Compliance	Comment
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company's website contains information about the Company and its governance.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Complies	The Company's website contains information about the Company and its governance. The website also contains the Company's contact details should investors wish to contact the Company.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Complies (or will comply)	The Company's Continuous Disclosure Policy sets out the Company's policies and the processes it has in place to facilitate and encourage participation at meetings of security holders.
6.4	A listed entity should ensure that all substantive resolutions of a meeting of security holders are decided by a poll rather than by a show of hands.	Complies	All stockholder resolutions will be undertaken in accordance with the Company's amended and restated bylaws, amended and restated certificate of incorporation, Delaware law and the ASX Listing Rules. Resolutions will not be determined by a show of hands; rather every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share held by such stockholder.
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.	Complies (or will comply)	The Company's contact details are available on its website. Securityholders can submit an electronic query to the Company via its investor website or contact its registry, Computershare, from the time of the Company's listing on ASX. All CDI holders will have the option to receive communications by email.

	Recommendations	Compliance	Comment
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> <ul 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, <p>and disclose:</p> <ul style="list-style-type: none"> (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>	Complies	Please refer to response to recommendation 4.1.
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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Complies	<p>The Audit and Risk Committee is responsible for reviewing the Company's risk management framework at least annually to assess whether it continues to be sound. The Company's Risk Policy is required to be reviewed annually.</p> <p>After the end of each reporting period, the Company will disclose whether such a review has taken place.</p>

	Recommendations	Compliance	Comment
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 governance, risk management and internal control processes.</p>	Will comply from listing	After the end of each reporting period, the Company will disclose the matters required by recommendation 7.3.
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.	Complies	Section 4 of the Prospectus discloses the Company's exposures to economic risks (so far as is material to investors). The Company is not subject to material environmental or social risks.
8	Remunerate fairly and responsibly		
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,</p> <p>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>	Complies in part	Please refer to response to recommendation 2.1.

	Recommendations	Compliance	Comment
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.	Complies	Section 7.4 of the Prospectus sets out the remuneration of the Company's executive and non-executive directors and its senior executives. The Nomination and Remuneration Committee will review and make recommendations to the Board regarding the policy for remunerating non-executive directors, executive directors and other executives.
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>	Complies	<p>The Company has a Securities Trading Policy which prohibits all participants in an approved share or option plan or who otherwise hold securities in the Company which are subject to performance or other vesting conditions or escrow from engaging in any conduct that seeks to secure the economic value attaching to the relevant securities and remove the element of price risk inherent in the value of those securities, while the securities remain unvested or subject to escrow. Please refer to the policy for further details.</p> <p>The Securities Trading Policy is available on the Company's website.</p>
9	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.	Will comply but not currently applicable	Not applicable to the Company's current directors.
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Will comply	The Company intends on holding its future meetings of security holders in Australia, and in any event, at a reasonable place and time for its security holders.
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.	Will comply	The Company's external auditor will be invited to attend the annual meeting of stockholders (either in person or by telephone) and will be available to answer questions from security holders relevant to the audit at the annual general meetings.