

dorsaVi Ltd

ABN: 15 129 742 409

Corporate Governance Statement

Corporate Governance Statement

The Board of directors of the Company is responsible for the governance of the Company and its controlled entities. Good corporate governance is a fundamental part of the culture and business practices of the Company. The key aspects of the Company's corporate governance framework and governance practices which have been in place during the 2023 financial year are outlined below.

The Board of Directors confirms that the Company's corporate governance framework complies in almost all respects with the ASX's Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th Edition) ("Recommendations") and that where it does not comply, it is due to the current relative size of the Company, its stage of development, and the scale and nature of its operations. The Council recognises that different entities may legitimately adopt different governance practices, based on a range of factors, including their size, complexity, history and corporate culture.

Copies of the Company's charters, codes and policies may be downloaded from the corporate governance section of the Company's website at <https://www.dorsavi.com/investor-relations/>

The Company provides below a review of its corporate governance framework using the same numbering as adopted for the principles set out in the 4th Edition Recommendations.

This Corporate Governance Statement was approved by the Board of Directors of the Company on and is current as at 25 August 2023.

Principle 1: Lay solid foundations for management and oversight

Recommendation 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.*

The board's responsibilities are defined in the Board Charter, a copy of which is available at <https://www.dorsavi.com/investor-relations/>, and there is a clear delineation between the functions reserved for the board and those conferred upon the Chief Executive Officer ("CEO") and certain other officers of the Company.

Recommendation 1.2:

A listed entity should:

- (a) undertake appropriate checks before appointing a 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.*

The Company will undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director.

The Company will 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.

Recommendation 1.3:

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

The Company has formal letters of appointment for each of its directors and senior executives, setting out the key terms and conditions of the appointment.

Recommendation 1.4:

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary is accountable to the Board, through the Chairman, on all matters relating to governance and the effective operation of the Board.

Recommendation 1.5:

A listed entity should:

- (a) have and disclose a diversity policy;*
- (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and*
- (c) disclose in relation to each reporting period:*
 - (1) the measurable objectives set for that period to achieve gender diversity;*
 - (2) the entity's progress towards achieving those objectives; and*
 - (3) either:*
 - (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or*
 - (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

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.

The Company has adopted a Diversity Policy. The Diversity Policy confirms that the Board, after taking into account the Company's size, stage of development, the business operating environment and the industry in which it operates, has:

- established appropriate and measurable objectives for achieving gender diversity; and
- annually review, develop and assess both the measurable objectives for achieving gender diversity and the Group's progress in achieving them.

The basic measurable objectives for achieving gender diversity, which have been set by the Board in accordance with the Company Diversity Policy, are set out below:

- the Company will seek to have at least one female potential candidate for each vacant position; and
- as part of any future Board member selection process, the professional consultant or Board committee assisting the Board, will seek to provide at least one credible and suitably experienced female candidate.

The proportion of women on the Board as at 30 June 2023 was 25%.

The proportion of women in the senior leadership team of the Company as at 30 June 2023 was 40%.

The Company's operations are currently in the initial stages of commercialisation and the Company only has a small number of employees. As the Company moves closer to achieving its commercialisation goals and the number of employees increases, it will set a greater number of measurable targets for achieving gender diversity.

The Company is not a "relevant employer" under the Workplace Gender Equality Act.

A copy of the Diversity Policy is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Recommendation 1.6:

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Board has established a process that involves each director formally completing a questionnaire and assessing the performance of the Board and its committees. The assessment covers a range of areas including:

- the composition of the Board;
- the effectiveness of the Board and each committee on which they served;

- the extent to which the responsibilities set forth in the respective charters of the Board and each committee are met;
- the quality of reporting from and interaction with management; and
- the extent to which substantive issues are appropriately prioritised and considered during Board meetings.

The results of the assessment are reviewed in detail by the Board.

A Board performance review was conducted in late 2020 for the 2020 financial year. The Board reviews in a non-executive director private session at each scheduled meeting a range of matters including the areas where its performance and effectiveness may be improved.

Recommendation 1.7:

A listed entity should:

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and*
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period*

In accordance with the Board Charter, the directors' responsibilities include monitoring the performance of senior executives (including the CEO) and ensuring succession plans are in place. The Board has established a Nomination and Remuneration Committee which is responsible for reviewing executive remuneration and incentive policies and practices and ensuring that the policies and practices are performance based and aligned with the Company's vision, values and overall business objectives.

The Board and Nomination and Remuneration Committee ensure that an evaluation of the senior management team is undertaken at least annually.

The Nomination and Remuneration Committee annually reviews the performance of the CEO and recommends to the Board the key performance targets of the CEO.

All senior executives of the Company were subject to an annual performance review in respect of the financial year. Their key performance targets are aligned to the performance targets set by the Board and are aligned to the overall business goals and the company's requirements. In the case of the CEO, these targets are negotiated between the Nomination and Remuneration Committee and the CEO and formally approved by the Board. Remuneration incentives are dependent on the outcome of these evaluations.

Further information regarding executive compensation can be found in the Remuneration Report in the Annual Report.

A copy of the Nomination and Remuneration Committee Charter is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

The Company did not comply with all aspects of Recommendation 1.5, but it did comply with Recommendations 1.1, 1.2, 1.3, 1.4, 1.6 and 1.7 during the 2023 financial year.

Principle 2: Structure the board to be effective and add value

Recommendation 2.1:

The board of a listed entity should:

- (a) have a nomination committee which:*
 - (1) has at least three members, a majority of whom are independent directors; and*
 - (2) is chaired by an independent director,*
- and disclose:*
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board*

succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively

The Board has established a Nomination and Remuneration Committee which consists of two non-executive directors: Dr Ash Attia and Dr Michael Panaccio. The Nomination and Remuneration Committee is currently comprised of one independent director and one non-independent director.

The Nomination and Remuneration Committee's authority, responsibilities, composition and membership requirements are documented in the Nomination and Remuneration Committee charter approved by Board, which is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Details of the relevant qualifications and experience of the members of the committee and their attendance at meetings during the reporting period are disclosed in the Annual Report.

Recommendation 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.

The Board has determined that, in terms of the mix of skills and diversity it is looking for in its membership, it is best served by having a mix of individuals with different perspectives that have expertise and a breadth of experience in the following areas:

- strategy and innovation;
- international business management;
- corporate governance, finance and risk management;
- physiotherapy;
- government regulation and policy;
- occupational health and safety;
- medical technology/life science companies.

Details in relation to the skills and diversity of each director may be found on the Company's website at <https://www.dorsavi.com/board-of-directors/>

The Board considers its skills, experience and composition and considered its current composition to be appropriate given the strategic direction of the Company and its stage of development.

Recommendation 2.3:

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;*
- (b) if a director has an interest, position 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*
- (c) the length of service of each director.*

The Company has assessed the independence of its directors against the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles and Recommendations. A director is independent if he or she is a non-executive director, not a member of management and free of any business or other relationship that could materially interfere with (or be perceived to materially interfere with) the independence of his or her judgement.

Dr Ash Attia has served on the Board for greater than 10 years. Director tenure is a factor taken into account by the Board in assessing the independence of a director but is not determinative. In assessing Dr Attia's independence, the Board assessed whether he would be able to continue to bring valuable expertise, independent judgement and the ability to act in the best interests of the Company beyond the term of 10 years. The Board is satisfied that Dr Attia has not formed associations with management or others that might compromise his ability to fulfil his role as an independent director.

Ms Caroline Elliott is also considered to be an independent director of the Company.

Dr Andrew Ronchi and Dr Michael Panaccio are not independent directors. Dr Ronchi is the CEO and Dr Panaccio is a director and founder of Starfish Ventures Pty Ltd, which has an association with substantial shareholders in the Company.

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

<i>Name</i>	<i>Position</i>	<i>Date appointed</i>	<i>Independent</i>
Ash Attia	Director (non-executive)	July 2008	YES
Caroline Elliott	Director (non-executive)	Nov 2017	YES
Michael Panaccio	Director (non-executive)	May 2008	NO
Andrew Ronchi	Executive Director	Feb 2008	NO

The Board, having regard to the Company's stage of development and the collective expertise of the directors, is currently reviewing the composition of the Board with the respect to appointing a new independent director to the Board to replace the former independent Chair, Mr Gregory Tweedly, who resigned in November 2021.

Recommendation 2.4:

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

The Board was composed of independent directors for the majority of the 2023 financial year.

Recommendation 2.5:

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Mr Michael Panaccio, Acting Chair, is a non-independent director.

Dr Andrew Ronchi is the CEO.

The roles of Chairman and CEO are exercised by two separate individuals.

Recommendation 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.

The Company has an induction program for new directors which provides a summary of the Company and its products and activities to assist each new director to become effective in their role. The program includes one-on-one meetings with the CEO and senior members of management. In addition, the Board receives ongoing briefings and development sessions from senior management to continuously build non-executive directors' knowledge and to ensure that the Board remains up to date with key internal and external developments.

The Company did not comply with all aspects of Recommendation 2.1, 2.4 and 2.5 but it did comply with Recommendations 2.2, 2.3 and 2.6 during the 2023 financial year

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1:

A listed entity should articulate and disclose its values.

As part of its commitment to recognising the legitimate interests of stakeholders, the company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. The Company's Values are incorporated in its Code of Conduct. The Code of Conduct applies to employees, clients, customers, government authorities, creditors and the community as a whole.

Copy of the Code of Conduct is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Recommendation 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.*

The Company has adopted a Code of Conduct which applies to all directors and employees of the Company, as well as a Securities Trading Policy.

Copies of the Company's Code of Conduct and the Securities Trading Policy are available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Recommendation 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*

The Company has a Whistleblower Policy, and the Board is informed of any material incidents reported under that policy.

A copy of the Company's Whistleblower Policy is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Recommendation 3.4:

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and*
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy*

The Company has an Anti-Bribery and Corruption Policy, and the Company's Code of Conduct and various internal policies also confirm that illegal acts such as bribery and corruption by directors and employees are not tolerated and are against the high standards expected of directors and employees.

The Company complied with Recommendations 3.1 to 3.4 during the 2023 financial year.
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Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1:

The board of a listed entity should:

(a) have an audit committee which:

- (1) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and*

- (2) is chaired by an independent director, who is not the chair of the board, and disclose:*

- (3) the charter of the committee;*

- (4) the relevant qualifications and experience of the members of the committee; and*

- (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Company has established an Audit and Risk Committee. The Audit and Risk Committee consists of three non-executive directors: Ms Caroline Elliott, Dr Ash Attia and Dr Michael Panaccio. The Audit and Risk Committee is comprised of a majority of independent directors.

The Audit and Risk Committee's authority, responsibilities, composition and membership requirements are documented in the Audit and Risk Committee charter approved by Board, which is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Details of the relevant qualifications and experience of the members of the committee and their attendance at meetings during the reporting period are disclosed in the Annual Report.

Recommendation 4.2:

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Chief Executive Officer and the Chief Financial Officer have, in accordance with section 295A of the Corporations Act, declared in writing to the Board that the financial reporting, risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively during the year. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations of the Company.

The Board is responsible for the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities. The Company places considerable reliance on the skill, experience and judgement of its employees to make decisions within the policy framework and to communicate openly on all risk related matters.

Recommendation 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.

The external auditor attends the Company's Annual General Meeting and is available to answer shareholder questions regarding aspects of the external and their report.

The Company complied with Recommendations 4.1 to 4.3 during the 2023 financial year.
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Principle 5: Make timely and balanced disclosure

Recommendation 5.1:

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company has adopted a Continuous Disclosure Policy. This Policy sets out the standards, protocols and the detailed requirements expected of all directors, officers, senior management and employees of the Company for complying with the Listing Rules and Corporations Act relating to continuous disclosure.

The Continuous Disclosure Policy is designed to provide equal access to information and to promote quality communications between the Company and third parties such as shareholders, the investment community, the media and ASX.

In addition, the Board assesses its continuous disclosure obligations at each Board meeting.

A copy of the Company's Continuous Disclosure Policy is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Recommendation 5.2:

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Board receives copies of all material market announcements promptly after they have been made.

Recommendation 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.

The Company ensures that a copy of any new and substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of presentation.

The Company complied with Recommendation 5.1 to 5.3 during the 2023 financial year.

Principle 6: Respect the rights of security holders

Recommendation 6.1:

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

The Board is responsible for the governance of the Company. Key aspects of the Company's corporate governance framework and practices are disclosed on the Company's at <https://www.dorsavi.com/investor-relations/>

Recommendation 6.2:

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

The Company has in place an investor relations program to facilitate engagement with shareholders and queries which arise from time to time from shareholders. The Company at the AGM responds to all enquiries received from shareholders. The Company through its investor relations consultant, Continuous Disclosure Policy, market updates, financial reporting and website, provides investors with the opportunity to have an understanding of the Company's business, governance and financial performance.

Recommendation 6.3:

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Company has adopted a Shareholder Communications Policy for shareholders wishing to communicate with the Board. All shareholders are invited to attend dorsaVi's annual general meeting, either in person or by representative, being the forum in which to discuss issues relevant to the Company. The Board accordingly encourages full participation by shareholders. Shareholders will have an opportunity to submit questions to the Board and auditors at the November 2023 meeting of shareholders.

A copy of the Company's Shareholder Communications Policy is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Recommendation 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.

All substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Recommendation 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.

Stockholders are able to contact the Company or, its share registrar, Computershare, by mail, telephone, email or via online access. Stockholders may choose to receive communication from, and send communications to, the Company and Computershare electronically.

The Company complied with Recommendations 6.1 to 6.5 during the 2023 financial year.

Principle 7: Recognise and manage risk

Recommendation 7.1:

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(1) has at least three members, a majority of whom are independent directors; and

*(2) is chaired by an independent director,
and disclose:*

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and

the individual attendances of the members at those meetings; or
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Please refer to the responses to Recommendation 4.1.

Recommendation 7.2:

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) disclose, in relation to each reporting period, whether such a review has taken place*

The Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by management.

The Board has confirmed that management is responsible for designing and implementing risk management and internal compliance and control systems which identify material risks for the Company. The Board has overseen the development by management of a process to identify and manage the Company's material business risks.

Management, with the oversight of the Audit and Risk Committee, has established and implemented the risk management system for assessing, monitoring and managing the company's material risks. The Board reviewed the company's risk management framework and risk profile during the year.

Recommendation 7.3:

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or*
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes*

The Company does not have an internal audit function.

In conjunction with the Company's other corporate governance policies, the Company has adopted policies and processes to assist the Company to identify, evaluate and mitigate technological, economic, operational and other risks. The Audit and Risk Committee with oversight from the Board reviews and assesses the Company's processes for evaluating and continually improving the effectiveness of its risk management and internal control processes. dorsaVi has established a Risk Management Policy. A copy of the Risk Management Policy is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

Recommendation 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.

The Board has overseen the development by management of a comprehensive process to identify and manage key business risks, including economic risk. The Company has adopted policies and processes to assist the Company to identify, evaluate and mitigate technological, economic, operational and other risks.

The Company is not subject to material environmental and social sustainability risks.

The Company complied with Recommendations 7.1 to 7.4 during the 2023 financial year.
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Principle 8: Remunerate fairly and responsibly

Recommendation 8.1:

The board of a listed entity should:

- (a) have a remuneration committee which:*
 - 1) has at least three members, a majority of whom are independent directors; and*
 - 2) is chaired by an independent director,**and disclose:*
 - 3) the charter of the committee;*
 - 4) the members of the committee; and*

- 5) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

Please refer to the responses to Recommendation 2.1.

Recommendation 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.

The Company has a clear distinction between the structure of non-executive directors' remuneration and that of executive directors and senior executives.

Disclosure of the directors' and executives' remuneration can be found in the Remuneration Report in this Annual Report.

Recommendation 8.3:

A listed entity which has an equity-based remuneration scheme should:

- (a) *have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) *disclose that policy or a summary of it.*

The Company's Securities Trading Policy prohibits participants in the Company's share or option plans from using derivatives or engaging in any conduct that seeks to have the effect of providing greater benefit than would otherwise have been realised by the participant in respect of unvested Company securities.

Please refer to the Policy for further details. A copy of the Policy is available on the Company's website at <https://www.dorsavi.com/investor-relations/>

The Company did not comply with all aspects of Recommendation 8.1, but it did comply with Recommendations 8.2 and 8.3 during the 2023 financial year.

Principle 9: Additional recommendations that apply only in certain cases

Recommendation 9.1:

A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

Not applicable

Recommendation 9.2:

A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.

Not applicable

Recommendation 9.3:

A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Not applicable

Recommendations 9.1, 9.2 and 9.3 were not applicable to the Company during the 2023 financial year.