

CORPORATE GOVERNANCE STATEMENT

ALPHA HPA LIMITED
ABN 79 106 879 690



1 INTRODUCTION

Alpha HPA Limited (the **Company**) is committed to conducting its business activities and governing the company in accordance with best practice corporate governance to the extent appropriate to the size and nature of the Company's operations.

This Corporate Governance Statement details the extent to which the Company follows the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

For the purposes of this Corporate Governance Statement the Company's corporate governance practices are structured with reference to the fourth edition of the Recommendations released on 27 February 2019.

While listed entities are entitled not to adopt the Recommendations in whole or in part, the ASX requires that entities explain why it has not adopted any particular recommendation on an "if not, why not" basis.

The table set out below identifies which Recommendations the Company follows and which it does not and provides reasons for not following those Recommendations as well as alternate governance practices (if any) the Company intends to adopt instead of those Recommendations.

The Company's corporate governance policies together with a copy of this Corporate Governance Statement are all available on the Corporate Governance section of the Company's website at <https://alphahpa.com.au/asx-compliance-information/> (**Website**).

2 RECOMMENDATIONS COMPLIANCE TABLE

Recommendation	Statement
Principle 1 – Lay solid foundations for management and oversight	
A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.	
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	The board of directors of the Company (Board) has adopted a charter (Board Charter) which sets out the principles regarding the ongoing operation of the Board. The Board Charter sets out the role and responsibilities of the Board and provides for the delegation of authority to management for matters pertaining to the day to day operations of the Company. A copy of the Board Charter is available on the Website.

Recommendation	Statement
(b) those matters expressly reserved to the board and those delegated to management.	
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 Board Charter sets out the Company's process for selection, appointment and re-appointment of directors. The Company undertakes relevant background checks on director candidates and provides all material information to shareholders that may be relevant to a decision on whether or not to elect or re-elect a director including the nominee's biographical details, qualifications, a statement whether the Board supports their election, a statement whether the Board considers the nominee independent, details of the term of office for nominees who are currently directors and any materially adverse findings arising out of background checks undertaken for nominees who are to be elected or appointed as directors for the first time.
1.3. A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Board Charter provides that each director and senior executive is required by the Company to execute a written agreement setting out the terms of their appointment, and these written agreements in place.
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 Board Charter sets out the role and responsibilities of the Company's Secretary and provides that the Secretary is accountable to the Board, via the chair of the Board (Chair) on all matters to do with the proper function of the Board and any committee of the Board and sets out the specific obligations of the Secretary in this regard.
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 the its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period:	The Company has adopted a diversity policy (Diversity Policy) which is available on the Website. The Diversity Policy provides that the Board will, at the appropriate time, and subject to the Company's size and operations, endeavor to, on an annual basis, establish appropriate and measurable diversity targets to achieve and maintain gender diversity within the Company and assess the Company's progress in achieving these objectives. The Company has not as yet set these measurable diversity targets. Three of the Company's seven directors are female, a percentage of 42.9%.

Recommendation	Statement
(i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) 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.	At the date of this report 36% of the Company's employees are female.
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 Charter provides that the Board is required to review and evaluate the performance of the Board, its committees and individual directors from time to time and that, at least once annually, it must review and evaluate the Board's compliance with the Board Charter and amend that charter or any other governance policies to meet the goals and objectives of the Board as they develop over time. Following a review of the Board committees' structures during the year Rimantas Kairaitis resigned from the Risk and Sustainability Committee. This meant a majority of the members of the Risk and Sustainability Committee were independent directors.
1.7. A listed entity should:	The Board Charter provides that the Board will review and evaluate the performance of the Company's executives at least once annually.

Recommendation	Statement
(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.	An evaluation of the Company's executives was undertaken by the Company in accordance with the Board Charter.
Principle 2 – Structure the board to add value The board of a listed entity should be of a board of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.	
2.1. The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose; (iii) the charter of the committee; (iv) the members of the committee; and (v) 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	The Company has a Nomination Committee to oversee the selection and appointment practices of the Company. The Nomination Committee is governed by a Nomination Committee Charter, which is available on the Company's website at https://alphahpa.com.au/asx-compliance-information/. The Nomination Committee consists of four members, Tony Sgro (Chair), Marghanita Johnson, Rimas Kairaitis and Rob Williamson. Tony Sgro and Marghanita Johnson are considered to be non-executive, independent directors. The majority of the Committee is not independent, with two independent and two non-independent members. The Company considers the composition of the committee the most appropriate given the experience of the members and composition of the Board. The Company has disclosed in its Annual Report how many times that the Nomination Committee met during the year and the individual attendances of members at those meetings.

Recommendation	Statement
(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.	
2.2. A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Board Charter provides that the Board is responsible for developing and implementing a skills matrix setting out the mix of skills and diversity that the Board has or is looking to achieve in its membership. The Board adopted an updated skill matrix during the year, with individual directors performance assessed against the following criteria: - Risk and Compliance - Strategy and Policy - Industry - Management and Leadership - Board Conduct - Human Resources
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, 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	The Company assesses the independence of its directors against the requirements for independence set out in the Board Charter which reflect the independence criteria set out in the ASX Corporate Governance Principles. Director independence is initially assessed upon each director's appointment and reviewed each year, or as required when a new personal interest or conflict of interest is disclosed. Directors are required to disclose all actual or potential conflicts of interest on an ongoing basis.

Recommendation	Statement
question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	These disclosures are made in the Company's Annual Report.
2.4. A majority of the board of a listed entity should be independent directors.	The Company has seven directors, four of whom, Dr Regan Crooks, Marghanita Johnson, Annie Liu and Tony Sgro, are considered to be independent directors. The majority of the Board is therefore independent.
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.	Norman Seckold, a non-independent director, holds the office of Chairman and therefore, to this extent, the Group does not follow Recommendation 2.5. However, having regard to the size of the Group and the nature of its activities, the appointment of more directors is not warranted and the Board considers that Norman Seckold best serves the office of Chairman due to his extensive experience in the industry. Recommendation 2.5 is followed in part because the Chairman does not also hold the position of Chief Executive Officer.
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 Board Charter provides that directors are expected to participate in induction or orientation programs upon their election or appointment, and any continuing education or training arranged by the Company for them from time to time.
Principle 3 – Instill a culture of acting lawfully, ethically and responsibly A listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.	
3.1. A listed entity should articulate and disclose its values	The Company has adopted a Statement of Values which is available on its Website. https://alphahpa.com.au/asx-compliance-information/
3.2. A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and	The Company has adopted a Code of Conduct, an Anti-Bribery and Corruption Policy, a Whistleblower Policy and a Securities Trading Policy that applies to all directors, officers, employees, consultants, contractors and advisors of the Company, as applicable.

Recommendation	Statement
(b) ensure that the board or a committee of the board is informed of any material breaches of that code.	The Company is committed to acting ethically and responsibly and has prepared these policies having regards to the Recommendations. The policies are available on the Website.
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 adopted a Whistleblower Policy. The purpose of the policy is to deter wrongdoing and encourage reporting of such wrongdoing through the provision of safe and secure processes which protect and support individuals who disclose wrongdoing. The Whistleblower Policy provides that the Company must inform the board of any material disclosures made under the policy.
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 in place an anti-bribery and corruption policy that can be found under the governance documents on the Company's Website. The policy provides that breaches of the policy must be reported to the Board.
Principle 4 – Safeguard the integrity of corporate reports A listed entity should have appropriate processes to verify the integrity of its corporate reports.	
4.1. The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose	The Company has an Audit Committee to oversee the management of financial and internal risks. The Audit Committee is governed by an Audit Committee Charter, a copy of which is available on the Company's website. The Audit Committee consists of three members, Dr Regan Crooks (Chair), Marghanita Johnson and Tony Sgro. All considered to be non-executive, independent directors.

Recommendation	Statement
(iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) 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 disclosed in its Annual Report how many times that the Audit Committee met during the year and the individual attendances of members at those meetings.
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 Company ensures that the Company receives a declaration from the Company's CEO or Chief Financial Officer 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. Such declarations are provided to the Board on a similar foundational basis to a declaration provided by the CEO or CFO of an entity who is required to provide such a declaration pursuant to s.295A of the <i>Corporations Act 2001 (Cth)</i>.
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 CEO reviews all reports before they are presented to the Board for review and subsequently released to the market. Such reports are not released to the market unless they have been reviewed by the CEO and the Board.
Principle 5 – Make timely and balanced disclosure	

Recommendation	Statement
A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.	
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 is committed to taking a proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations. The Board has adopted a Continuous Disclosure Policy to ensure compliance with ASX Listing Rules continuous disclosure obligations. The Continuous Disclosure Policy is available on the Company's website.
5.2. A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Company maintains an Investor Centre section website that is updated when market announcements are made. The Company ensures the Board is copied on all market communications as they are posted on the ASX platform and on the website by alerting the Board to such communications and sending them directly to their e-mail addresses.
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 Secretary manages these communications and ensures they are posted on the ASX platform in advance.
Principle 6 – Respect the rights of security holders A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.	
6.1. A listed entity should provide information about itself and its governance to investors via its website	The Company provides investors with comprehensive and timely access to information about itself and its governance on its website at https://alphahpa.com.au/asx-compliance-information/. Board and committee charters and key corporate governance policies, copies of all material information lodged with ASX, copies of all announcements, briefings and speeches made to the market, analysts or

Recommendation	Statement
	the media, press releases or announcements made by the Company, financial data for the Company, the Company's annual reports and notices of shareholder meetings. Further details are set out in the Company's Shareholder Communication Policy. https://alphahpa.com.au/asx-compliance-information/
6.2. A listed entity should have an investor relations program that facilitates effective two- way communication with investors.	The Company has adopted a Shareholder Communications Policy for shareholders wishing to communicate with the Board, a copy of which is available on the Company's website. The Company seeks to utilise numerous modes of communication, including electronic communication to ensure that its communication with shareholders is frequent, clear and accessible.
6.3. A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The Shareholder Communication Policy encourages participation at meetings of shareholders. The Company invites all security holders to attend the Company's annual general meetings, either in person, electronically or by representative. Security holders also have an opportunity to submit questions to the Board or the Company's external auditor. These rights and opportunities are outlined in the Company's Shareholder Communication Policy.
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.	The Company conducts a poll for resolutions decided at a meeting of security holders, unless the need to hold a meeting virtually precludes the ability to do so.
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.	The Company ensures stakeholders can communicate with the registry electronically.
Principle 7 – Recognise and manage risk	

Recommendation	Statement
A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.	
7.1. The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose (iv) the charter of the committee; (v) the members of the committee; and (vi) 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.	In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy which is designed to assist the Company to identify, assess, monitor and manage its risk, including any material changes to its risk profile. The Board has delegated responsibility for the day-to day oversight and management of the Company's risk profile to the Risk and Sustainability Committee. Membership of the Risk and Sustainability Committee comprises of Directors Marghanita Johnson (Chair), Dr Regan Crooks and Rob Williamson. Dr Crooks and Ms Johnson are considered independent directors. Therefore two of the three Committee members are independent directors, a majority of the Committee. When Mr Kairaitis was a member of the Committee two of the four Committee members were independent directors. The Board has conferred responsibility on the Company's management to develop and maintain a risk management program and internal control systems which identify material risks in light of the day to day needs of the Company. The Board is responsible for oversight of the overall system of internal control and provides final consideration and direction on any risk management issues. Details as to the relevant qualifications and experience of the members of the committee, the number of times the committee has met and the individual attendances of the members at those meetings is disclosed in the Company's Annual Report. A copy of the Company's Risk Management Policy is available on the Company's website at https://alphahpa.com.au/asx-compliance-information/

Recommendation	Statement
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 Risk and Sustainability Committee and the full Board review and evaluate the effectiveness of the Company's risk management framework on an ongoing basis. Through the division of responsibility between the Risk and Sustainability Committee, the Board and management aims to ensure that specific responsibilities for risk management are clearly communicated and understood. The Risk Management Policy provides for regular reporting to the Board which supplements the Company's quality system, complaint handling processes and standard operating procedures which are all designed to address various forms of risks.
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 currently does not operate an internal audit function, however the Board Charter and Risk Management Policy provides that the Board has the responsibility for evaluating the Company's governance, risk management and internal control processes.
7.4. A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Board is responsible for assessing all material risks to the Company's operations, regularly updating that risk profile from time to time and implementing processes and procedures to manage those risks. The Company will provide details to any material exposure to economic, environmental and social sustainability risks, if any arise, from time to time and in its future annual reports.
Principle 8 – Remunerate fairly and responsibly	

Recommendation	Statement
A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.	
8.1. The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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.	The Company has a Remuneration Committee to oversee the selection and appointment practices of the Company. The Remuneration Committee is governed by a Remuneration Committee Charter, which is available on the Company's website at https://alphahpa.com.au/asx-compliance-information/ The Remuneration Committee consists of three members, Tony Sgro (Chair), Dr Regan Crooks and Annie Liu, all considered to be non-executive, independent directors. The Company has disclosed in its Annual Report how many times that the Remuneration Committee met during the year and the individual attendances of members at those meetings.
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 Remuneration Committee is responsible for setting and reviewing the policies and practices of the Company regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives, separately.

Recommendation	Statement
	Policies and practices regarding remuneration and the remuneration of non-executive directors, executive directors and senior executives are disclosed in the annual report of the Company.
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 provides, among other things, that the Company's directors, officers and employees must provide notification to the Chair and Company Secretary (or if the Chair, to the Board and the Company Secretary) prior to any proposed trading in securities. The Securities Trading Policy is available at https://alphahpa.com.au/asx-compliance-information/
Additional recommendations that only apply in certain cases.	
9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	
9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	
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.	