

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Avecho Biotechnology Limited

ABN/ARBN

32 056 482 403

Financial year ended:

31 December 2023

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://avecho.com.au/investor-centre/>

The Corporate Governance Statement is accurate and up to date as at 29 February 2024 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 29 February 2024

Name of authorised officer authorising lodgement: Melanie Leydin

¹ "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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://avecho.com.au/investor-centre/	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(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</p> <p>(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> <p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://avecho.com.au/investor-centre/ and we have disclosed the information referred to in paragraph (c) at: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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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>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>https://avecho.com.au/investor-centre/ in 2023 Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>https://avecho.com.au/investor-centre/ 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 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, 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>We have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at:</p> <p>https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>https://avecho.com.au/investor-centre/ 2023 Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at:</p> <p>https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement and the length of service of each director at:</p> <p>https://avecho.com.au/investor-centre/ 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://avecho.com.au/investor-centre/	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://avecho.com.au/investor-centre/	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://avecho.com.au/investor-centre/	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 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> <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>We have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</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><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://avecho.com.au/investor-centre/	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://avecho.com.au/investor-centre/	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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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> <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>We have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</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 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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out 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 governance, risk management and internal control processes.</p>	<p>We have disclosed 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 at:</p> <p>https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks and, if we do, how we manage or intend to manage those risks at: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement and 2023 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement

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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> <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>We have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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>	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: https://avecho.com.au/investor-centre/ in 2023 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: https://avecho.com.au/investor-centre/ in the 2023 Corporate Governance Statement and Securities Trading Policy</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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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.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



2023 Corporate Governance Statement

The Board of Avecho Biotechnology Limited (**Company** or **Avecho**) is responsible for the overall corporate governance of the Group. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website <http://avecho.com.au/investor-centre/>, including the 2023 Annual Report.

This Statement is current as at 29 February 2024 and has been approved by the Board of Directors of Avecho Biotechnology Limited.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 – Role of the Board and Management

The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Group's affairs. The Board aims to protect and enhance the interests of its shareholders, while considering the interests of other stakeholders, including employees, suppliers, and the wider community.

The Board has a formal Board Charter which is available on the Company's website at <http://avecho.com.au/investor-centre/> that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

The Board delegates responsibility for the day-to-day management of the Company and its business to the Chief Executive Officer (**CEO**), Dr Paul Gavin. The CEO is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities. The Board retains ultimate responsibility for strategy, control, and risk profile of the Company. The specific responsibilities of the CEO are outlined in the Board Charter which is available at <http://avecho.com.au/investor-centre/>.

Recommendation 1.2 – Appointment of Directors

The Company has guidelines for the appointment and selection of the Board which require the Company to undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director.

Shareholders are provided with all material information relevant to a decision on whether or not to elect or re-elect a Director and they are provided to security holders through a number of channels, including via the Notice of Meeting and other information contained in the 2023 Annual Report.

Recommendation 1.3 – Appointment Terms

Each director and senior executive are party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment, including the remuneration entitlement, declaration of any conflicts of interest as and when they arise, and performance requirements. Officeholders also receive a deed of indemnity, insurance, and access.

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Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2023 Annual Report.

Recommendation 1.4 – Company Secretary

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Company.

The Board and individual Directors have access to the Company Secretary. Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary. Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2023 Annual Report.

Details of the Company Secretary, including their experience and qualifications is set out in the Director's Report of the Company's 2023 Annual Report.

Recommendation 1.5 – Diversity Policy

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. The Company has implemented a Diversity Policy which can be viewed at <http://avecho.com.au/investor-centre/>.

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 31 December 2023 was as follows:

	Whole organisation	Board	Senior Executive
Total	11	3	3
Female	4	0	2
% Female	36.36%	0%	66.67%

The Board has set the following diversity objectives for 2023 and updates thereon have been reported in the table below. Due to the current size and composition of the Company, the Board does not consider it appropriate to provide measurable objectives and decided to maintain the same diversity objectives for 2024.

Objectives for FY23 and FY24	Status as at 31 December 2023
To cultivate an inclusive workplace of fairness and equality which fosters the unique skills and talents of a diverse range of people	<p>There were no further additions to the staff numbers at Avecho during 2023. The small team responsible for the day-to-day research and operations of the company has significant diversity across gender, ethnicity and religious backgrounds.</p> <p>The Company's C-suite comprises of two females (COO, Company Secretary/CFO) and one male (CEO).</p>
To encourage diversity in skill set, experience, qualifications, and age of our workforce. With a diverse mix of professionals, we will continue to encourage diversity in hiring and sourcing of candidates.	<p>Beneath executive management, Avecho has 5 additional staff in the company, with 3 males and 2 females.</p> <p>As soon as practicable and when the opportunity presents itself, Board looks to appoint a female candidate with appropriate and complementary on the Avecho Board.</p>

2023 Corporate Governance Statement

Recommendation 1.6 – Board and Individual Directors Performance Assessment

The Nomination Committee function is undertaken by the full Board. The Board is committed to formally evaluate its performance and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

The Board's and individual Director's performance are assessed through the completion of a questionnaire / survey, the process of which is facilitated by the Company Secretary. The Company Secretary prepares a report to the Board, outlining the survey results. Based on this report, the Board considers and discusses any areas and actions for improvement. Based on this report, the Board considers and discusses any areas and actions for improvement.

The Company undertook an internal Board and individual Directors' assessment in June and July 2023. An analysis of the data collected indicated that the Board is functioning effectively against all its criteria. The Board is committed to its role and each Board member is committed to proactively support the Company and its stakeholders.

Recommendation 1.7 – Senior Executive Performance Assessment

The Company has a performance management program which includes annual assessments of senior executive performance. For further details please refer to the Remuneration Report as set out in the Company's 2023 Annual Report.

In addition, the Chair of the Board undertakes a one-on-one assessment with the CEO with respect to his individual performance. Senior executives' performance in relation to the financial year ended 31 December 2023 were reviewed in February 2024.

During the 2023 financial year, the CEO also conducted a performance review of senior executive staff.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 – Nomination Committee

The Company's Remuneration and Nomination Committee Charter provides for the establishment of a committee with at least three members, a majority of whom shall be independent Directors, and which must be chaired by an independent Director who will be appointed by the Board. The Remuneration and Nomination Committee Charter, which outlines the responsibilities of the Committee, is available on the Company's website at <http://avecho.com.au/investor-centre/>.

Due to the size of the existing Board and the magnitude of the Company's operations, the Company has not established a Nomination Committee. Pursuant to the Company's Remuneration and Nomination Committee Charter, the Board carries out the duties that would ordinarily be assigned to the Nomination Committee in accordance with the Charter of the Committee.

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 Board continuously monitors and assesses its requirements and determines whether, and when, any action is required.

Recommendation 2.2 – Board Skills Matrix

Our objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise, and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives. However, in line with the diversity objectives set out for the financial year 2023 (as outlined under Recommendation 1.5 of the 2023 Corporate Governance Statement), the Board will regularly assess mix of skills and experience on the Board and will endeavour to assist the Company in its next phase, in particular completion of the Phase 3 clinical trial and commercialisation.

2023 Corporate Governance Statement

The skills and experience represented in the Board and relevant to the Company's business at this stage are set out in the matrix below and following the Company's annual performance and skills review, it is satisfied that it meets expectations in all these categories:

Board Skills Matrix	Level of skills / experience
Board Experience Has extensive director experience in a range of listed companies.	High
Global Executive Management Has been successful in senior executive roles in global companies or equivalent experience in a range of business environments.	High
Strategy Has shown ability to identify and critically assess strategic opportunities and develop successful strategies.	High
Governance Has commitment to high standards of corporate governance.	High
Financial / Risk Management Has audit / risk management experience at Board or senior executive level in financial accounting and reporting, corporate finance and assessment of financial viability and planning.	High
Pharmaceutical Industry Experience Has senior executive experience in a large pharmaceutical or biotech organisation.	High
R&D / Product Development Has experience in research and development or product development within pharmaceutical or biotech organisation.	High
Business Development Has extensive knowledge of licencing and deal structures in the US and the rest of world.	High
Production Skills Has experience in manufacturing or quality operations of production facilities and global supply.	High
Regulatory Has knowledge of regulatory authority pathways in Australia, US and EMEA.	High
Clinical Experience A highly experienced executive scientific and clinical affairs professional with significant senior leadership managing the strategic direction and quality implementation of multifaceted, global clinical trials and programs.	High
Leadership knowledge and abilities Has an understanding of effective leadership principles and systems at organisational level.	High
Ethics and Integrity Has an understanding of the role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality and declare any conflicts.	High

Full details of each Directors' relevant skills and experience are set out in the Company's 2023 Annual Report.

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Recommendation 2.3 - Independent Directors

An independent director is a Non-Executive Director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the Director's terms of appointment, the *Corporations Act 2001*, and the Board Charter.

When appointing an independent director or reviewing the independence of its Directors, the Board will have regard to the definition of independent director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

The Board currently has three independent directors, Dr Gregory Collier, Dr Ross Murdoch, and Mr Matthew McNamara.

Since Dr Gregory Collier held the position of Executive Chair more than three years ago (appointed on 27 March 2019) and he resumed to his role as Non-Executive Chair on 1 May 2020, the Board is of the view that as from 1 May 2023, Dr Collier has satisfied the independence criteria outline in ASX's Recommendations and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgement as a Director, and he is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

The Board considered that the shares held by Horizon 3 Biotech in the Company, an entity in which Mr McNamara holds directorship and is also the Chief Investment Officer, would not materially interfere with, nor could they be reasonably perceived to interfere with, the independent exercise of Mr McNamara's judgement in his position as a Director of Avecho as proper procedures are in place to avoid any potential conflict of interest which may arise from Mr McNamara's roles at Horizon 3 Biotech with his position at Avecho. Mr Matthew McNamara is otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgement as a Director, and he is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

The Board also considered Dr Ross Murdoch to be an independent Director of the Company. His Managing Director and CEO role with the Company more than three years ago along with his contractual relationship with the Company through Extractas Bioscience (to supply specific natural medicinal cannabis products to Avecho) were considered not to materially interfere with, nor could they be reasonably perceived to interfere with, the independent exercise of Dr Murdoch's judgement in his position as a Director of Avecho. Dr Murdoch is otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgement as a Director, and he is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

The Board's assessment of each current Director is set out below:

Director	Position	Date of Appointment	Status
Dr Greg Collier	Non-Executive Chair	13 April 2015	Independent
Dr Ross Murdoch	Non-Executive Director	13 April 2015	Independent
Mr Matthew McNamara	Non-Executive Director	13 January 2020	Independent

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Recommendation 2.4 - Majority to be Independent Directors

As at the date of this Statement, all three Directors of the Company are deemed independent directors. The current Board composition reflects an appropriate balance of skills, expertise, and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders. The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure the independent thought and decision making.

The composition of the Board is reassessed annually to ensure that the Board is able to meet the needs of the Company. Further information regarding our Directors, including their experience and qualifications, is set out in the Directors' Report of the Company's 2023 Annual Report.

Recommendation 2.5 - Board Chair

Dr Gregory Collier is an independent Non-Executive Director and is the Chairman of the Board. The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. The role of CEO is currently being fulfilled by Dr Paul Gavin and the Board Charter recommends that, where practical, the CEO should not be the Chair of the Company.

The Board recognises that the role of the Chair should be fulfilled by an independent Director, however the Company's current size dictates that this is the most efficient mode of operation at the current time. The role of the Chair has been outlined in the Board Charter, available on the Company's website at <http://avecho.com.au/investor-centre/>.

The current Board composition reflects an appropriate balance of skills, expertise, and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders. The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure independent thought and decision making.

The Board will consider the Recommendations in assessing any future changes in board composition.

Recommendation 2.6 - Induction, Education and Training

In accordance with the Company's Board Charter, the Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.

New Directors are provided with copies of all relevant documents and policies governing the Company's business, operations, and management, at the time of joining the Board. All Directors are provided, as and when required, with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge. Directors are also encouraged to personally undertake appropriate training and refresher courses as appropriate to maintain the skills required to discharge their obligations to the Company.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 - Statement of Vales

The Company's values are the guiding principles and norms that define what type of organisation Avecho aspires to be and what it requires from its Directors, employees, and related parties. The Company's core values are outlined below:

- **We learn fast, move faster.** In a fast-moving industry, we're always a step ahead. We thrive on new challenges. And we learn from old mistakes. We move at start-up speed to optimise and enhance. Because we know that fast turnarounds matter.
- **Smarter Science.** We're scientists. Driven to explore, innovate and co-create medicines with scientific integrity and market power. Strategic thinkers who understand that science is only as good as the opportunities it brings. We've spent over a decade optimising our platform to ensure it can be exploited to optimise product safety, quality and efficacy.



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- **Fearlessly First.** We're not afraid to take the lead. Take smart risks. Explore new territory. Or do things differently. We boldly go where others don't, investing in trials and research to enhance medicines in new and exciting ways to deliver world-first innovation in areas of unmet need.
- **Collaborate to innovate.** We believe in the power of partnerships to fuel innovation. We collaborate to co-create. To enhance what you have. And deliver ground-breaking solutions to some of the world's most urgent medical problems.

Recommendation 3.2 - Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct.

Accordingly, the Board has adopted a Code of Conduct designed to:

- provide a framework for decisions and actions in relation to ethical conduct in employment;
- support the Company's business reputation and corporate image; and
- make Directors' and employees aware of the consequences if they breach the Code of Conduct.

The Code of Conduct can be found on the Company's website at <http://avecho.com.au/investor-centre/>.

The key aspects of this code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of shareholders;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices;
- act in an appropriate business-like manner when representing the Company in public forums; and
- use the Company's resources and property properly.

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy, and security of information.

Recommendation 3.3 – Whistleblower Policy

The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised at each Board Meeting.

The Whistleblower Policy is available on the Company's website at <http://avecho.com.au/investor-centre/>.

Recommendation 3.4 – Anti-bribery and Corruption Policy

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed in maintaining high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised, and reviewed at each Board Meeting.

The Anti-Bribery and Corruption Policy is available on the Company's website at <http://avecho.com.au/investor-centre/>.



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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 – Audit Committee

The Company's Audit and Risk Committee Charter provides for the establishment of an Audit and Risk Committee (if it is considered that it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair of the Board. The Audit and Risk Committee Charter can be found on the Company's website at <http://avecho.com.au/investor-centre/>.

The Company does not intend to have an Audit and Risk Committee as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter, including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:

- the Board devoting time at Board meetings to fulfil the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and
- all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

Recommendation 4.2 - Assurances

The CEO and Chief Financial Officer (**CFO**) provide an annual declaration to the Board prior to the Board's approval of the Company's full year financial results. This process was followed for the 2023 full year financial results, where the CEO and CFO provided a declaration to the Board that, in their opinion, the financial records have been properly maintained and that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Company, and their opinion had been formed on the basis of a sound system of risk management and internal control which is operating effectively. On this basis, the 2023 full year financial results were approved by the Board.

Recommendation 4.3 - Verification of integrity of periodic corporate reports

The Company's external auditor, Grant Thornton, attends the Company's AGM and a representative is available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

Grant Thornton's independence declaration is contained in the Directors' Report in the Company's 2023 Annual Report. The effectiveness, performance and independence of the external auditor is reviewed annually by the Board.

Any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. Following review by the Board of Directors the report is formally approved prior to release.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Continuous Disclosure Policy

We are committed to provide information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

To comply with these obligations, the Company has adopted a Continuous Disclosure Policy found on the Company's website <http://avecho.com.au/investor-centre/>. This Continuous Disclosure Policy sets out the key obligations of directors and employees in relation to the Company's continuous disclosure requirements.

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The Board has overarching responsibility for compliance with continuous disclosure obligations. Board approval is required for certain key matters (as set out in the Continuous Disclosure Policy) and matters may be referred to the Board for approval by the CEO or the Company Secretary. The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with the Company's Securities Trading Policy. In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company's website includes a link to all information disclosed to the ASX.

Recommendation 5.2 – Provide Board with copies of all material market announcements

The Company ensures that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

Recommendation 5.3 - Investor Presentations

In accordance with the recommendation, the Company ensures that all substantive presentations are released to the market to enable security holders the opportunity to participate in the presentation. The Company also maintains an investor page on its website to provide shareholders with links to annual and interim reports, ASX announcements, presentations, and other key information.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: Information and Governance

Information about the Company and its corporate governance policies is available on the Company's website, <http://avecho.com.au/investor-centre/>. The investor page on our website also provides shareholders with links to annual and interim reports, ASX announcements, presentations, and other key information.

Recommendation 6.2 - Investor Relations

We endeavour to communicate with shareholders and other stakeholders in an open, regular, and timely manner so that the market has sufficient information to make informed investment decisions. The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors and outlines a range of ways in which information is communicated to shareholders.

Through its shareholder communications, the Company aims to provide information that will allow existing shareholders, potential shareholders, and financial analysts to make informed decisions about the Company's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

The Company's investor relations program includes:

- issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on the Company's website including posting all announcements after they have been disclosed to the market;
- promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Company.

The Company's Shareholder Communication Policy regarding which information is communicated to shareholders can be found on the Company's website at <http://avecho.com.au/investor-centre/>.

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Recommendation 6.3 - Shareholder Meeting Participation

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form, and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company provides an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable the Company's external auditor.

Recommendation 6.4 - All substantive resolutions at a security holder meeting are decided by poll

In order to ascertain the true will of the Company's security holders attending and voting at its security holder meetings, whether they attend in person, electronically or by proxy or other representative, the Company will conduct the voting procedure by a poll.

Recommendation 6.5 - Electronic Communication with Shareholders

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry electronically. Shareholders can also send their communications to the Company on its <http://avecho.com.au/investor-centre/>.

Shareholders may also send their communications to the share registry electronically through one of its means of communication available on <https://www.computershare.com/au/Pages/contact-us.aspx>.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1 - Risk Committee

The Company's Audit and Risk Committee Charter provides for the establishment of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair of the Board. The Audit and Risk Committee Charter can be found on our website at <http://avecho.com.au/investor-centre/>.

The Company does not intend to have an Audit and Risk Committee as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter, including the Board devoting time at Board meetings to fulfil the roles and responsibilities associated with overseeing risk and maintaining the Company's risk management framework and associated internal compliance and control procedures.

Recommendation 7.2 - Risk Management Framework

The Company's risk management framework is supported by the Board of Directors and by Management. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. The CEO is responsible for monitoring and ensuring that appropriate processes and controls are in place to manage risk effectively and efficiently. The CEO is also responsible for monitoring compliance with and the effectiveness of risk management systems and controls at a divisional level including financial and non-financial risks. The CEO regularly reports to the Board on the adequacy of the risk management systems, processes, and key matters for consideration.

The Board has adopted a risk management summary which sets out the Company's system of risk oversight, management of material business risks and internal control. The Company's risk management framework including risk profile and risk registers are reviewed on a periodic basis, and a review was undertaken by the Board during this past financial year.

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Recommendation 7.3: Internal Audit

The Company did not have an internal audit function for the past financial year. Due to the size of the Company, the Board does not consider it necessary to have an internal audit function.

The Company will employ the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

- the Board will monitor the need for an internal audit function having regard to the size, location and complexity of the Company's operations;
- the Board will periodically undertake an internal review of financial systems and processes where systems are considered to require improvement these are developed; and
- the Board will review risk management and internal compliance procedures at each Board meeting and will monitor the quality of the accounting function.

Recommendation 7.4: Economic, Environmental and Social Risk

The Company is not subject to any particular or significant single economic, environmental, and social risk. The Company is subject to a range of general economic risks, including macro-economic risks, government policy, general business conditions and many other factors.

The Board does not consider the Company to have any material exposure to economic, environmental, and social risks. The Company's key risks are disclosed in the Company's 2023 Annual Report. To mitigate those risks, the Company utilises risk mitigation strategies, including employing qualified and specialised consultants and advisors, as and when required, and holding a comprehensive insurance program.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY

Recommendation 8.1: Remuneration Committee

The Company's Remuneration and Nomination Committee Charter provides for the creation of a Remuneration and Nomination Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Remuneration Committee Charter is available on our website at <http://avecho.com.au/investor-centre/>.

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Remuneration Committee. Pursuant to the Company's Board Charter, the Board carries out the duties that would ordinarily be assigned to the Remuneration Committee under the Committee's Charter, including reviewing the level and composition of remuneration for directors and senior executives. The Board reviews the remuneration process on a periodic basis to ensure that the remuneration of Directors and senior executives are appropriate to the Company's size and level of operations.

Recommendation 8.2: Remuneration Policies and Practices

The Board is currently responsible for determining and reviewing remuneration policies for the directors and senior executives. If necessary, it can obtain independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Non-executive directors are remunerated at market rates for comparable companies for time, commitment, and responsibilities. The Board as a whole determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties, and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting.

Each executive has a formal service agreement, which includes a position description and sets out duties, rights, and responsibilities as well as entitlement on termination. The Company has policies which apply to base salaries, short-term incentives, and long-term incentives. Further information on remuneration is set out in the Remuneration Report contained in the Company's 2023 Annual Report, as lodged with the ASX, and issued to shareholders.



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Recommendation 8.3: Equity Based Remuneration Scheme

The Company has a Securities Trading Policy which includes a policy prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

A copy of the Company's Securities Trading Policy is available on the Company's website at <http://avecho.com.au/investor-centre/>.