



**CORPORATE GOVERNANCE STATEMENT**

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**30 June 2022**

## Introduction

Advanced Human Imaging Ltd (“**AHI**” or the “**Company**”) has adopted systems of accountability and control as the basis for the administration of corporate governance. The Board of Directors (“**Board**”) is responsible for ensuring the Company has the appropriate governance arrangements in place and for managing the Company with due diligence and care.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition)* as published by ASX Corporate Governance Council (“**Recommendations**”).

The Board is required to adopt only those Recommendations which are appropriate to the Company’s needs and in doing so, has considered the nature of its operations as well as its size and maturity.

The Company’s main corporate governance policies and practices, as at the date of this Statement, are outlined below and the Company’s full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company’s website ([www.ahi.tech/asx-investors](http://www.ahi.tech/asx-investors)).

The 2021 Corporate Governance Statement was adopted by the Board on 12 October 2022.

## Role of the Board and Management

Within a governance framework, the Board is responsible for the long-term growth and performance of the Company. The Board charts the strategic direction of the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- i. maintain and increase Shareholder value;
- ii. ensure a prudential and ethical basis for the Company’s conduct and activities; and
- iii. ensure compliance with the Company’s legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) providing input and final approval of corporate values, strategies and performance objectives developed by senior management;
- (b) approval of initiatives developed by senior management for profit and asset growth;
- (c) monitoring the corporate, commercial, and financial performance of the Company on a regular basis;
- (d) acting on behalf of, and being accountable to, the Shareholders; and
- (e) establishing and reviewing the Company’s policies on business risk and satisfying itself that senior management implements the Company’s risk management program in line with the risk appetite set by the Board.

The Company is committed to the circulation of relevant materials to directors, including any breaches of the Company’s Code of Conduct, in a timely manner to facilitate directors’ participation in the Board discussions on a fully informed basis.

## Composition of the Board

The Company may elect a person as a director by resolution passed in general meeting.

The board of directors at 30 June 2022 is as follows:

Mr Nicholas Prosser	– Interim Non-Executive Chairman
Dr Katherine Iscoe	– Executive Director & CEO (Appointed 15 February 2022)
Mr Michael Melby	– Non-Executive Director
Dato Low Koon Poh	– Non-Executive Director
Mr Peter Goldstein	– Non-Executive Director (Appointed 29 June 2022)

The Board is of a size and composition that is conducive to making appropriate decisions and incorporates a variety of perspectives and skills. Details of the skills and experience of directors of the Company are included in the Directors’ Report section of the 2022 Annual Report, which is available on the Company’s website at ([www.ahi.tech/asx-investors](http://www.ahi.tech/asx-investors)).

## **Continuous Disclosure**

The Company recognises its duties, pursuant to the continuous disclosure requirements of the ASX Listing Rules, to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities, and the Board has primary responsibility for ensuring that the Company complies with its disclosure obligations. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.

## **Identification and Management of Risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business, while management is responsible for developing a sound system of risk management and internal control. Key operational risks and their management will be recurring items for deliberation at Board meetings.

## **Independent Professional Advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

## **Ethical Standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards. The Company's Code of Conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, the Company's security holders and the broader community.

The Company aims to increase shareholder value within an appropriate framework which safeguards the rights and interests of security holders, as well as comply with systems of control and accountability which the Company has in place with openness and integrity.

## **Remuneration Arrangements**

The remuneration of an executive director will be decided by the Remuneration committee, without the affected executive director participating in that decision-making process.

The total maximum remuneration of non-executive directors is initially set by the Constitution. Subsequent variation is by ordinary resolution of Shareholders in general meetings in accordance with the Constitution, the *Corporations Act 2001* (Cth) and the ASX Listing Rules, as applicable. The determination of non-executive director's remuneration, within the maximum set by the Constitution, will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive director. The current amount has been set to not exceed \$300,000 per annum.

In addition, where a director or non-executive director performs special duties, or otherwise performs services outside the scope of the duties deemed as ordinary, fees or other amounts may be paid (subject to any necessary Shareholder approval, non-cash performance incentives, such as Option or Performance Rights).

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and directors who will create value for Shareholders, taking into consideration the amount determined to be commensurate for a company of its size and level of activity, as well as the relevant director's time, commitment, and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans, including the appropriateness of performance hurdles and total payments proposed.

## **Trading Policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

## **External Audit**

The Company is responsible for the appointment of the external auditors of the Company, determined during general meetings, and the Audit and Risk Committee from time to time will review the scope, performance, and fees of those external auditors.

## Audit and Risk Committee

The Company has an Audit Committee, which operates under its own Charter. The Audit and Risk Committee responsibilities include but are not limited to, monitoring, and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

## Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences, and perspectives.

The Company employs new employees and promotes current employees based on performance, ability, and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair, and tolerant.

The Company, in keeping with the recommendations of the Corporate Governance Council, provides the following information regarding the proportion of gender diversity in the organisation for the year to 30 June 2022:

	Proportion of female / total number of persons employed
Females employed in the Company as a whole	7 / 19
Females employed in the Company in senior executive positions	1/ 7
Females appointed as a Director of the Company	1/ 5

The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the ASX and the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions, and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable and where compatible with the Company's operations, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company grants reward and promotion based on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability, or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

The Company has not at this time implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implemented requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable

targets is not necessarily consistent with the merit and ability-based policies currently implemented by the Company.

The Board will consider the future implementation of gender-based diversity measurable objectives when more appropriate to the size and nature of the Company’s operations.

### Whistleblower Policy

The Company has adopted a formal Whistleblower Policy which is made available on the Company’s website ([www.ahi.tech/asx-investors](http://www.ahi.tech/asx-investors)).

This policy applies to all directors, officers, employees, consultants, and contractors of Advanced Human Imaging Ltd (Personnel). This policy also applies, as far as is reasonably achievable, to AHI’s service providers, suppliers, and third-party contractors.

The purpose of this policy is to encourage the persons to whom the policy applies to raise any concerns or report instances of any potential breach of law, any violations (or suspected violations) of the Company’s Code of Conduct or any other legal or ethical concern without the fear of detriment.

### Anti-Bribery and Ant-Corruption policy

The Company has adopted a formal anti-bribery and corruption policy in recognition that bribery and corruption act to undermine legitimate business activities, distort competition and may expose the Company, its employees, and other stakeholders to significant risks.

AHI provides a safe mechanism pursuant to its Whistleblower Policy to enable and encourage the reporting of any actual, alleged, or perceived, instances of bribery or corruption by any individual to which this policy applies.

A copy of the Anti-Bribery and Corruption Policy is made available on the Company’s website ([www.ahi.tech/asx-investors](http://www.ahi.tech/asx-investors)).

### Departures from Recommendations

The governance practices the Company chooses to adopt, is fundamentally a matter for the Board to decide. However, the Company is required to explain any departures from the Recommendations in this Statement.

The Company’s adoption of the Recommendations, with further explanations for the financial year ended 30 June 2022 are set out on the following pages.

Principles and Recommendations	Explanation	Degree of Adoption
<b>Principle 1 – Lay solid foundations for management and oversight</b>		
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.	<p>(a) The Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, setting remuneration and monitoring the performance of directors and executives.</p> <p>The Board relies on senior management to implement the business strategy, to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems, and financial and other reporting.</p> <p>(b) The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management. A copy of the Board Charter is available on the Company’s website (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under “Corporate governance policies”).</p> <p>The Board regularly monitors the divisions of functions between the Board and management to ensure the appropriateness to the needs of the Company.</p>	Recommendation followed
1.2 A listed entity should:	(a) The Company ensures that prior to appointing a director or senior manager or recommending a new candidate for	Recommendation followed

Principles and Recommendations	Explanation	Degree of Adoption
<p>(a) Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) Provide security holders with all material information in the listed entity's possession relevant to a decision on whether to elect or not elect or re-elect a director.</p>	<p>election as a director that appropriate background checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.</p> <p>The details are documented in the Board Charter which is available on the Company's website: (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under "Corporate governance policies").</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a director will be voted on.</p>	
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company enters into a written service contract with each of its directors and senior executives which sets out at a minimum a description of their position, duties, responsibilities, to whom they report, circumstances in which their service contract may be terminated and any entitlement upon termination.</p>	<p>Recommendation followed</p>
<p>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.</p>	<p>The Board Charter which is available on the Company's website: (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under "Corporate governance policies"), outlines the roles, responsibility and accountability of the Company Secretary.</p> <p>The Company Secretary attends all Board and shareholder meetings, and provides advice as required on governance matters.</p> <p>In addition, each individual director is able to communicate directly with the Company Secretary, or vice versa, as required.</p>	<p>Recommendation followed</p>
<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> <ol style="list-style-type: none"> <li>1. the measurable objectives set for that period to achieve gender diversity;</li> <li>2. the entity's progress towards achieving those objectives; and</li> <li>3. either: <ol style="list-style-type: none"> <li>i. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has</li> </ol> </li> </ol>	<p>(a) The Board has adopted a diversity policy which is available on the Company's website at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under "Corporate governance policies").</p> <p>(b) The measurable objectives, which seek to allow and promote diversity by ensuring that the Company's selection, remuneration and promotion practices are merit based, do not at this stage include any specific numerical targets for gender, or any other, diversity measures.</p> <p>(c) A brief summary of the policy and its aims are disclosed in this corporate governance statement.</p> <p>This corporate governance statement includes disclosure regarding gender diversity within the Company as at 30 June 2022.</p> <p>The Company is not a "relevant employer" for the purposes of the Workplace Gender Equality Act.</p>	<p>Recommendation followed</p>

Principles and Recommendations	Explanation	Degree of Adoption
<p>defined “senior executive” for these purposes); or</p> <p>ii. 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>1.6 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating performance of the board, its committees and individual directors.</p> <p>(b) Disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.</p>	<p>(a) Performance of the Board, its committees and individual directors is evaluated on an ongoing basis and regular feedback is provided in manner which is consistent to the size and maturity of the Company.</p> <p>Further, the Chairperson reviews the roles and responsibilities of the directors on an ongoing basis.</p> <p>(b) The Company reports on whether the evaluation has taken place on an annual basis in the Company’s Corporate Governance Statement and shall include, where appropriate, any insights it has gained from the evaluation and any governance changes it has made as a result.</p> <p>The Company currently does not have a formal process for the evaluation of the performance of the Board or its committees, and until such time as a formal process is developed, the Chairman will assess the performance of the Board.</p> <p>The Company considers that a formal process is not essential at this stage and that performance evaluation can be effectively assessed on an informal basis, relative to the Company’s size and level of maturity.</p>	<p>Recommendation followed</p>
<p>1.7 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>(a) The Company did not have a formal process for the evaluation of the performance of senior executives during the 2022 financial year. As the Company matures, the Board will establish formal quantitative and qualitative performance evaluation procedures. Until such time as formal procedures are implemented, the Chief Executive Officer will assess the performance of senior executives.</p> <p>The Company considers that a formal process is not essential at this stage and that performance evaluation can be effectively assessed on an informal basis.</p> <p>(b) Although no formal performance evaluation has been undertaken during the year ended 30 June 2022, senior managers have been issued with securities with various performance milestones, under the Company’s Incentive Plans. An individual’s performance is measured and evaluated during the year against the milestones set under the Offer of the securities.</p>	<p>Recommendation NOT followed</p>
<p><b>Principle 2 – Structure the Board to be effective and add value</b></p>		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p>	<p>The Board has established an independent Nomination and Corporate Governance Committee, which operates under its own Charter, which is available on the Company’s website at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>).</p>	<p>2.1(a) Recommendation followed</p>

Principles and Recommendations	Explanation	Degree of Adoption
<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>Nominations of new directors are and will be considered by the Nomination and Corporate Governance Committee, who will be involved in the search and recruitment of a replacement director when required. Full details of all directors will be provided to Shareholders in the Company's annual reports, in notices of meetings in respect of any meetings where any such appointments are put to shareholders for approval, and on the Company's website at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under "Corporate governance policies").</p> <p>For Committee attendance records, refer to the Directors' Report in the Company's 2022 Annual Report.</p>	<p>2.1(b) Not applicable.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>The Company does not have a formal board skills matrix. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the Company. The skills, experience and expertise of each director is set out in the Directors' Report section of the Company's 2022 Annual Report.</p>	<p>Recommendation NOT followed</p>
<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>	<p>(a) The non-executive directors appointed to the Company's Board at 30 June 2022 are considered independent.</p> <p>(b) N/A</p> <p>(c) The directors of the Company sitting on the Company's Board at 30 June 2022 commenced office on the following dates:</p> <p>Mr Nicholas Prosser – Non-Executive Director – 18 April 2018  Dr Katherine Iscoe – Executive Director &amp; CEO – 15 February 2022  Dato Low Koon Poh – Non-Executive Director – 13 July 2020  Mr Michael Melby – Non-Executive Director - 27 October 2017  Mr Peter Goldstein – Non-Executive Director – 29 June 2022</p>	<p>Recommendation followed</p>
<p>2.4 The majority of the Board of listed entity should be independent directors.</p>	<p>The majority of the Company's directors at 30 June 2022 are considered independent. Furthermore, the Board considers that both its structure and composition are appropriate</p>	<p>Recommendation followed</p>



Principles and Recommendations	Explanation	Degree of Adoption
	given the size of the Company and that the interests of the Company and its shareholders are well met.	
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 Chief Executive Officer of the entity.	Mr Nicholas Prosser is considered to be an independent director of the Company.	Recommendation followed
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 roles as directors effectively.	<p>Upon appointment new directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>	Recommendation NOT followed
<b>Principle 3 – Instil a culture of acting lawfully, ethically and responsibly</b>		
3.1 A listed entity should articulate and disclose its values.	<p>The Company has not adopted a formal Statement of Values, however it strives to achieve its objectives by:</p> <ul style="list-style-type: none"> <li>○ conducting business with honesty, integrity, and fairness;</li> <li>○ complying with all relevant laws and regulations applicable to it; and</li> <li>○ ensuring the safety and wellbeing of employees, representatives, and other stakeholders.</li> </ul>	Recommendation NOT followed
<p>3.2 A listed entity should:</p> <p>(a) Have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	<p>(a) The Company has developed a Code of Conduct for Directors, management, and staff, underlying the Company’s commitment to high ethical standards in the conduct of the Company’s business. The Board is responsible for ensuring the Company’s compliance with the Code and the good and fair management of reports of any breaches.</p> <p>The Company’s Trading Policy applies to all directors, officers and employees and sets out the prohibition against insider trading and prescribes certain requirements for dealing in the Company’s securities.</p> <p>The Code of Conduct and Securities Trading Guidelines are available on the Company’s website at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under “Corporate governance policies”).</p> <p>(b) Any material breach of the Code of Conduct will be immediately reportable to the board.</p>	Recommendation followed
<p>3.3 A listed entity should:</p> <p>(a) Have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>The Company has adopted a whistleblower policy a copy of which is available on the Company’s website (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) and appointed the Company Secretary as the designated whistleblower officer.</p> <p>The Company maintains a register of reportable incidents and all material reported incidents will be immediately reportable to the Board.</p>	Recommendation followed

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<p>3.4 A listed entity should:</p> <p>(a) Have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches under that policy.</p>	<p>The Company has adopted an Anti-Bribery and Corruption Policy a copy of which is available on the Company’s website (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>).</p> <p>The Company maintains a register of breaches and all material breaches will be immediately reportable to the Board.</p>	<p>Recommendation followed</p>
<b>Principle 4 – Safeguard the integrity of corporate reports</b>		
<p>4.1 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, 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>The Company has established an independent Audit and Risk Committee, which has its own Charter at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>), and carries out the functions delegated under that charter.</p> <p>External audit recommendations, internal control matters and any other matters that arise from half yearly reviews and the annual statutory audit will be discussed directly between the Audit and Risk Committee and the audit engagement partner.</p> <p>The Audit and Risk Committee is chaired by an independent non-executive director.</p> <p>The relevant qualifications of all directors and their meeting attendance at all Board committee meetings are disclosed in the Company’s Directors’ Report in the 2022 Annual Report.</p>	<p>4.1(a) Recommendation followed</p> <p>4.1(b) Not applicable.</p>
<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 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 true and fair</p>	<p>As stated in the Board Charter, which can be found at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) under “Corporate governance policies”), the Chief Executive Officer and Chief Financial Officer prepare a declaration to state the following in writing prior to the Board approving the Company’s financial statements for a financial period, that in their opinion:</p> <p>(a) the Company’s financial reports have been properly maintained and contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and</p>	<p>Recommendation followed</p>

Principles and Recommendations	Explanation	Degree of Adoption
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.	(b) that the opinion is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.	
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.	Periodic corporate reports that are not subject to audit or review by the Company's auditors (which include, but not limited to, quarterly activities and cash flow reports, directors reports and any information included in the Company's annual report other than the audited financial statements) are compiled and verified by executive management before being reviewed by the Board before release to the market.	Recommendation followed
<b>Principle 5 – Make timely and balanced disclosure</b>		
5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rules 3.1.	The Company has established a Continuous Disclosure Policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act. The Continuous Disclosure Policy is available on the Company's website at ( <a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a> ) (under "Corporate governance policies").	Recommendation followed
5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	All material market announcements are provided to the board for review and comment prior to release to the ASX Market Announcements Platform.	Recommendation followed
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>The Company ensures that any substantive investor or analyst presentation materials are released as a market announcement ahead of the presentation being given.</p> <p>This recommendation does not apply to private meetings between the Company and investors or analysts. However, the Company ensures that any such meeting out of the scope of this recommendation does not involve the disclosure of any information a reasonable person would expect to have a material effect on the price or value of its securities that has not already been disclosed to the market.</p>	Recommendation followed
<b>Principle 6 – Respect the rights of security holders</b>		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Information regarding the Company's management, corporate governance, and other information relevant to investors and prospective investors is updated regularly on its website ( <a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a> ).	Recommendation followed
6.2 A listed entity should have an investor relations program that facilitates two-way communication with investors.	<p>While the Company has not adopted a formal investor relations program, it does maintain a mailing list and it does seek to inform investors of developments regularly by communicating through ASX announcements and by providing information on its website.</p> <p>The Company's 'External Communications and Media Relations' Policy is available on its website at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under "Corporate</p>	Recommendation followed

Principles and Recommendations	Explanation	Degree of Adoption
	<p>governance policies”), which aims to promote and facilitate effective two-way communication with investors.</p> <p>Investors are encouraged to attend the Company’s security holder meetings, and are able to contact management by email on hello@ahi.tech.</p>	
<p>6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>The Company provides meeting documents in a timely manner and seeks to hold meetings that may be attended by security holders in convenient locations and at times considered to be reasonable. Security holders attending such meetings are encouraged to participate, both during and after the formal notified business.</p>	<p>Recommendation followed</p>
<p>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.</p>	<p>The Company ensures that all resolutions considered for approval at a meeting of security holders are decided upon by a poll rather than by a show of hands.</p> <p>Where considered appropriate the Company will engage the services of an independent third party, such as its share registry, to undertake the poll.</p>	<p>Recommendation followed</p>
<p>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.</p>	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. The Board encourages investors to provide electronic contact details to the Company’s share registry to facilitate electronic communications where practical and appropriate.</p>	<p>Recommendation followed</p>
<p><b>Principle 7 – Recognise and manage risk</b></p>		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework.</p>	<p>The Board has established an independent Audit and Risk Committee, which has its own Charter, which can be viewed at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>).</p> <p>The Audit and Risk committee operates under the adopted Audit &amp; Risk Committee Charter and carries out those functions delegated in the charter, in conjunction with members of the management team.</p> <p>The Board is ultimately responsible for risk oversight and satisfying itself that management has developed and implemented a sound system of risk management and internal control. Discussions on the recognition and management of risks are also considered by the Board at each board meeting. The Board has adopted a Risk Management Policy and under the policy, responsibility and control risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework. The Risk Management Policy is available on the Company’s website (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under “Corporate governance policies”).</p>	<p>7.1(a) Recommendation followed</p> <p>7.2(b) Recommendation followed</p>

Principles and Recommendations	Explanation	Degree of Adoption
<p>7.2 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>(a) The Company has established policies as a risk management framework for the oversight and management of material business risks and the Board monitors, identifies and reviews risks within the business and that framework in the ordinary course of business at each Board meeting. The Company’s Risk Management Policy is available on the Company’s website (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>) (under “Corporate governance policies”)</p> <p>(b) Key operational and financial risks have been presented to and reviewed by the Board at each Board meeting that has taken place during the period under review.</p>	<p>Recommendation followed</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>(a) The Board considers that the Company is not currently of a size or complexity to justify implementing an internal audit function.</p> <p>(b) Refer to 7.1 above. The Board considers that the Company’s existing internal controls are sufficient, and that current business processes are suitably transparent such that significant risks are both identifiable and manageable.</p> <p>As the Company’s operations increase in size and complexity the Board will consider the need for the implementation of an internal audit function.</p>	<p>7.3(a) Recommendation NOT followed</p> <p>7.3(b) Recommendation followed</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>During the financial year ended 30 June 2022, the Company made a commitment to commence Environmental, Social, and Governance (ESG) reporting as a first step in building sustainability credentials and disclosing data relating to the Company’s environmental, social and governance performance. The Company is working toward making disclosures against the World Economic Forum (WEF) Stakeholder Capitalism Metrics ESG Framework and is of the view that its operations do not create a material exposure to environmental or social sustainability risks.</p>	<p>Recommendation followed</p>
<p><b>Principle 8 – Remunerate fairly and responsibly</b></p>		
<p>8.1 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>The Board has established an independent Remuneration Committee, which has its own Charter, which can be found at (<a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>).</p> <p>The Remuneration Committee members are disclosed in the Directors’ Report in the Company’s 2022 Annual Report and is Chaired by an independent director. A record is kept of the number of times the Remuneration committee meets and is disclosed in the Directors’ Report in the Company’s 2022 Annual Report.</p>	<p>8.1(a) Recommendation followed</p> <p>8.1(b) Not applicable.</p>

Principles and Recommendations	Explanation	Degree of Adoption
<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>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company has separate policies relating to the remuneration of non-executive directors and that of executive directors and senior executives. This information is detailed in the Remuneration Report, which forms part of the Director’s Report in the Company’s 2022 Annual Report. The Company’s annual reports are available for review on <a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a>.</p>	<p>Recommendation followed</p>
<p>8.3 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>The Company’s policy for trading in its securities by directors, senior executives and employees is available on the Company’s website <a href="http://www.ahi.tech/asx-investors">www.ahi.tech/asx-investors</a> (under “Corporate governance policies”)</p> <p>The Securities Trading Guidelines prohibits the hedging of risk of fluctuation of the value of the Company’s unvested securities.</p>	<p>Recommendation followed</p>

Note: The additional disclosures which relate to externally managed listed entities are not applicable to the Company. Accordingly, no disclosures have been made.