

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Little Green Pharma Ltd

ABN/ARBN

44615586215

Financial year ended:

2021

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website:
<https://investor.littlegreenpharma.com/site/investor-centre/corporate-governance-statement>

The Corporate Governance Statement is accurate and up to date as at 28 September 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 28 September 2021

Name of authorised officer authorising lodgement:

Alistair Warren



¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	☒ and we have disclosed a copy of our board charter at: https://investor.littlegreenpharma.com/site/about/corporate-governance	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters/”).

⁵ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) 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.	☒ and we have disclosed a copy of our diversity policy at: https://investor.littlegreenpharma.com/site/about/corporate-governance and we have disclosed the information referred to in paragraph (c) at: our corporate governance statement and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: our corporate governance statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: our corporate governance statement	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: our corporate governance statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: our corporate governance statement	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a 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.	☒ and we have disclosed a copy of the charter of the committee at: https://investor.littlegreenpharma.com/site/about/corporate-governance and the information referred to in paragraphs (4) and (5) at: our corporate governance statement	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed our board skills matrix at: our corporate governance statement	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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, affiliation 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.	☒ and we have disclosed the names of the directors considered by the board to be independent directors at: our corporate governance statement and, where applicable, the information referred to in paragraph (b) at: not applicable and the length of service of each director at: our corporate governance statement	☐ set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values at: https://www.littlegreenpharma.com/organisation/mission	☐ set out in our Corporate Governance Statement
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 by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation.	☒ and we have disclosed our code of conduct at: https://investor.littlegreenpharma.com/site/about/corporate-governance	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed our whistleblower policy at: https://investor.littlegreenpharma.com/site/about/corporate-governance	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed our anti-bribery and corruption policy at: https://investor.littlegreenpharma.com/site/about/corporate-governance	☐ set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS		
4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.	☐ and we have disclosed a copy of the charter of the committee at: https://investor.littlegreenpharma.com/site/about/corporate-governance and the information referred to in paragraphs (4) and (5) at: (4) https://investor.littlegreenpharma.com/site/about/leadership-team (5) our Directors' Report	☒ set out in our Corporate Governance Statement

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Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: https://investor.littlegreenpharma.com/site/about/corporate-governance	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: https://investor.littlegreenpharma.com https://investor.littlegreenpharma.com/site/about/leadership-team https://investor.littlegreenpharma.com/site/about/corporate-governance	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: our corporate governance statement	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☒ and we have disclosed a copy of the charter of the committee at: https://investor.littlegreenpharma.com/site/about/corporate-governance and the information referred to in paragraphs (4) and (5) at: our corporate governance statement	☐ set out in our Corporate Governance 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.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: our corporate governance principles	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	☒ and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: our corporate governance statement	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed whether we have any material exposure to environmental and social risks at: our corporate governance statement and, if we do, how we manage or intend to manage those risks at: not applicable	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a 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.	☒ and we have disclosed a copy of the charter of the committee at: https://investor.littlegreenpharma.com/site/about/corporate-governance and the information referred to in paragraphs (4) and (5) at: (4) our corporate governance statement (5) our Directors' Report	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: our corporate governance statement	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	☒ and we have disclosed our policy on this issue or a summary of it at: https://investor.littlegreenpharma.com/site/about/corporate-governance	☐ set out in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY 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.	☐ and we have disclosed information about the processes in place at: not applicable	☐ set out in our Corporate Governance Statement OR ☒ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

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ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: not applicable	☐ set out in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: not applicable	☐ set out in our Corporate Governance Statement

LITTLE GREEN PHARMA

ABN 44 615 586 215

Corporate Governance Statement



CORPORATE GOVERNANCE STATEMENT

Little Green Pharma’s governance practices guide the Company and its controlled entities’ activities and decision-making to ensure the Company meets stakeholder expectations of sound corporate governance and continuous improvement in company performance.

This corporate governance statement reviews the Company’s corporate governance practices against the ASX Corporate Governance Principles and Recommendations – 4th Edition (**Corporate Governance Principles**). All these practices, unless otherwise stated, were in place for the entire year.

The Corporate Governance Principles are as follows:

PRINCIPLE 1:	Lay solid foundations for management and oversight
PRINCIPLE 2:	Structure the board to be effective and add value
PRINCIPLE 3:	Instil a culture of acting lawfully, ethically and responsibly
PRINCIPLE 4:	Safeguard the integrity of corporate reports
PRINCIPLE 5:	Make timely and balanced disclosure
PRINCIPLE 6:	Respect the rights of security holders
PRINCIPLE 7:	Recognise and manage risk
PRINCIPLE 8:	Remunerate fairly and responsibly

Given the differences in size, complexity, history and culture of listed companies, the Corporate Governance Principles adopt an “if not, why not” approach to compliance and disclosure, requiring companies to explain the reasons for any departure from the Corporate Governance Principles recommendations. These explanations are included in section 9 of this statement.

Specific corporate governance policies of the Group are detailed on the Company’s investor website under the 'Investor Centre' tab, at <https://investor.littlegreenpharma.com/site/investor-centre/corporate-governance-statement>. In this statement Little Green Pharma and its controlled entities together are referred to as the “Group” or “Company”

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1) Board Charter and roles and responsibilities

The Board has adopted a Board Charter establishing corporate governance roles and responsibilities within the Group.

Under its Charter, the Board is ultimately responsible to the Company's shareholders for all matters related to the running of the Company. The Board's role is to govern the Company rather than to manage it, with the role of Senior Executives and Management to manage the company in accordance with the direction and delegations of the Board.

In general, the Board is responsible for overseeing all policies, practices, management, and operations of the Company, including corporate reporting systems, risk management, remuneration frameworks, governance issues, succession planning, and stakeholder communications. The Board also takes decisions regarding matters of fundamental importance to the Group.

The Board's focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed. Management is directly accountable to the Board to deliver timely, accurate, and relevant information to enable the Board to perform its responsibilities. Management is also responsible for operating within the relevant directives and the risk appetite established by the Board whilst supporting the Managing Director in executing day-to-day operations.

The respective roles and responsibilities of the Board include:

-  providing strategic guidance to the Group, including contributing to the development of and approving the corporate strategy reviewing and approving business plans, the budget, financial plans, and major capital expenditure initiatives
-  overseeing and monitoring:
 - a) organisational performance and the achievement of the Group's strategic goals and objectives
 - b) progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments or clinical trials
 - c) financial performance including approval of the annual and half-year financial reports and liaison with the Group's auditors; and
 - d) effectiveness of the Group's governance policies and procedures
-  appointment, performance assessment and, if necessary, removal of the Managing Director
-  ratifying the appointment and/or removal and contributing to the performance assessment of members of the Senior Executive team including the CFO, Chief Operating Officer and Company Secretary
-  ensuring there are effective management processes in place and approving major corporate initiatives enhancing and protecting the reputation of the Group
-  overseeing the operation of the Group's system for compliance and risk management reporting to shareholders
-  ensuring appropriate resources are available to the Senior Executive

Board composition

During the reporting period and as of 30 June 2021 the Board comprised the following Directors:

Mr Michael Lynch-Bell	Independent, Non-Executive Director and Chair
Dr Neale Fong	Independent, Non-Executive Director
Ms Fleta Solomon	Managing Director
Mr Angus Caithness	Executive Director

The Board includes two Independent Non-Executive Directors who bring a fresh perspective to the Board's consideration of strategic, risk and performance matters.

The Board seeks to ensure that:

- its membership represents an appropriate balance between Directors with experience and knowledge of the Group and Directors with an external or fresh perspective
- the size of the Board is appropriate to the size and operations of the Company

Details of the members of the Board, including their experience and qualifications, matters affecting their independence (if any) and their independent status are set out in “Our Organisation > Management Team” section of the Company’s website. www.littlegreenpharma.com

Role of the Chair

The Chair is responsible for leading the Board, and for utilising their experience, skills and leadership abilities to facilitate the governance process. The Chair’s focus is on ensuring that the Board and the Managing Director act in an ethical manner with strong values to support the governance principles of the Group.

Role of the Managing Director

The Managing Director is generally responsible for the pursuit of the Company’s goals and vision in accordance with the strategies, policies, programs and performance requirements approved by the Board.

The Managing Director’s specific responsibilities include:

- developing the Company’s vision, values and goals
- responsibility for achievement of corporate goals and objectives
- developing the Company’s ongoing corporate strategy with the Board
- implementing and monitoring strategy and reporting to the Board
- advising the Board on the most effective organisational structure and implementation
- undertaking the role of Company spokesperson and ensuring legal and regulatory compliance and compliance with corporate policies and standards
- ensuring the implementation of appropriate risk management practices and policies

The Managing Director is also required to be present at meetings of the various committees of the Board that meet from time to time.

The Managing Director reports directly to the Board.

Role of Management

Management’s role and responsibilities include:

- daily management of the Group’s affairs and implementation of Group strategy as directed by the Board
- handling day-to-day commitments conforming to the Group’s framework, relevant laws and regulations
- implementing and monitoring risk management
- negotiation of contracts, agreements and other documentation
- supervising of operations conducted at project sites
- analysis of cannabis industry trends

1.2) Appointment and re-election of Directors

The Board’s policy is that the majority of Directors shall be independent, non-executive directors at a time when the size of the Company and its activities warrant such a structure. This will ensure that all Board discussions have the benefit of outside views and experiences and the majority of Directors will be free of any interests or influences that could interfere with the Director’s ability to act in the best interests of the Company.

The Company reviews the composition of the Board whenever a new Director is to be appointed to ensure a diverse and necessary range of skills, experience and expertise is developed and maintained. The Remuneration and Nomination Committee identifies and short-lists candidates with appropriate skills and experience, taking advice from independent consultants where appropriate. The Company undertakes substantial background checks of a shortlisted candidates, including determination of whether the selected candidate is a Fit and Proper Person under the Narcotic Drugs Act 1967. Directors are initially appointed by the full Board, subject to Office of Drug Control approval and election by shareholders at the next Annual General Meeting. The Company’s constitution provides that the number of Directors shall not be less than three.

A Director must not hold office without re-election past the third Annual General Meeting following the Director’s appointment or last election, or more than 3 years, whichever is the longer, and there must be an election of Directors at each Annual General Meeting of the Company. The Company provides shareholders with all material information on whether they support the re-election.

1.3) Terms of Director appointment

The Company appoints Non-Executive Directors under formal letters of appointment setting out:

- the role and expectations for the position including committee work and other duties
- expected time commitment
- remuneration and expenses
- outside interest disclosure
- disclosure of information and personal interests in securities
- access to independent advice; and
- indemnity and insurance arrangements

Executive Directors are employed pursuant to employment agreements setting out the information above as well as:

- circumstances giving rise to termination
- entitlements on termination
- non-compete restrictions

Directors have the right, in connection with their duties and responsibilities as members of the Board and Committees, to seek independent professional advice at the Company's expense. Prior written approval of the Chair is required such approval not to be unreasonably withheld, with the Company reimbursing the Director for the reasonable expense of obtaining the advice.

1.4) Role of the Company Secretary

The Company Secretary is responsible for:

- advising and supporting the Chairman and the Board and its Committees to manage the day-to-day governance framework of the Company
- assisting with Board effectiveness by monitoring whether applicable Board and Committee policies, procedures and charters are followed and coordinating the timely completion and despatch of Board agendas and papers; and
- assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of Directors

1.5) Diversity policy summary

The Company recognises the benefits arising from employee and Board diversity, which includes access to a broader pool of high-quality employees, improving employee retention, accessing different perspectives and ideas, and benefiting from available talent. For the purposes of the Company Diversity Policy, diversity includes but is not limited to matters of gender, age, ethnicity, and cultural background.

The Company has established a diversity policy which is designed to achieve, among other things, a diverse and skilled workforce, workplace culture characterised by inclusive practices and behaviours for the benefit of all staff; improved employment and career development opportunities for women; and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity. The Company's diversity policy is reviewed annually.

The Company has adopted the following specific diversity targets for the Board, senior management and employees:

PERSONNEL	DIVERSITY TARGET	TARGET TIME-FRAME
Directors	≥40% female	By 30 June 2023
Senior Executives	50% female, 50% male	By 30 June 2023
Employees	50% female, 50% male	Achieved

At the date of this Corporate Governance Statement, the proportion of women in the Group is:



In addition, the Group currently has a workforce comprising 62% women, with an age range of between 20 – 73 and an average age of 44.

The Company's Diversity Policy is available in the Governance section of the Company's investor website.

1.6) Board and Committee performance assessment

The Company has an evaluation process for the Board and its Committees as set out in the Board Charter.

The Board Charter requires an annual review of its Board, Committees and individual Directors to be conducted by the Remuneration and Nomination Committee.

The review is based on goals established by the Company. Measurement of performance against these goals is reviewed in a dedicated meeting, from which a series of actions and goals are developed to guide improvement. The Chair also provides confidential feedback to individual Directors on their performance on an ongoing basis.

The Board sets expectations for the Committees after considering the Company's current and future needs, with the Remuneration and Nomination Committee reviewing the performance of the Committees against expectations on an annual basis.

Each Committee's structure and membership is also reviewed on an annual basis. The annual evaluation of the Board is done on a calendar year basis and was completed in February 2021. The next evaluation of the Board will be undertaken in February 2022.

1.7) Senior Executives performance assessment

The Company sets performance targets for its Senior Executives and their performance is evaluated against these targets. These targets are aligned to overall business goals and Company requirements for the position. An informal assessment of progress is carried out through the year, with a full formal evaluation of the executives conducted annually. Performance pay components of Senior Executive packages are dependent on the outcome of the evaluation.

1.8) Management performance assessment

Management are evaluated annually against the budget and relevant key performance indicators.



PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

2.1) Board Committees

The Board has established a combined Audit and Risk Committee and a combined Remuneration and Nomination Committee to assist the Board perform its duties and permit detailed consideration of complex issues. Each Committee has its own charter setting out its role and responsibilities, structure, membership requirements and the way the relevant Committee is to operate, with all matters determined by Committees submitted to the full Board for review and approval. Additional requirements for specific reporting by the Committees to the Board are addressed in the charter of the individual Committees.

2.2) Remuneration and Nomination Committee

The Nomination Committee is combined with the Remuneration Committee and considers the overall balance and efficiency of the Board's composition and size. The Committee reviews both Director and Managing Director succession plans to ensure the Board maintains an appropriate and wide range of skills and experience across the Board. The Committee is also responsible for evaluating the Board, individual directors, Committees and Senior Executive..

The Committee members throughout the reporting period were:

Mr Michael Lynch-Bell	Independent, Non-Executive Director and Chair
Dr Neale Fong	Independent, Non-Executive Director
Ms Fleta Solomon	Managing Director

The Committee held four Committee meetings during the reporting period. The Committee's charter is available in the Governance section of the Company's investor website.

Further information on the Company's Audit and Risk Committee is contained at section 4.1.

2.3) Board skills matrix

The Company has adopted the following skills matrix setting out the mix of skills that the Board has or is currently looking to achieve in its membership:

COMPOSITION OF KEY SKILLS AND EXPERIENCES ACROSS THE BOARD		# OF DIRECTORS
Financial and capital markets	- Accounting expertise - Financial acumen - Experience with equity capital markets	4
Risk and Compliance	- Policy and regulatory awareness - Securities law knowledge - Understanding of risk management	4
International markets	International corporate and industry relations experience	4
Leadership/Management	- Ability to influence others - Senior management experience	4
Marketing & Sales	Expertise and understanding of medicinal cannabis marketing and sales	2
Medical / Pharmaceutical	Functional experience in medical or pharmaceutical business	1

2.4) Directors independence and length of service

In determining Director independence, the Board has regard to each of the relationships that may affect independence as set out in Box [2.3] of the Corporate Governance Principles.

In each case, the materiality of the interest, position or relationship is assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity as a whole rather than in the interests of an individual security holder or other party. The Board assesses Director independence annually.

The Board notes that the mere fact that a director has served on a board for a substantial period does not mean that the director has become too close to management or a substantial holder to be considered independent. The following table shows the Directors' length of service as at 30 June 2021:

	INDEPENDENCE	LENGTH OF SERVICE
Mr Michael Lynch-Bell	Assessed as independent	~ 2 year, 7 months
Dr Neale Fong	Assessed as independent	~ 2 year, 7 months
Ms Fleta Solomon	Deemed not independent	~ 4 years, 1 month
Mr Angus Caithness	Deemed not independent	~ 3 years, 9 months

2.5) The Chair should be independent

The Chair of the Company is Mr Michael Lynch-Bell, an Independent Non-Executive Director.

2.6) Induction and professional development of Directors

The Company provides an induction program for new Directors and Senior Executives to ensure they have a full understanding of the Company's financial position, strategy, operations and risk profile. The induction program also identifies the respective rights, duties and roles of the Board and Senior Executive members.

From time to time, the Remuneration and Nomination Committee evaluates the skills and expertise of the Board and Senior Executive to determine whether further professional development is required.

2.7) Majority of Board should be independent Directors

Pursuant to the Corporate Governance Principles, the majority of the Board of a listed entity should be independent directors. Currently, the Board consists of four directors, of which only two are independent directors. The Company considers the current Board structure and composition a cost effective and practical method of directing and managing the Company, and as such has not appointed a fifth independent director at this time. As the business grows the Company will evaluate the skills required and consider additional directors.





**PRINCIPLE 3:
INSTIL A CULTURE OF
ACTING LAWFULLY,
ETHICALLY, AND
RESPONSIBLY**

3.1) Company should articulate its values

The Company has identified its key values as Trust, Quality, Innovation, Determination, Imagination and Passion as well as the values identified in its Code of Conduct and other Company policies.

3.2) Code of Conduct

The Company has adopted a Code of Conduct which provides a framework for ethical decision-making and actions in relation to the Company's affairs and business. This Code of Conduct underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The Code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees, directors and management. The Code is reviewed annually together with the other corporate governance policies of the Company.

The Company's Code of Conduct is available in the Governance section of the Company's investor website.

3.3) Whistle-blower policy

The Company's whistle-blower policy has been adopted by the Board to ensure concerns regarding unacceptable conduct including breaches of the Company's Code of Conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Company is committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which employees are responsible and accountable and behave with honesty and integrity consistent with the Company's values.

A copy of the Company's Whistle-blower policy can be found in the Governance section of the Company's investor website.

3.4) Anti-bribery and corruption policy

The Company has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Company has adopted an anti-bribery and corruption policy that establishes the responsibilities of employees, executive management, suppliers, consultants, customers and contract staff and provides information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

The Company's Anti-bribery and Corruption policy is available in the Governance section of the Company's investor website.



PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

4.1) Audit and Risk Committee

In August 2019, the Company established a combined Audit and Risk Committee with the following members:

Dr Neale Fong	Independent, Non-Executive Director and Chair
Mr Michael Lynch-Bell	Independent, Non-Executive Director
Mr Angus Caithness	Executive Director

All members of the Audit and Risk Committee are financially literate and have an appropriate understanding of the industry in which the Group operates. The Audit and Risk Committee operates in accordance with a Committee Charter.

The Audit and Risk Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The main financial reporting and audit responsibilities of the Audit and Risk Committee are to:

- 🌿 review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board for approval
- 🌿 review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal
- 🌿 review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto
- 🌿 consider the appointment of an internal auditor
- 🌿 monitor and review the propriety of any related party transactions; and
- 🌿 review and approve the level of non-audit services provided by the external auditors and ensure these do not adversely impact on auditor independence

The Audit and Risk Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party. The Audit and Risk Committee held six meetings during the reporting period.

The Audit and Risk Committee Charter is available in the Governance section of the Company's investor website.

4.2) Declaration of record maintenance and financial statements compliance

The Managing Director and Executive Director have made the following declarations to the Board:

- 🌿 that the Company's financial reports are in accordance with relevant accounting standards and give a true and fair view of the financial position and performance of the Company and Group; and
- 🌿 that the above declaration has been formed based on a sound system of risk management and internal controls which operates effectively and implements the policies adopted by the Board.

4.3) Verification of integrity of corporate report

The Company's Audit and Risk Committee appoints independent external auditors with auditor performance reviewed annually. In 2018, the Company appointed Deloitte as its external auditor. Deloitte's policy is to rotate audit engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in a note to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board. The external auditor will attend the Company's Annual General Meeting and be available to answer written shareholder questions submitted prior to the meeting about the conduct of the audit and the preparation and content of the Audit Report.



PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1) Written continuous disclosure policy

The Company has adopted a Continuous Disclosure policy that establishes processes to ensure the continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities.

The Company Secretary has been nominated as the person responsible for communications with the ASX in collaboration with the Executive Director, Disclosure Committee and Board. The Company Secretary is also responsible for ensuring compliance with the ASX continuous disclosure requirements and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

The Company's Continuous Disclosure policy is available in the Governance section of the Company's investor website.

5.2) Board receives copies of material market announcements

Under the Company's Continuous Disclosure policy, the Company Secretary is responsible for ensuring all material market announcements released to the ASX are provided to the Board. Currently, the Company's Continuous Disclosure policy also requires all ASX disclosures to be approved by the full Board prior to release.

5.3) Disclosure of investor or analyst presentations

The Company's Continuous Disclosure policy requires that any presentation materials used to brief investor or analysts on aspects of the Group's operations are released to the ASX and posted on the Company's website prior to the briefing.



PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1) Company information via website

The Company's website and investor website allows shareholders and stakeholders to gain access to all current information about the Company including the Company's corporate governance policies.

6.2) Investor relations

The Company periodically holds online investor briefings during or prior to which investors are encouraged to ask questions of management. The Company also seeks to provide opportunities for shareholders to participate through electronic means via the Company's website. The website enables shareholders to register their email address for direct email updates. Shareholders are also welcome to make direct contact with the head office on any enquires they may have using the contact details provided on the Company's website.

6.3) Shareholder participation

The Company encourages shareholder participation at General and Annual Meetings. The Company's share registry mails out notices of General Meetings and Annual General Meetings directly to shareholders. In addition, shareholders who have subscribed to email alerts receive an email notification of all meetings and ASX announcements.

6.4) Substantive resolutions by poll

The Company proposes to ensure all substantive resolutions at its General Meetings and Annual General Meetings are conducted by poll. During COVID, the Company required shareholders to attend General Meetings and Annual General Meetings electronically through an online platform. Shareholders were invited to submit proxy votes prior to the meeting, with shareholders who wish to vote at the meeting invited to submit personalised poll forms by email to the Company Secretary at the appropriate interval during the meeting.

6.5) Electronic communications

The Company actively encourages shareholders to send and receive communications from the Company and its share registry using electronic means. Shareholders wishing to receive electronic notices of meetings and annual reports can select these preferences by accessing the Company's share registry website. The contact details for the Company's registry are listed on the Company's investor website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1) Risk committee

The Company's Audit and Risk Committee is responsible for ensuring there is adequate governance in relation to risk management, compliance and internal control systems for the Group. Under the Audit and Risk Committee charter, the Committee is responsible for:

- 🌿 assessing the internal processes for determining and managing key risk areas on a quarterly basis
- 🌿 ensuring that the Company has an effective risk management system
- 🌿 monitoring Management's performance against the Company's risk management framework including whether it is operating within the risk appetite set by the Board
- 🌿 developing and maintaining a risk register that identifies the risks to the Company and its operation and assesses the likelihood of their occurrence; and
- 🌿 reporting all major risks to the Company to the Board

In summary, the Company's risk management policies are designed to ensure operational, insurance, legal, reputational, cyber disruption, privacy, compliance and financial risks are identified, assessed, effectively and efficiently managed and monitored. The Managing Director and their delegates are charged with implementing appropriate risk systems within the Company based on these policies and guidance from the Audit and Risk Committee.

The Audit and Risk Committee had the following members throughout the reporting period:

Dr Neale Fong	Independent, Non-Executive Director and Chair
Mr Michael Lynch-Bell	Independent, Non-Executive Director
Mr Angus Caithness	Executive Director

The Audit and Risk Committee held six meetings during the reporting period.

The Company's Audit and Risk Committee charter and Risk Management policy are available in the Governance section of the Company's investor website.

7.2) Review of risk management

The Audit and Risk Committee, together with assistance from the Executive Director and General Counsel, are responsible for the evaluation and development of the Company's risk management framework and processes.

The Company reviews its key risks and risk management framework on an annual basis or more frequently where additional key risks are identified from time to time. The Company's Audit and Risk Committee undertook its most recent annual review of the Company's risks and risk management framework in March 2021.

7.3) Internal audit function

Given the size and maturity of the business and the day-to-day involvement of the Managing Director and Executive Director in the business, there is no internal audit function. Currently, the Audit and Risk Committee review and oversee those matters that would ordinarily be the responsibility of an internal audit function. As the business grows the Company will re-assess this position.

7.4) Social and environmental risks

The Company does not have any material exposure to environmental or social risks associated with its operations.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1) Remuneration and Nomination Committee

The Remuneration and Nomination Committee was established in August 2019 in anticipation of the Company becoming a listed entity.

Throughout the reporting period and as at 30 June 2021, the Remuneration and Nomination Committee consisted of the following Directors:

Mr Michael Lynch-Bell	Independent, Non-Executive Director and Chair
Dr Neale Fong	Independent, Non-Executive Director
Ms Fleta Solomon	Managing Director

8.2) Remuneration policies and practices

In accordance with its charter, the Remuneration and Nomination Committee advises the Board on remuneration and incentive policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for Non-Executive Directors, Executive Directors, other Senior Executives and employees.

The Company agrees employment contracts with each Senior Executive covering a range of matters including their duties, rights, responsibilities and any entitlements on termination.

Further information on Directors and Senior Executive remuneration, including principles used to determine remuneration, is set out in the Remuneration Report which forms part of this annual report.

8.3) Transactions which limit economic risk

In accordance with the Group's Securities Trading Policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of performance rights, options or other unvested entitlements.

PRINCIPLE 9: DEPARTURES FROM THE CORPORATE GOVERNANCE PRINCIPLES RECOMMENDATIONS

This section identifies Company departures from the Corporate Governance Principles recommendations during the reporting period:

	DEPARTURE FROM RECOMMENDATION	EXPLANATION
2.4	A majority of the Board of a listed entity should be independent Directors	Currently, the Company's Board consists of two executive directors and two non-executive independent directors. Given the recent increase in Company size the Board is currently reviewing structure and composition with a view to recruiting an additional non-executive independent director.
4.1	The Board of a listed entity should have an audit committee which has at least three members, all of whom are non-executive directors and a majority of whom are independent directors.	As a consequence of the Board consisting of only two non-executive directors (referred to above), the Company has appointed an executive director as a third committee member and is therefore presently unable to satisfy the requirement for the audit committee members to all be non-executive directors.



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