

**2021 CORPORATE
GOVERNANCE STATEMENT
DIGITALX LIMITED**



CORPORATE GOVERNANCE STATEMENT

DIGITALX LIMITED

ACN 009 575 035

(Company)

This Corporate Governance Statement (**Statement**) is current as at 28 September 2021 and has been approved by the Board of the Company on that date.

The Board of Directors is responsible for establishing the corporate governance framework of the Company and its related bodies corporate. The Board has done so having regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The ASX recently introduced the 4th Edition of the Recommendations and the Company early adopted a Corporate Governance Plan comprising charters and policies having regard to the 4th Edition on 1 January 2020. Accordingly, this Statement discloses the Company's corporate governance practices against the 4th Edition of the Recommendations.

The Recommendations are not prescriptive, however the Recommendations that have not been followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company adopted in lieu of the recommendation. With the exception of the departures detailed in this Statement, the corporate governance practices of the Company during the reporting period were compliant with the Recommendations.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

In addition to the information contained in this Statement, the Company's website at www.digitalx.com contains additional details of its corporate governance practices and procedures.

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|--------|--|
| [Principle 1: Lay solid foundations for management and oversight] | | |
| <p>Recommendation 1.1</p> <p>(a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> | YES | <p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman, the Company Secretary, the establishment, operation and management of Board Committees and Meetings, Directors' access to Company advice, records and information, details of the Board's relationship with management, foreign directors, the responsibilities of management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.</p> |
| <p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a Director; and</p> <p>(a) 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.</p> | YES | <p>(a) The Company has guidelines for the appointment and selection of the Board and senior executives in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a Director or Senior Executive, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) Under the Company's Nomination Committee Charter, Shareholders must be provided with all material information in which to enable shareholders to make an informed decision on whether or not to elect or re-elect a Director.</p> |
| <p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p> | YES | <p>The Company's Nomination Committee Charter requires the Board to ensure that each Director is personally a party to a written agreement with the Company which sets out the terms of that Director's appointment.</p> <p>The Company has written agreements with each of its Directors and senior executives setting out the terms of their appointment.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|--|-----------|--|
| <p>Recommendation 1.4</p> <p>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> | YES | The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. |
| <p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: <ul style="list-style-type: none"> (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 the Workplace Gender Equality Act. <p>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.</p> | PARTIALLY | The Company has a diversity policy for the purpose of satisfying Recommendation 1.5. However, the Company has a policy of employing the best available candidate for any position open and does not use gender, race, religion or sexuality as a metric for assessing any candidate for any position with the Company. |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|------------|---|
| <p>Recommendation 1.6</p> <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>YES</p> | <p>(a) The Board has established formal processes to review its own performance, the performance of its individual Directors, senior executives and the committees of the Board, on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Performance Evaluation Policy, which is available on the Company’s website.</p> <p>(b) A formal Board performance evaluation did not take place in the reporting period in accordance with the process disclosed in the Performance Evaluation Practices Policy. However, performance of the Board, its committees and individual Directors was considered on an informal basis throughout the year.</p> <p>(c) The Board is responsible for an annual evaluation of Executive Directors.</p> |
| <p>Recommendation 1.7</p> <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>YES</p> | <p>(a) The Remuneration Committee (or in its absence, the Board) is responsible for overseeing the evaluation of the performance of the Company’s senior executives. The Company defines “senior executive” as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year.</p> <p>The applicable processes for these evaluations can be found in the Company’s Performance Evaluation Policy, which is available on the Company’s website.</p> <p>(b) The Company’s Performance Evaluation Policy states that this review must comprise specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel. During the reporting period, the board undertook a formal Performance Evaluation for each senior executive on behalf of the remuneration committee.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|------------|---|
| [Principle 2: Structure the Board to be effective and add value] | | |
| <p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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</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> | <p>YES</p> | <p>(a) The Board has adopted a Nomination Committee Charter but does not currently have a Nomination Committee. Until such time as the Board determines that it is appropriate to establish a Nomination Committee, the function of the Nomination Committee, as set out in the Company's Nomination Committee Charter, will continue to be performed by the Board. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom, where practicable, are independent non-executive Directors, and which must be chaired by an independent Director. A copy of the Nomination Committee Charter can be found on the Company's website.</p> <p>(b) The Company does not have a Nomination Committee as the Board considers that the Company will not currently benefit from its establishment. The full Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively by:</p> <p>(i) devoting time at least annually to discuss Board succession issues and review the collective skill set of the Board to ensure the representation of skills considered suitable for the Board at its current stage and into the future, taking into account its current strategy, operations and expectations for changes in the nature and scope of its activities; and</p> <p>(ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules; and</p> <p>(iii) ensure that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|--|------------|---|
| <p>Recommendation 2.2</p> <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>YES</p> | <p>Under the Nomination Committee Charter, the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues.</p> <p>The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership, which currently includes, among others, leadership and management, strategy, finance, legal, risk and compliance, industry and product development, fundraising and mergers and acquisition and ASX experience.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in the Company's Annual Report.</p> |
| <p>Recommendation 2.3</p> <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 of the ASX Corporate Governance Principles and Recommendations (4th Edition), 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>Yes</p> | <p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Company will disclose those Directors it considers to be independent in its Annual Report and, where a Director is standing for election at a General Meeting, in the applicable Notice of Meeting. The Board considers there is currently two independent Directors, Mr Toby Hicks and Mr Greg Dooley.</p> <p>(b) Not applicable.</p> <p>(c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.</p> |
| <p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p> | <p>YES</p> | <p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent Directors.</p> <p>The Board comprises a total of three directors, of which two are considered independent, Mr Toby Hicks and Mr Greg Dooley.</p> <p>Mr Rubinstein is not considered to be independent.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|--------|--|
| <p>Recommendation 2.5</p> <p>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> | YES | <p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Non-executive Director and should not be the CEO/Managing Director (or equivalent).</p> <p>The current Chair of the Company is an independent Director and is not the CEO/Managing Director (or equivalent).</p> |
| <p>Recommendation 2.6</p> <p>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> | YES | <p>The Nomination Committee (in its absence the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company does have a formal process for inducting new directors, of which the Company notes it has recently appointed Mr Greg Dooley as a Non-Executive Director on 6 August 2021.</p> |
| [Principle 3: Instil a culture of acting lawfully, ethically and responsibly] | | |
| <p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p> | YES | <p>The Company and its subsidiary companies (if any) are committed to conducting all of its business activities with integrity and objectivity, in accordance with the Company's stated values and best interests and striving at all times to enhance the reputation and performance of the Company.</p> <p>The Company's values are set out in its Code of Conduct and is available on the Company's website.</p> |
| <p>Recommendation 3.2</p> <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> | YES | <p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives, employees and contractors.</p> <p>(b) The Company's Corporate Code of Conduct is available on the Company's website. Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.</p> |
| <p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(a) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p> | YES | <p>The Company's Whistleblower Policy is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|--------|--|
| <p>Recommendation 3.4</p> <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 committee of the Board is informed of any material breaches of that policy.</p> | YES | The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Code of Conduct) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board. |
| [Principle 4: Safeguard the integrity of corporate reports] | | |
| <p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</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> | YES | <p>(a) The Company has an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair.</p> <p>(b) The Company does not currently have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board intends to carry out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>(i) the Board will devote time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</p> <p>(ii) all members of the Board will be involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p> |
| <p>Recommendation 4.2</p> | YES | The Company's Audit and Risk Committee Charter requires the Chief Executive Officer/Managing Director and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms. |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|------------|--|
| <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 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.</p> | | <p>The Board ensures that before it approved the entity's financial statements for a financial period it receives declarations that 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.</p> |
| <p>Recommendation 4.3</p> <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>YES</p> | <p>The Company undertakes the following process to verify the integrity of the information in periodic corporate reports (to the extent that the information contained in the reports are not audited or reviewed by an external auditor):</p> <ul style="list-style-type: none"> • All periodic corporate reports are initially prepared by the Company's finance team, under the supervision of the Chief Financial Officer; • Draft periodic corporate reports are initially reviewed by the Executive Team; • Following Executive Director review, the Company's Non-Executive Directors review the draft periodic corporate reports and are able to interrogate the Chief Financial Officer and the Executive Team on the content of periodic corporate reports; • The Board receives declarations that 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; • Pursuant to the Board Charter, all Directors have the ability to seek external advice on the content of periodic corporate reports if considered necessary. |
| <p>[Principle 5: Make timely and balanced disclosure]</p> | | |
| <p>Recommendation 5.1</p> <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>YES</p> | <p>The Company has a Continuous Disclosure Policy, which is available on the Company's website.</p> |
| <p>Recommendation 5.2</p> | <p>YES</p> | <p>Under the Company's Continuous Disclosure Policy, all members of the Board will receive material market announcements promptly after they have been made.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|--------|---|
| A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | | |
| <p>Recommendation 5.3</p> <p>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> | YES | All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations. |
| [Principle 6: Respect the rights of security holders] | | |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | YES | Information about the Company and its governance is available in the Corporate Governance section of the Company's website. |
| <p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p> | YES | The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website. |
| <p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p> | YES | Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting. |
| <p>Recommendation 6.4</p> <p>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> | YES | All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands. |
| <p>Recommendation 6.5</p> <p>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> | YES | <p>The Shareholder Communication Policy provides that links are made available to the Company's website for shareholders for ease of reference of all information provided to the ASX is immediately posted.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|--------|--|
| [Principle 7: Recognise and manage risk] | | |
| <p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p> | YES | <p>(a) The Company does not currently have an Audit and Risk Committee. The Company's has an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair.</p> <p>A copy of the Audit and Risk Committee Charter is available on the Company's website.</p> <p>(b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board itself carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework. The Board regularly devotes time at Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p> |
| <p>Recommendation 7.2</p> <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> | YES | <p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>(b) A review of the Company's risk management framework was undertaken by the Board during FY2021.</p> |
| <p>Recommendation 7.3</p> <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> | YES | <p>(a) N/A</p> <p>(b) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of any internal audit procedures that may be in place.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|--------|---|
| <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 management and internal control processes.</p> | | <p>(c) The Company does not have an internal audit function. The Board considered the process employed pursuant to the Audit and Risk Committee Charter and Risk Management and Internal Compliance and Controls Policy are sufficient for evaluating and continually improving the effectiveness of its risk management and internal control processes given the size and complexity of the current business.</p> |
| <p>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.</p> | YES | <p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures put in place management systems, practices and procedures to manage those risks.</p> <p>The Company reports whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks annually in its Annual Report.</p> |
| [Principle 8: Remunerate fairly and responsibly] | | |
| <p>Recommendation 8.1 The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (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 <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> | YES | <p>(a) The Company does not have a Remuneration Committee. The Company has a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> |

| RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
|---|--------|--|
| <p>Recommendation 8.2</p> <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> | YES | The Company's Remuneration Committee Charter requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's Annual Report. |
| <p>Recommendation 8.3</p> <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> | YES | The Company's Securities Trading Policy prohibits key management personnel from engaging in short term trading of the Company's securities (except for the exercise of options where the shares will be sold shortly thereafter) and from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. |
| [Additional recommendations that apply only in certain cases] | | |
| <p>Recommendation 9.1</p> <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> | N/A | |
| <p>Recommendation 9.2</p> <p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p> | N/A | |
| <p>Recommendation 9.3</p> <p>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.</p> | N/A | |