

Corporate Governance Statement

AHALIFE HOLDINGS LIMITED ACN 006 908 701

This corporate governance statement sets out AHALife Holdings Limited's (**Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the ASX Principles and Recommendations. This corporate governance statement is current as at 30 June 2017 and has been approved by the board of the Company (**Board**).

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
1.1 A listed entity should disclose: (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.	Yes	<p>The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> (a) maintain and increase Shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> (a) developing initiatives for profit and asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the Shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. <p>The Company is committed to the circulation of relevant materials to directors in a timely manner to facilitate directors' participation in Board discussions on a fully-informed basis.</p> <p>It is expected that the division of responsibility of the Board and senior executives (once appointed) will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.</p>
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person or	Yes	The Company undertakes backgrounds checks with regards to the person's character, experience, education, criminal

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<p>(c) disclose as at the end of each reporting period the measureable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) 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>No</p> <p>No</p>	
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>The performance of the Board as a group and individual directors will be assessed each year for all future years. In particular, all directors seeking re-election at an annual general meeting will be subject to a formal performance appraisal to determine whether the Board recommends their re-election to shareholders.</p> <p>The Company did not undertake a formal performance appraisal during the reporting period.</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>The Board and senior management team intend to regularly review the performance of its senior executives and address any issues that may emerge.</p> <p>The Company did not undertake a formal performance appraisal during the reporting period.</p>
<p>2 Structure the board to add value</p>		
<p>2.1 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>No</p>	<p>Although the Company adopted a remuneration and nomination committee charter in November 2015, no formal nomination committee for the identification, appointment and review of the Board</p>

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<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 meeting; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and 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>	Yes	<p>membership in the reporting period was implemented by the Board.</p> <p>In the absence of a formal committee, the Board undertakes the role of identifying, appointing and reviewing potential Board appointments. The Board will continue to evaluating the need to establish a formal committee in the next reporting period.</p>
<p>2.2 A listed entity should disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve its membership.</p>	No	<p>The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principle criterion for the appointment of new directors is their ability to add value to the Company and its business. The Board is in the process of completing the Board skills matrix.</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, association 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, association 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>	Yes	<p>The Board has reviewed the position and associations of each of the directors and has determined that one of the directors (Christopher Colfer) was independent during the reporting period.</p> <p>The Company will continually evaluate whether it will be appropriate to consider additional independent directors as the business evolves and expands.</p> <p>In terms of length of service, Messrs Mike Hill and Michael Everett were appointed on 17 January 2014, and Mr Christopher Colfer was appointed on 24 March 2016.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	No	<p>For the reporting period, a majority of the Board was not independent. The Company will continually evaluate whether it will be appropriate to consider additional</p>

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		Independent directors as the business evolves and expands.
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.	No	The Board's Chairman during the reporting period was Mr Michael (Mike) Hill. Mr Hill did not satisfy the ASX Principles and Recommendations' definition of an independent director. The Board's Chairman is not the same person as the CEO of the Company.
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as director effectively.	Yes	The Company takes care in ensuring that Directors will be able to effectively manage and govern the Company before their nomination as potential Directors. It has not been deemed necessary to devote resources towards ensuring that Directors have the sufficient skills to fulfil their role appropriately.
3 Act ethically and responsibly		
3.1 A listed entity should:		
(a) have a code of conduct for its directors, senior executives and employees; and	Yes	The Company adopted a formal code of conduct for its directors, senior executives and employees in November 2015.
(b) disclose that code or a summary of it.	No	The Company plans to upload a copy of the code to its website in the next reporting period.
4 Safeguard integrity in corporate reporting		
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 non-executive directors and a majority of whom are independent directors; and	No	The Company has a separately constituted audit and risk committee pursuant to a charter that was adopted in November 2015. The committee has two members and is chaired by a non-executive director who is not independent, As the Company continues to develop, the Board will consider inviting additional members to the committee and changing the composition so that the chair is an independent director.
(2) is chaired by an independent director who is not the chair of the board, and disclose:	No	
(3) the charter of the committee;	No	
(4) the relevant qualifications and experience of the members of the committee; and	Yes	
(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	Yes	
(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and	N/A	Qualifications of the members and number of meetings held is set out in the annual report.

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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.		
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.	Yes	The Board received a declaration from its CEO and CFO before it approved the Company's financial statements for all financial periods in the reporting period.
4.3 A 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.	Yes	An external auditor will be present at the AGM and be available to answer questions from security holders relevant to the audit.
5 Make timely and balanced disclosure		
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure requirements under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	The Company adopted a formal written policy in November 2015 for complying with its continuous disclosure requirements under the ASX Listing Rules.
	No	The Company plans to upload a copy of the policy to its website in the next reporting period.
6 Respect the rights of security holders		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company provides information about itself and its governance to investors via its corporate website, www.ahalifeholdings.com.au .
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has designed and implemented an investor relations program. Investors are encouraged in ASX announcements to contact AHA Investor Relations at IR@ahalife.com . In addition, the Company has adopted a shareholders communications policy in November 2015.
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	No	The Company did not find it necessary during the reporting period to create a formal policy to facilitate and encourage participation at meetings of security holders.

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		However, the Company notes that security holders are welcome to attend any of its general meetings.
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company encourages security holders to register for receipt of communications from the Company electronically.
7 Recognise and manage risk		
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.	No No No Yes Yes N/A	The Company has a separately constituted audit and risk committee pursuant to a charter that was adopted in November 2015. The committee has two members and is chaired by a non-executive director who is not independent. As the Company continues to develop, the Board will consider inviting additional members to the committee and changing the composition so that the chair is an independent director. The audit and risk committee charter outlines key areas of responsibility for the committee, outlining its responsibility for the oversight of the quality and integrity of the accounting, auditing, financial reporting and operational risks of the Company. The Company plans to upload a copy of the charter to its website in the next reporting period. Qualifications of the members and number of meetings held is set out in the annual report.
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 (b) disclose, in relation to each reporting period, whether such a review has taken place.	No	Although the Company does have a separately constituted audit and risk committee, a review of the Company's risk management framework did not take place in the reporting period.
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 risk management and internal control processes.	No	The Company did not have an internal audit function during the reporting period, and did not disclose the processes it used to improve risk management. Nonetheless, it remains committed to effective management and control of these factors.

