

CORPORATE GOVERNANCE STATEMENT



APM Human Services International Limited Corporate Governance Statement For year ended 30 June 2022

Corporate governance statement

APM Human Services International Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. APM Human Services International Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement is dated as at 31 August 2022 and reflects the corporate governance practices in place from the date of listing on the ASX on 12 November 2021 to the end of the financial year. The 2022 Corporate Governance Statement was approved by the Board on 31 August 2022. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can also be viewed at www.apm.net.au.

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.

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

- (a) the respective roles and responsibilities of its board and management; and
- (b) those matters expressly reserved to the board and those delegated to management.

The Company complies with this recommendation.

The Board Charter sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company.

Clause 2 of the Board Charter sets out the role, responsibilities and functions of the Board. The Board may delegate consideration to a committee of the Board specifically constituted for the relevant purpose.

Clauses 3 and 9 of the Board Charter set out the responsibilities delegated to the Chief Executive Officer, management and the company secretary.

Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election, as a director; and
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company complies with this recommendation.

Under the Board Charter, it is intended that the Board should comprise of a mix of directors with a broad range of skills, expertise and experience from a diverse range of backgrounds selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

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 each gender within a specified period.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Principle 1: Lay solid foundations for management and oversight (continued)

Clause 4(a) of the Remuneration and Nomination Committee ("RNC") Charter notes that in considering any appointment to the Board or any appointment of directors or executives, the Board will undertake appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history).

Clause 6(a)(v) of the Board Charter also notes that the Board will ensure that the Company provides shareholders all information to enable shareholders to make an informed decision on the election or re-election of a director.

Recommendation 1.3

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

The Company complies with this recommendation.

Clause 6(e) of the Board Charter notes that new directors are to be provided with a formal letter of appointment to the Board setting out key terms and conditions of the appointment. The Company currently does have with respect of the existing directors and in respect of all future directors will have a written agreement with each director and senior executive setting out the terms of their appointment.

Recommendation 1.4

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

The Company complies with this recommendation.

Clause 9 of the Board Charter provides that the company secretary is accountable to the Board through the Chair on all matters to do with the proper functioning of the Board.

Recommendation 1.5

A listed entity should:

- (a) **have and disclose a diversity policy;**
- (b) **through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and**
- (c) **disclose in relation to each reporting period:**
 - (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.**

If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.

The Company partially complies with this recommendation.

The Company has a Diversity Policy which applies to the employees and officers of the Company and subsidiaries. Clause 3 of the Diversity Policy provides that the Board is responsible for setting measurable objectives to

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

promote gender diversity and the Company's progress in achieving them. The Diversity Policy's effectiveness is measured at least annually.

The Diversity Policy is disclosed on the Company's website: <https://www.apminvestors.net.au/>.

Clause 3 of the Diversity Policy provides that the objectives set for a reporting period and the progress towards achievement of those objectives will be disclosed annually in the Company's Annual Report. This includes disclosure of the respective proportions of men and women on the board, in senior executive positions and across the whole workforce of the Company (including how the entity has defined "senior executive" for these purposes) or the Company's Gender Equality Indicators, as defined in the Workplace Gender Equality Act.

The Company is finalising its measurable objectives for achieving gender diversity, composition of the Board, senior executives and workforce generally. The Company recognises that the measurable objectives for achieving gender diversity in the composition of the Board should not be less than 30% of its directors of each gender within a specified period, consistent with Recommendation 1.5.

The following table reports the Group's gender diversity performance at various levels within the organisation as at 30 June 2022:

Diversity % of women	FY22
On the Board	37.5%
Group executives	62.4%
Across the entire workforce	73.4%

Recommendation 1.6

A listed entity should:

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

The Company complies with this recommendation.

Clause 7(a) of the Board Charter provides that the Board will regularly carry out a formal review of its performance, its committees and each director and that the Board will disclose in relation to each reporting period whether a performance evaluation was undertaken.

To ensure management, as well as Board, effectiveness, the Board, through the Remuneration and Nomination Committee has direct responsibility for evaluating the performance of the Executive Chair and CEO. Evaluations of the Executive Chair and CEO were undertaken in respect to the 2022 financial year to consider their performance against set measurable objectives. The review was undertaken by the Chair of the Remuneration and Nomination Committee and involved the review of the Executive's performance against set criteria. The results of the review were then tabled at a meeting of the Remuneration and Nomination Committee and a summary provided to the Board of the Company.

An initial evaluation procedure in relation to the Board, individual directors, Board Committees and Company executives has been adopted by the Board. An evaluation procedure took place immediately following the year-end. Given it's the first part financial year subsequent to the Company's Initial Public Offering, the evaluation of the Board as a whole was facilitated through the use of a questionnaire required to be completed by each Board Member, the results of which are summarised and discussed with the Chair of the Board and tabled for discussion at a Board Meeting. Similarly, each individual director is required to self-assess his/her performance and to discuss the results with the Chair. The same procedure is undertaken for each of the respective board committees.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Recommendation 1.7

A listed entity should:

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

The Company complies with this recommendation.

Clause 7(b) of the Board Charter provides that the Board will regularly carry out a formal review of the performance of the Executive Chair, Chief Executive Officer and any Senior Management against guidelines approved by the Board.

Clause 7(b) of the Board Charter further notes that the Company will disclose its annual report whether such a performance evaluation has been undertaken during or in respect of that period. To ensure management, as well as Board, effectiveness, the Board, through the Remuneration and Nomination Committee has direct responsibility for evaluating the performance of the Executive Chair and CEO. An evaluation of the Executive Chair and CEO was undertaken in respect to the 2022 financial year to consider their performance against set measurable objectives. The review was undertaken by the Chair of the Remuneration and Nomination Committee and involved the review of the Executive's performance against set criteria. The results of the review were then tabled at a meeting of the Remuneration and Nomination Committee and a summary provided to the Board of the Company.

Principle 2: Structure the board to add value

The board of a listed entity should be 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.

Recommendation 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) the members of the committee; or**
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.**

The Company partially complies with this recommendation.

The Company has adopted a RNC Charter. Clause 2 of the RNC Charter notes that, to the extent practicable given the size and composition of the Board from time to time, the RNC will comprise at least three members, a majority of whom are independent directors. In addition, the chair of the RNC is to be an independent director.

As at the date of this Corporate Governance Statement, the RNC is comprised of one independent non-executive director, being Neville Power, and two non-executive directors, being Timothy P. Sullivan and Elizabeth Q. Betten. The chair of the RNC is Timothy P. Sullivan, a non-executive director. The Board considers that having less than a majority of the members which are considered independent and not having an independent director as the chair of the RNC will not impede the ability of the RNC to undertake its role effectively.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

The RNC Charter and the members of the RNC are disclosed on the Company's website:
<https://www.apminvestors.net.au/>.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the committee met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This disclosure is contained within the Directors' Report.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership

The Company complies with this recommendation.

Clause 5 of the Board Charter sets out the aim of the Board to have an appropriate mix of skills, experience, expertise and diversity relevant to the Company's businesses and the Board's duties and responsibilities.

The Company's Board skills matrix is set out at the end of the Corporate Governance Statement.

Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

The Company complies with this recommendation.

Clauses 7(c) and 13(a)-(b) of the Board Charter notes that the Company will disclose in its annual report:

- (a) the names of the directors considered by the Board to be independent directors (as at the date of this Corporate Governance Statement, being Robert Melia, Neville Power and Simone Blank);
- (b) if a director has an interest, position or relationship which may be perceived to compromise a director's independence but the Board is of the opinion that the interest, position or relationship does not compromise that director's independence, an explanation of why the Board is of that opinion. Each of the Independent Directors held or acquired Series A and B shares prior to the Company's IPO. As a result of holding those, they were issued Series C shares in the same proportion as other Series A and B shareholders. The value of the Series C Shares issue is included in the Independent Directors Remuneration, with such values dependent on the timing between the date of issue of the Series C shares and the conversion to ordinary shares upon the Company's IPO. The Board is of the view that such issues and valuations do not compromise the independence of the relevant directors given the materiality of the value to both the relevant directors and the Company at the date of grant; and
- (c) the length of service of each director which is set out in the directors' report.

These details are set out in the Director's Report.

Recommendation 2.4

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

The Company was not, and as at the date of this Corporate Governance Statement, continues not to be in compliance with this recommendation.

Clause 5 of the Board Charter provides that the majority of the Board should, to the extent practicable given the size and composition of the Board from time to time, be comprised of independent directors.

As at the date of this Corporate Governance Statement the Board is comprised of eight directors, three of which are independent non-executive directors and five of whom are not considered independent.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Principle 2: Structure the board to add value (continued)

The Board considers that the mix of skills on the Board and the nature of the operations of the Company that having less than a majority of the directors who are considered independent does not impede the ability of the Board to ensure that the decisions are made in the best interests of the Company.

Recommendation 2.5

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

The Company was not and as at the date of this Corporate Governance Statement continues not to be in compliance with this recommendation

The current structure and composition of the Board has been determined having regard to the nature and size of its operations, the skill set of the Company's directors both individually and collectively, and the best interests of Shareholders.

The Board acknowledges the recommendation, however, continues not to be in compliance with this recommendation, as the chair of the Board, Megan Wynne, is currently considered by the Board not to be independent, having regard to her executive position and her substantial shareholding in the Company. Nevertheless, the Board is satisfied that deviation from Recommendation 2.5 will not be detrimental to the Company when considering Megan's considerable skills, experience and understanding of the Company's business. The Board considers that Megan adds significant value to its deliberations and expects that she will continue to bring sound judgement to the deliberations of the Boards.

Recommendation 2.6

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

The Company complies with this recommendation.

Clause 2(b)(vii) of the Board Charter provides that the Board is responsible for the Company's induction program for new directors and periodic review and facilitation of ongoing professional development for directors.

Clause 10 of the Board Charter provides that new directors will be briefed on their roles and responsibilities and the minutes and papers of Board and committee meetings will be made available to them. It also provides that time will be allocated at Board and committee meetings for the continuing education of directors on significant issues facing the Company and changes to the regulatory environment.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1

A listed entity should articulate and disclose its values.

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

The Company complies with this recommendation.

APM's core purpose is: Enabling Better Lives. APM's other core values are disclosed in section 3.4 of its Prospectus dated 4 November 2021. APM's values underpin everything it does:

- Integrity: APM aims to uphold the highest standard of integrity in everything APM does.
- Customer focus: APM aims to deliver the highest quality of service for clients and customers and always look for ways to improve.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

- **Respect:** APM recognises people are its business and maintains a culture of trust and respect in every aspect of what APM does.
- **Empathy:** APM approaches the challenges in people's lives with great empathy and strives to help them overcome them.
- **Achievement:** APM moves forward by adopting new technologies, the best evidence-based practices, and rewarding innovation and achievement.
- **Teamwork:** APM believes employment and being part of a team can greatly improve a person's health and wellbeing.
- **Enthusiasm:** APM embraces positive outcomes of change with enthusiasm to support clients, customers and teams in their day to day lives.

Recommendation 3.2

A listed entity should:

- (a) **have and disclose a code of conduct for its directors, senior executives and employees; and**
- (b) **ensure that the board or a committee of the board is informed of any material breaches of that code.**

The Company complies with this recommendation.

The Company has a Code of Conduct which applies to employees, contractors, consultants, manager and directors of the Company.

The Company's Code of Conduct is disclosed on its website: <https://www.apminvestors.net.au/>.

Clause 5 of the Code of Conduct provides that workplace participants are required to promptly report any real or suspected violations to the CEO of their business unit or if necessary, directly to the Group CEO / Managing Director.

Recommendation 3.3

A listed entity should:

- (a) **have and disclose a whistle-blower 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 complies with this recommendation.

The Company has a Whistle-blower Protection Policy, a copy of which is available on the Company's website: <https://www.apminvestors.net.au/>.

Although, the Whistle-blower Protection Policy does not provide that the Board or its delegated committee will also be informed of any material incidents reported under the Whistle-blower Protection Policy. Clause 5 of the Code of Conduct provides that workplace participants are required to promptly report any real or suspected violations to the CEO of their business unit or if necessary, directly to the Group CEO / Managing Director.

Recommendation 3.4

A listed entity should

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

The Company complies with this recommendation.

The Company has an Anti-bribery and Corruption Policy which is available on the Company's website: <https://www.apminvestors.net.au/>.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Clause 4 of the Anti-bribery and Corruption Policy provides that in order to protect the Company's business from harm, individuals will need to report known or suspected wrongdoing to either their manager or by using its whistle-blower system but does not state that the Company must ensure that the Board or committee of the Board is informed of any material breaches of the policy. However, clause 5 of the Code of Conduct provides that workplace participants are required to promptly report any real or suspected violations to the CEO of their business unit or if necessary, directly to the Group CEO / Managing Director.

Principle 4: Safeguard integrity in financial reporting

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 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:
 - (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.

Listing Rule 12.7 provides that a listed entity that is included in the S&P/ASX 300 index must comply with the Recommendation above in relation to the composition of the operation of the audit committee.

The Company complies with this recommendation.

The Company has established an Audit and Risk Management Committee (ARMC) which is governed by the ARMC Charter which sets out its roles and responsibilities.

Clause 2(a) of the ARMC Charter provides that the ARMC should to the extent practicable, given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive directors; and
- a majority of directors who are independent.

Clause 2(c) of the ARMC Charter provides that the chair of the ARMC should be an independent non-executive director who does not chair the Board. As at the date of this Corporate Governance Statement continues to be Simone Blank, an independent non-executive director.

At the time of this Corporate Governance Statement, the ARMC is comprised of Simone Blank, Elizabeth Q. Betten and Robert Melia.

The ARMC Charter is disclosed on the Company's website (<https://www.apminvestors.net.au>), and the Company's website includes an overview of the relevant qualifications and experience of the members of the committee.

Clause 3(a) of the ARMC Charter provides that the ARMC must meet at least two times annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the ARMC met throughout the period and the individual attendances of the members at those meetings. This information is disclosed in the Directors' Report.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Recommendation 4.2

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

The Company complies with this recommendation.

Clause 6 of the ARMC Charter provides that the ARMC will review the Company's financial statements with management and its external auditor before recommending that the Board approve the statements. The ARMC is also responsible for ensuring that appropriate processes are in place to form the basis upon which the Chief Executive Officer and Chief Financial Officer provide the recommended declarations in relation to the Company's financial statements.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company complies with this recommendation.

Clause 4(a)(viii) of the ARMC Charter provides that the ARMC must ensure that any periodic corporate report the Company released to the market, that has not been subject to audit or review by an external auditor, discloses the process taken to verify the integrity of its content.

Principle 5: Make timely and balanced disclosure

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.

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1

The Company complies with this recommendation.

The Company has in place a Disclosure Policy, a copy of which is disclosed on the Company's website: <https://www.apminvestors.net.au>.

Recommendation 5.2

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

The Company complies with this recommendation.

The Board will receive copies of all material market announcements for approval before being made, or if a disclosure committee is established, clause 4(b)(v) of the Disclosure Policy provides that the disclosure committee's responsibilities include providing the Board with copies of all material market announcements promptly after they have been made.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Company complies with this recommendation.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Clause 9(b) of the Disclosure Policy provides that ahead of any new and substantive investor or analyst presentation, a copy of the presentation materials must be released to ASX (even if the information in the presentation would not otherwise require market disclosure).

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.

Recommendation 6.1

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

The Company complies with this recommendation.

The Company provides information about itself and its governance on its website (<https://www.apminvestors.net.au>) pursuant to its Shareholder Communication Policy.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company complies with this recommendation.

Clause 2(a)(xvii) of the Board Charter states that a function of the Board is to develop an investor relations program to facilitate effective two-way communication with investors.

The Company's Shareholder Communication Policy provides for an investor relations program which actively encourages two-way communication:

- through the Company's AGM, where Shareholder participation is actively encouraged and facilitated; and
- by providing Shareholders with information via the corporate and investor sections of the Company's website and the option to receive email communications and send email communications directly to the Company and to the Company's share registry.

Recommendation 6.3

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

The Company complies with this recommendation.

Clause 1(b) of the Shareholder Communication Policy states that the purpose of the Shareholder Communication Policy is to encourage and facilitate participation at the Company's general meetings and dealing promptly with the enquiries of shareholders and other stakeholders.

The Company has disclosed a copy of its Shareholder Communication Policy on its website:

<https://www.apminvestors.net.au>.

Principle 6: Respect the rights of security holders (continued)

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company complies with this recommendation.

Clause 6(g) of the Shareholder Communication Policy states the Company will ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company complies with this recommendation.

Clause 2 of the Shareholder Communication Policy provides Shareholders the option to receive email communications and send email communications directly to the Company and to the Company's share registry.

Principle 7: Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 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**

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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.**

The Company complies with this recommendation.

Clause 2(a) of the ARMC Charter provides that the ARMC should to the extent practicable, given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive directors; and
- a majority of directors who are independent.

At the date of this Corporate Governance Statement, the ARMC is comprised of Simone Blank, Elizabeth Q. Betten and Robert Melia.

Clause 2(c) of the ARMC Charter provides that the chair of the ARMC should be an independent director. As at the date of this Corporate Governance Statement the Chair of the ARMC is Simone Blank (an independent non-executive director)

The ARMC Charter is disclosed on the Company's website: <https://www.apminvestors.net.au/>.

Clause 3(a) of the ARMC Charter provides that the ARMC must meet at least two times annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the ARMC met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This information is disclosed in the Directors' Report.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Clause 15(e) of the Board Charter provides that the Company will disclose in its annual report the professional qualifications and experience of each ARMC member, the number of times the Board met to perform its role as ARMC throughout the period and the individual attendances of the members at those meetings.

Clause 7(d)(i) of the ARMC Charter provides that the Company will disclose any material exposure that the Company has to environmental or social risks and how the Company intends to manage those risks.

Recommendation 7.2

The board or a committee of the board should:

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

The Company complies with this recommendation.

Clause 7(d) of the ARMC Charter provides that the ARMC is responsible for reviewing at least annually and monitoring the effectiveness of the Company's risk management framework to satisfy itself that it continues to be sound and the Company is operating with due regard to the risk appetite set by the Board.

Clause 7(d) of the ARMC Charter further provides that the ARMC must ensure that the Board discloses whether such a review has taken place in the Company's annual report. The Company confirms that such a review occurred in August 2022.

Recommendation 7.3

A listed entity should disclose:

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

The Company partially complies with this recommendation. Whilst APM has not formed an Internal Audit department, APM utilises internal and external experts to perform internal audit reviews of various functions. During the coming year, APM will consolidate the Internal Audit work performed into a single function.

Clause 4(a)(vii) of the ARMC Charter provides that the ARMC is responsible for considering whether an internal audit function is required, and if not, ensuring that the Company discloses the processes it employs to evaluate and improve its risk management and internal control processes.

Clause 4(a)(viii) of the ARMC Charter provides that where any report is not subject to audit or review by an external auditor, the ARMC must ensure that the Company discloses the process taken to verify the integrity of its content.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Company complies with this recommendation.

All material risks were disclosed in detail in the Company's Replacement Prospectus dated 4 November 2021 and lodged with the ASX on 12 November 2021. Additional disclosures on risk are contained within the Directors' Report.

Principle 8: Remunerate fairly and responsibly

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.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Recommendation 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.

Listing Rule 12.8 provides that a listed entity included in the S&P/ASX 300 index must have a remuneration committee comprised solely of non-executive directors.

The Company partially complies with this recommendation.

The RNC is governed by the RNC Charter which sets out the RNC's roles and responsibilities.

Clause 2 of the RNC Charter provides that the RNC should, to the extent practicable given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive directors; and
- a majority of directors who are independent.

As at the date of this Corporate Governance Statement the RNC is comprised of one independent non-executive director, being Neville Power, and two non-executive directors, being Timothy P. Sullivan and Elizabeth Q. Betten.

As at the date of this Corporate Governance Statement, the Chair of the RNC is Timothy P. Sullivan, a non-executive director. The Board considered that having less than a majority of the members who are considered independent and not having an independent director as the chair of the RNC will not impede the ability of the RNC to undertake its role effectively.

The RNC Charter is disclosed on the Company's website: <https://www.apminvestors.net.au/>.

Clause 3(a) of the RNC Charter provides that the RNC will meet at least twice annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the RNC met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This information is disclosed in the Directors' Report.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company complies with this recommendation.

Details of the Company's remuneration policies and practices for non-executive directors, executive directors and senior management was disclosed in the Company's replacement Prospectus lodged with the Australian Securities and Investments Commission on 4 November 2021 and in the Company's future annual reports.

APM Human Services International Limited

Corporate Governance Statement

For year ended 30 June 2022 (continued)

Recommendation 8.3

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

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

The Company complies with this recommendation.

Clause 5.2 of the Securities Trading Policy prohibits the entry into “protection arrangements” for any Company securities (of Company products in the derivatives markets), including those which operate to limit the economic risk of security holdings (e.g. hedging arrangements).

The policy is disclosed on the Company’s website: <https://www.apminvestors.net.au/>.

Additional recommendations that apply only in certain cases

Recommendation 9.1, 9.2 and 9.3 do not apply to the Company.