



## 4DMedical Limited – 2023 Corporate Governance Statement

The board of directors (**Board**) of 4DMedical Limited ABN 31 161 684 831 (**4DMedical** or **Company**) is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**).

In accordance with ASX Listing Rule 1.1 Condition 16, the corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company adopts instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at <https://4dmedical.com/corporate-governance>:

- a) Anti-Bribery and Corruption Policy;
- b) Audit and Risk Committee Charter;
- c) Board Charter;
- d) Code of Conduct;
- e) Constitution;
- f) Continuous Disclosure Policy;
- g) Diversity Policy;
- h) Occupational Health and Safety Policy;
- i) Remuneration and Nomination Committee Charter;
- j) Securities Trading Policy;
- k) Statement of Values; and
- l) Whistleblower Protection Policy.

The statement has been approved by the Board and is current as at 25 August 2023.



ASX Corporate Governance Council's recommendation	Compliance by the Company
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>	
<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	<p><b>The Company complies with this recommendation</b></p> <p>The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented these roles and responsibilities in its Board Charter.</p> <p>The responsibilities of the Board include (without limitation) to:</p> <ul style="list-style-type: none"> <li>• represent and serve the interests of shareholders by overseeing and assessing the Company's performance, strategic direction and policies;</li> <li>• optimise the Company's performance to build sustainable values for shareholders;</li> <li>• review the Company's compliance with the Company's values and its governance framework; and</li> <li>• ensure that shareholders are kept informed of the Company's performance.</li> </ul> <p>In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, the government and the community.</p> <p>The Board has delegated responsibility for the day-to-day business operations of the Company to the Chief Executive Officer (who is also the Managing Director) and the management team. The management team, led by the Chief Executive Officer, is accountable to the Board.</p> <p>Matters expressly reserved for the Board are set out in the Board Charter.</p>
<p>1.2 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</li> </ul>	<p><b>The Company complies with this recommendation</b></p> <p>The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.</p>



	(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.	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p><b>The Company complies with this recommendation</b></p> <p>The Company has a written agreement with each of the directors and senior executives setting out the terms of his or her appointment.</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><b>The Company complies with this recommendation</b></p> <p>The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.</p>
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(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</li> <li>(c) disclose in relation to each reporting period: <ul 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: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board,</li> </ul> </li> </ul> </li> </ul>	<p><b>The Company complies with this recommendation</b></p> <p>The Board and executive leadership team are committed to workforce diversity in its broadest sense and consider this diversity and inclusiveness as a strength of the business and an investment in the creation of a sustainable business capable of delivering long term shareholder value.</p> <p>The 4DMedical Diversity Policy is available on the 4DMedical website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p> <p>The policy recognises that diversity not only includes gender diversity, but also includes other matters such as age, ethnicity, disability, marital status, family responsibilities, religion, cultural background and sexual orientation, and includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The policy includes a commitment to diversifying recruitment and merit-based appointments, as well as recognition that the Company will not tolerate workplace discrimination, harassment, vilification or victimisation.</p> <p>4DMedical has always had a commitment to workforce diversity and recognises the importance it has on the organisation's performance as well as improving employee retention and enhancing the Company's reputation.</p>



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.

**Gender diversity**

Below is a summary of 4DMedical's female participation based on the following employment categories as at 30 June 2023:

Category	Females as a percentage of total
<b>Non-executive directors</b>	40% (28.57% of all directors)
<b>Senior executives*</b>	27.28%
<b>Whole workforce</b>	32%

*\*Senior executives have been defined as the Chief Executive Officer and his direct reports.*

**Annual measurable objectives**

During the reporting year, the Board set the following annual measurable objectives for achieving gender diversity in the composition of the Board, senior management and the workforce more generally for the financial year ending 30 June 2024.

Target	Measure
<b>30%</b>	Gender requirement for 4DMedical’s board of directors, with an aspirational target of 40%
<b>30%</b>	Gender requirement for 4DMedical’s senior executives, with an aspirational target of 40%
<b>30%</b>	Gender requirement for 4DMedical’s whole workforce, with an aspirational target of 40%

During the reporting year, 4DMedical has been active in assessing other forms of diversity, allowing the Company to utilise this data in its formulation and improvement of Company processes.

**Initiatives**

The Company is committed to improving female representation in senior management roles, ensuring there is no discrimination within the organisation and encouraging diversity of thought. The Company continues to undertake a number of initiatives, designed in part to facilitate our commitment to an inclusive and diverse workplace:



		<ul style="list-style-type: none"> <li>• <b>Pay equity</b> - The Company’s commitment to pay equity forms part of its annual remuneration review process.</li> <li>• <b>Recruitment</b> - Additionally, diversity, in the broadest sense, forms part of the Company’s assessment of candidates for all roles, in recognition of the diversity and geographic dispersion of, and to better serve, our customers and stakeholders. The Company will continue to review its approach to recruitment, and that of recruitment agencies acting on its behalf, to ensure that approach is not inadvertently limiting the diversity of candidates in the talent pipeline.</li> </ul>
1.6	<p>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><b>The Company complies with this recommendation</b></p> <p>Each year the Board, individual directors and the Chair will undertake a performance evaluation, in accordance with its performance evaluation process as set out at Annexure 2 of the Board Charter (<b>Performance Evaluation Process</b>).</p> <p>The Performance Evaluation Process includes a peer assessment by way of confidential survey and subsequent discussions in relation to the feedback from the peer assessment. A similar process will be undertaken by the Board for each Committee.</p> <p>This Performance Evaluation Process is to ensure:</p> <ul style="list-style-type: none"> <li>• individual directors and the Board as a whole work efficiently and effectively in achieving their functions;</li> <li>• the executive directors and key executives execute the Company’s strategy through the efficient and effective implementation of the business objectives; and</li> <li>• committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the Board Charter.</li> </ul> <p>This policy will be reviewed annually. The Board will disclose for the relevant reporting period whether an evaluation of the Board, its committees and individual directors has taken place in accordance with the Company’s policy.</p> <p>The Board Charter is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p> <p>A performance evaluation of the Board was undertaken for the FY23 reporting period in accordance with the Performance Evaluation Process as set out in the Board Charter.</p>



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><b>The Company complies with this recommendation</b></p> <p>The Remuneration and Nomination Committee is responsible for overseeing the performance evaluation of the Company’s executive team (including the Chief Executive Officer) in accordance with the Performance Evaluation Process.</p> <p>The Company will disclose in its annual corporate governance statement whether the performance evaluation has been undertaken in accordance with the Performance Evaluation Process.</p> <p>The Board Charter is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p> <p>A performance evaluation of the senior executives was undertaken for the FY23 reporting period in accordance with the Performance Evaluation Process as set out in the Board Charter. The evaluation was based on specific criteria, focused on business performance of the Company and its subsidiaries and the meeting of strategic objectives.</p>
-----	---	--

**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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the</p>	<p><b>The Company has complied with this recommendation in full since 8 February 2023</b></p> <p>The Company's Remuneration and Nomination Committee is responsible for developing criteria for Board membership and identifying specific individuals for nomination. Since 8 February 2023, the Remuneration and Nomination Committee has comprised of three directors:</p> <ul style="list-style-type: none"> <li>• Evonne Collier (Chair);</li> <li>• John Livingston; and</li> <li>• Bruce Rathie.</li> </ul> <p>The Remuneration and Nomination Committee contains a majority of independent directors and is chaired by an independent director.</p> <p>The Remuneration and Nomination Committee Charter is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p> <p>The duties of the Remuneration and Nomination Committee in relation to nominations are set out in the Company’s Remuneration and Nomination Committee Charter.</p>
-----	--	---



	<p>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>	
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><b>The Company complies with this recommendation</b></p> <p>The professional skills, experience and expertise of each director are set out in the Directors' Report, contained within the Company's 2023 Annual Report.</p> <p>The directors possess a range of skills which, as a group, enable the Board to function effectively. The key skills and expertise of the directors collectively are:</p> <ul style="list-style-type: none"><li>• Board skills:<ul style="list-style-type: none"><li>○ Strategy and leadership;</li><li>○ Policy development</li><li>○ Corporate governance;</li></ul></li><li>• Technical and professional skills:<ul style="list-style-type: none"><li>○ Financial analysis and capital markets expertise</li><li>○ Risk and compliance oversight</li><li>○ People management</li><li>○ Commercial experience</li><li>○ Legal and regulatory approval</li><li>○ SaaS and software experience</li><li>○ Healthcare industry experience</li></ul></li></ul>



		<ul style="list-style-type: none"> <li>○ Global experience</li> <li>○ Health, safety, social and environmental responsibility</li> <li>○ Stakeholder communication and engagement</li> <li>○ Operational leadership</li> <li>○ Global leadership</li> <li>○ Critical and innovating thinking</li> <li>○ Negotiation and influence</li> <li>○ Enabling innovation and technology</li> </ul>
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 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><b>The Company complies with this recommendation</b></p> <p>The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.</p> <p>Currently, the Board is structured as follows:</p> <ul style="list-style-type: none"> <li>● Andreas Fouras (Managing Director and Chief Executive Officer) appointed on 17 December 2012;</li> <li>● Bruce Rathie (independent non-executive director and chair) appointed on 11 December 2019;</li> <li>● Robert A. Figlin (independent non-executive director) appointed on 9 December 2016;</li> <li>● Julian Sutton (non-executive director) appointed 15 September 2017;</li> <li>● John Livingston (executive director) appointed 7 March 2018; and</li> <li>● Lil Bianchi (independent non-executive director) appointed 11 December 2019; and</li> <li>● Evonne Collier (independent non-executive director) appointed 17 December 2021.</li> </ul> <p>Director Andreas Fouras and John Livingston are executive directors and therefore are not considered to be independent.</p> <p>Non-executive director Julian Sutton is currently considered by the Board not to be independent as Julian had, up until the date the Company’s initial public offering prospectus (<b>Prospectus</b>) was lodged in July 2020, entered into a Services Agreement (which terminated prior to the date of the Prospectus) with the Company as well as having entered into an (also now terminated) Introducer Agreement with the Company.</p>





		<p>In this regard, for the purposes of the Principles and Recommendations, Julian's historical commercial agreement with the Company may affect their characterisation as an "independent" director under the Principles and Recommendations (as the agreement was in place in the 3 year period prior to 30 June 2023). Notwithstanding this, and given the agreement has now been terminated, the Board considers that Julian is able to objectively analyse the issues before the Board and act in the best interest of all shareholders and the Company, and in accordance with his duty as directors.</p> <p>The Managing Director and Chief Executive Officer Andreas Fouras has a substantial holding in the Company via an associated entity known as Velocimetry Consulting Pty Ltd. The remaining Directors do not hold a substantial holding in the Company.</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p><b>The Company complies with this recommendation</b></p> <p>As at 25 August 2023, the Board comprises of a majority of independent directors.</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p><b>The Company complies with this recommendation</b></p> <p>Bruce Rathie, the chair of the Board, is an independent director and is not the same person as the Chief Executive Officer and Managing Director.</p>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<p><b>The Company complies with this recommendation</b></p> <p>The Remuneration and Nomination Committee Charter requires the committee to be responsible for ensuring that processes are in place to support director induction programs and provide continuing professional development opportunities for directors, regularly review the effectiveness of these processes and recommend professional development opportunities to address any gaps in the directors' skills, knowledge and experience.</p>
<p><b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b></p>		
3.1	A listed entity should articulate and disclose its values.	<p><b>The Company complies with this recommendation</b></p> <p>In order to reinforce the Company's values which underpin how the Company undertakes its business, it has adopted a Statement of Values. It outlines the norms and behaviours expected of the Company's Directors, senior leaders, staff and those who the Company seeks to work with.</p>



		The Statement of Values is available on the Company's website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>
3.2	<p>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><b>The Company complies with this recommendation</b></p> <p>The Company has a formal Code of Conduct which outlines the manner in which the Company expects its directors and employees to behave and conduct business in the workplace. The Code of Conduct applies to all employees, directors, senior executives, temporary employees, contractors and consultants and relevant third parties of the Company.</p> <p>The objectives of the Code of Conduct are to:</p> <ul style="list-style-type: none"> <li>• provide a benchmark for ethical and professional behaviour throughout the Company;</li> <li>• support the Company's business reputation and corporate image within the community; and</li> <li>• make directors and employees aware of the consequences if they breach the Code.</li> </ul> <p>The Code of Conduct is available on the Company's website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a></p>
3.3	<p>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><b>The Company complies with this recommendation</b></p> <p>The Company has adopted a Whistleblower Protection Policy. The purpose of the Whistleblower Protection Policy is to promote and support a culture of honest and ethical behaviour and encourage disclosure of improper conduct.</p> <p>The Whistleblower Policy is available on the Company's website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a></p>
3.4	<p>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 of that policy.</p>	<p><b>The Company complies with this recommendation</b></p> <p>The Company has adopted an Anti-Bribery and Corruption Policy. The policy seeks to ensure the Company's officers, directors, associates, contractors, consultants and staff:</p> <ul style="list-style-type: none"> <li>• do not give or accept gifts and/or benefits that will compromise their integrity or appear to cause a conflict of interest;</li> <li>• do not give or receive payments of secret commissions;</li> <li>• are educated on what gifts and benefits are unacceptable and acceptable;</li> </ul>



		<ul style="list-style-type: none"> <li>• promote investor confidence in the integrity of the Company and its securities; and</li> <li>• understand the process to be followed if there is a suspected breach of the policy.</li> </ul> <p>The policy also explains the key principles of bribery and corruption and the Company's compliance process including that the Board or a committee of the Board must be notified of all material breaches of the Policy.</p> <p>The Anti-Bribery and Corruption Policy is available on the Company's website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a></p>
<p><b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b></p>		
<p>4.1</p>	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the</li> </ol>	<p><b>The Company partially complies with this recommendation</b></p> <p>The Company has an Audit and Risk Committee. However, the Company does not fully comply with Recommendation 4.1 as the committee comprises of two members and does not contain a majority of independent directors. However, the Company considers that the current composition of the committee is suitable for the Company given its resources, size and operations.</p> <p>The Audit and Risk Committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of the Company's financial and corporate reporting, risk management and compliance structures and external functions.</p> <p>As at 25 August 2023, the Audit and Risk Committee comprises of two directors:</p> <ul style="list-style-type: none"> <li>• Lil Bianchi (Chair); and</li> <li>• Julian Sutton.</li> </ul> <p>In particular, given the reason that Julian Sutton is considered not "independent" is due to Julian having entered into a Services Agreement and Introducer Agreement with the Company in 2020, and such agreements having been terminated prior to listing, the Company considers that his practical independence is not compromised by virtue of their historical commercial arrangements, and their appointment to the Audit and Risk Committee is not inconsistent with the underlying policy of Principle 4.1.</p> <p>The relevant qualifications and experience of the members of the committee are set out in the Directors' Report, which is contained in our 2023 Annual Report.</p> <p>The Audit and Risk Committee Charter sets out:</p>



	<p>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>	<ul style="list-style-type: none"> <li>• the composition of the Committee, including that the Committee should comprise of: <ul style="list-style-type: none"> <li>○ only non-executive directors;</li> <li>○ a majority of independent directors of the Company;</li> <li>○ an independent chair, who is not chair of the Board; and</li> <li>○ a minimum of three members.</li> </ul> </li> <li>• the Committee’s ability to have access to Company records and employees and the external auditor for the purposes of carrying out its responsibilities;</li> <li>• that the Committee may seek the advice of independent advisors on any matter relating to the responsibilities and duties of the Committee; and</li> <li>• the specific responsibilities of the Committee in relation to: <ul style="list-style-type: none"> <li>○ overseeing the Company’s relationship with its external and internal auditors and audit functions generally;</li> <li>○ overseeing the preparation of financial statements and reports; and</li> <li>○ managing the process of identification of risk and the management of risk strategies.</li> </ul> </li> </ul> <p>The Audit and Risk Committee Charter sets out that the Board will make the Audit and Risk Committee Charter available on its website and at the end of each reporting period it will disclose the number of times the Audit and Risk Committee met throughout that year and the individual attendances of the members at those meetings.</p> <p>The Audit and Risk Committee Charter is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</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</p>	<p><b>The Company complies with this recommendation.</b></p> <p>Prior to approval of the financial statements for the full-year and half-year reporting period, the Board receives written certifications from the Managing Director &amp; Chief Executive Officer and the Chief Financial Officer in relation to the Company’s financial reporting processes.</p> <p>In respect of the financial statements for the half-year ended 31 December 2022 and the full year ended 30 June 2023, the Managing Director &amp; Chief Executive Officer and the Chief Financial Officer declared that, in their opinion:</p>



	<p>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>	<ul style="list-style-type: none"> <li>• the financial records of the Company have been properly maintained; and</li> <li>• the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and</li> <li>• that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</li> </ul>
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><b>The Company complies with this recommendation.</b></p> <p>The Company ensures that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<p><b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b></p>		
5.1	<p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p><b>The Company complies with this recommendation.</b></p> <p>The Company is committed to:</p> <ul style="list-style-type: none"> <li>• ensuring that shareholders and the market are provided with full and timely information about its activities;</li> <li>• complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and</li> <li>• providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.</li> </ul> <p>The Company has adopted a Continuous Disclosure Policy, which:</p> <ul style="list-style-type: none"> <li>• provides reporting protocols and processes for determining whether information should be disclosed to the market; and</li> <li>• designates responsibility for managing and monitoring the Company’s compliance with its continuous disclosure obligations.</li> </ul> <p>All relevant information provided to ASX is posted on the Company’s website after the ASX confirms the appropriate announcement has been made.</p> <p>The Continuous Disclosure Policy is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p>



5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<p><b>The Company complies with this recommendation.</b></p> <p>The Board reviews and approves market announcements in accordance with its Continuous Disclosure Policy and each Board member is registered to receive external notifications of all ASX announcements. The Company also circulates all price sensitive announcements to the Board ahead of the release being made.</p> <p>The Company discloses these processes in the Company's Continuous Disclosure Policy available on the Company's website.</p>
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<p><b>The Company complies with this recommendation.</b></p> <p>The Company discloses these processes in the Company's Continuous Disclosure Policy available on the website.</p>
<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.	<p><b>The Company complies with this recommendation.</b></p> <p>The Company provides information about itself and its governance to investors via its Investor Centre website at <a href="https://investors.4dmedical.com/Investor-Centre/">https://investors.4dmedical.com/Investor-Centre/</a>.</p> <p>The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following is posted to the Company website:</p> <ul style="list-style-type: none"> <li>• relevant announcements made to the market via ASX;</li> <li>• media releases;</li> <li>• investment updates;</li> <li>• Company presentations and media briefings; and</li> <li>• copies of press releases and announcements for the preceding three years.</li> </ul>
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<p><b>The Company complies with this recommendation.</b></p> <p>The Company has a Shareholder Communications Policy which is aimed at ensuring timely, clear and effective communication with the market, shareholders and other stockholders.</p>



		<p>The purpose of the policy is also to encourage effective participation at general meetings and to deal promptly with enquiries of shareholders.</p> <p>The policy sets out:</p> <ul style="list-style-type: none"><li>• the methods of communications with shareholders;</li><li>• the manner in which Company announcements are to be made;</li><li>• the regular communications to be received by shareholders from the Company;</li><li>• the manner in which the Company’s website is to be used to communicate with shareholders;</li><li>• the manner in which meetings of shareholders are to be conducted; and</li><li>• the manner in which analyst and investor briefings are to be conducted.</li></ul> <p>In addition, the Company is required by law to communicate to shareholders through the lodgement of all relevant financial and other information with ASX and, in some instances, mailing information to shareholders.</p> <p>The Company has an investor relations contact with whom investors are able to contact.</p> <p>The Shareholder Communications Policy is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders	<p><b>The Company complies with this recommendation.</b></p> <p>The Board encourages full participation of shareholders at meetings to ensure a high level of accountability and identification with the Company’s strategies and goals. Due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders to be appropriate at this stage. However, the Shareholder Communications Policy and the Continuous Disclosure Policy sets out how the Company facilitates shareholder communication at shareholder meetings, including:</p> <ul style="list-style-type: none"><li>• the Company’s Annual General Meeting providing shareholders with an opportunity to hear directly from the Board and the Managing Director and ask questions of the Board and senior management;</li><li>• shareholders being encouraged to attend or, if unable to attend, to vote on the motions proposed by appointing a proxy or any other means included in the notice of meeting;</li></ul>



		<ul style="list-style-type: none"> <li>• general meetings being generally held in a location and at a time which is intended to maximise participation by shareholders;</li> <li>• full participation of shareholders at general meetings being encouraged to ensure a high level of accountability and identification with the Company's strategies and goals;</li> <li>• shareholders having the opportunity to submit questions prior to each annual meeting; and</li> <li>• the Managing Director &amp; Chief Executive Officer, senior management and auditors being present to assist with providing answers at annual meetings.</li> </ul>
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><b>The Company complies with this recommendation.</b></p> <p>The Company conducts all voting processes through a poll rather than a show of hands.</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><b>The Company complies with this recommendation.</b></p> <p>Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.</p>
<p><b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b></p>		
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,</p> <p>and disclose:</p>	<p><b>The Company partially complies with this recommendation.</b></p> <p>The Company has an Audit and Risk Committee. However, the Company does not fully comply with Recommendation 7.1 as the committee comprises of two members and does not contain a majority of independent directors. However, the Company considers that the current composition of the committee is suitable for the Company given its resources, size and operations.</p> <p>The Audit and Risk Committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of the Company's financial and corporate reporting, risk management and compliance structures and external functions.</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;</p> <p>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>As at 25 August 2023, the Audit and Risk Committee comprises of two directors:</p> <ul style="list-style-type: none"><li>• Lil Bianchi (Chair); and</li><li>• Julian Sutton.</li></ul> <p>In particular, given the reason that Julian Sutton is considered not "independent" is due to Julian having entered into a Services Agreement and Introducer Agreement with the Company in 2020, and such agreements having been terminated prior to listing, the Company considers that his practical independence is not compromised by virtue of their historical commercial arrangements, and their appointment to the Audit and Risk Committee is not inconsistent with the underlying policy of Principle 7.1.</p> <p>The relevant qualifications and experience of the members of the committee are set out in the Directors' Report, which is contained in our 2023 Annual Report.</p> <p>The Audit and Risk Committee Charter sets out:</p> <ul style="list-style-type: none"><li>• the composition of the committee, including that the committee should comprise of:<ul style="list-style-type: none"><li>○ only non-executive directors;</li><li>○ a majority of independent directors of the Company;</li><li>○ an independent chair, who is not Chair of the Board; and</li><li>○ a minimum of three members;</li></ul></li><li>• the committee's ability to have access to Company records and employees and the external auditor for the purposes of carrying out its responsibilities;</li><li>• that the committee may seek the advice of independent advisors on any matter relating to the responsibilities and duties of the committee; and</li><li>• the specific responsibilities of the committee in relation to:<ul style="list-style-type: none"><li>○ overseeing the Company's relationship with its external and internal auditors and audit functions generally;</li><li>○ overseeing the preparation of financial statements and reports; and</li><li>○ managing the process of identification of risk and the management of risk strategies.</li></ul></li></ul> <p>The Audit and Risk Committee Charter sets out that the Board will make the Audit and Risk Committee Charter available on its website, and at the end of each reporting period it will</p>
--	--



		<p>disclose the number of times the Audit and Risk Committee met throughout that year as well as the individual attendances of the members at those meetings.</p> <p>The Audit and Risk Committee Charter is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</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><b>The Company complies with this recommendation.</b></p> <p>The Board reviews the Company’s risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board will disclose at the end of each reporting period whether the Audit and Risk Committee has undertaken such review.</p> <p>The Company has a formal Risk Management Policy and a risk register. The Company’s approach to managing risk is through continuously identifying, assessing, and managing risks that affect the business in the context of the Company’s values, objectives, and strategies.</p> <p>Risks are analysed and where possible reduced, but it is not always possible to completely mitigate all risks faced by the Company.</p> <p>Identified risks are assigned to functional owners of the business.</p> <p>The Board reviews reported risks at board meetings and reviews the risk management framework through its Audit and Risk Committee annually. The last review was carried out in June 2023.</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</p>	<p><b>The Company partially complies with this recommendation.</b></p> <p>The Company does not have an internal financial audit function due to the size of the Company. The Company’s Audit and Risk Committee of the Board is satisfied that it has suitable oversight of the Company’s risk management, governance, and internal control processes. Evaluation of effectiveness and continual improvement of these processes is monitored on an on-going basis by the Audit and Risk Committee and reported to the Board.</p> <p>The Company has a quality assurance internal audit function as part of its ISO 13485 quality management system and has approved audit documents including an audit operating procedure, audit checklist, internal audit report and internal audit schedule. The operating procedure outlines the responsible parties for ISO 13485 internal auditing within the</p>



	management and internal control processes.	company, and details requirements of the internal audit schedule, audit preparation, conduct of internal audit, internal audit reports and records, as well as third party audits. Nominated employees of the Company have been externally trained as ISO 13485 internal auditors.
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><b>The Company complies with this recommendation.</b></p> <p>The Company is subject to general risks and certain specific risks as were outlined in the Company’s Prospectus and in the operating and financial review in the Directors’ Report, contained within the Company’s 2023 Annual Report.</p> <p>In addition to where the Company has identified those general and specific risks to which it has a material exposure, and disclosed how it intends to manage those risks, the Audit and Risk Committee is responsible with respect to risk management as disclosed in the Audit and Risk Committee Charter.</p> <p>As at 25 August 2023, the Company has not identified any material exposure to economic, environmental or social risks specific to the Company.</p>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number</p>	<p><b>The Company has complied with this recommendation in full since 8 February 2023</b></p> <p>As at 25 August 2023, the Company complies with Recommendation 8.1 as the Remuneration and Nomination Committee consists of at least three members, the majority of members are independent directors and the Chair of the Remuneration and Nomination Committee is independent.</p> <p>The role of the Remuneration and Nomination Committee is to make recommendations to the Board on remuneration packages and policies in respect of directors and senior executives of the Company and to ensure that the remuneration packages and policies adopted by the Board are consistent with the strategic objectives of the Board.</p> <p>Since 8 February 2023, the Remuneration and Nomination Committee has comprised of three directors:</p> <ul style="list-style-type: none"> <li>• Evonne Collier (Chair);</li> <li>• John Livingston; and</li> <li>• Bruce Rathie.</li> </ul>



	<p>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>The Remuneration and Nomination Committee contains a majority of independent directors. The Remuneration and Nomination Charter sets out the composition of the Committee, including that the Committee should comprise of:</p> <ul style="list-style-type: none"> <li>• a minimum of three members; and</li> <li>• an independent director of the Company as chair.</li> </ul> <p>The Remuneration and Nomination Committee is responsible for:</p> <ul style="list-style-type: none"> <li>• reviewing and making recommendations to the Board on the Company’s remuneration framework, remuneration packages and policies which apply to senior executives and directors;</li> <li>• reviewing and making recommendations to the Board on the equity-based remuneration plans available to the executive team and employees;</li> <li>• ensuring that the Company’s remuneration packages and policies attract, retain and motivate high calibre executives and employees; and</li> <li>• establishing a review processes for the performance of directors, Board committees and the Board as a whole and the implementation of those processes.</li> </ul> <p>The Remuneration and Nomination Committee Charter is available on the Company’s website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</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><b>The Company complies with this recommendation.</b></p> <p>The Remuneration and Nomination Committee is responsible for developing, reviewing, making recommendations and providing assistance and advice to, the Board on the remuneration arrangements for directors and executives. The role of the Remuneration and Nomination Committee is set out in more detail in its charter, available on the 4DMedical website at <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p> <p>The performance of the Group depends on the quality of its directors and executives. To that end, the Company's remuneration philosophy is to attract, motivate and retain high performance and high-quality talent.</p> <p>The Group's executive reward framework is based on objectives to:</p> <ul style="list-style-type: none"> <li>• accelerate growth and profitability;</li> <li>• align senior executive rewards with achievement of strategic objectives and the delivery of shareholder value; and</li> </ul>



- provide competitive remuneration packages that recognise both individual and organisational performance.

***Elements of executive remuneration***

*Fixed remuneration*

The fixed remuneration component consists of base salary, superannuation and other non-monetary benefits. It is designed to reward the scope of their role and responsibilities, their skills, experience and qualification and individual and group performance, and is set at a level to attract and retain executive talent with the appropriate capabilities to deliver the Company's objectives.

Fixed remuneration is generally reviewed annually, however, there is no guaranteed annual increase. Any adjustments to executive KMP remuneration are approved by the Board, based on recommendations from the Remuneration and Nomination Committee.

*STI*

The Company established a Short-Term Incentive (STI) plan with effect from its listing. The STI plan provides executives with the opportunity to earn an annual incentive award which may be delivered in cash and/or equity.

The key objectives of the STI plan are to drive and reward outstanding performance against annual strategic financial and operational performance objectives, promote effective management of capital, and position the Company to continuously achieve in future years.

*LTI*

The Company established a Long-Term Incentive (LTI) plan with effect from its listing. The objective of that LTI plan is to assist in the motivation, retention and reward of executives, and to link the long-term reward for those executives with the creation of shareholder value through the allocation of equity awards which are subject to specific performance conditions.



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><b>The Company complies with this recommendation.</b></p> <p>The Company's Securities Trading Policy includes a statement on the Company's policy on prohibiting restricted persons under that policy (i.e. directors, senior executives and specified employees) from entering into transactions (whether through the use of derivatives or otherwise) designed to hedge their exposure to the Company's securities.</p> <p>Further and more generally, in accordance with ASX Listing Rule 12.9, the Securities Trading Policy sets out the following information:</p> <ul style="list-style-type: none"><li>• closed periods in which restricted persons must not deal in the Company's securities;</li><li>• restrictions on trading that apply to the entity's key management personnel (amongst other personnel that are deemed to be "restricted persons");</li><li>• trading in the Company's securities which is not subject to the Company's trading policy; and</li><li>• the procedures for obtaining written clearance for trading in exceptional circumstances.</li></ul> <p>The Company's Securities Trading Policy is available on the Company's website at: <a href="https://4dmedical.com/corporate-governance">https://4dmedical.com/corporate-governance</a>.</p>
<b>PRINCIPLE 9 - ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>		
9.1	<p>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.</p>	<p><b>Not applicable to the Company.</b></p>



9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<b>Not applicable to the Company.</b>
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.	<b>Not applicable to the Company.</b>