

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of HSC Technology Group Ltd (**HSC** or **Company**), support and adhere to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that the Company is substantially in compliance with those guidelines, to the extent possible, which are of importance to the commercial operation of the Company.

The Board of Directors of HSC is responsible for the Corporate Governance of the Company. The Board guides and monitors the business and the affairs of the Company on behalf of the shareholders, by whom they were elected and to whom they are responsible.

The Board has reviewed its current practices in light of the ASX Corporate Governance Principles and Recommendations (4th Edition) (**Recommendations**) with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration. In fact, during the year under review the Board has formally established an Audit and Risk Committee as well as a Nomination and Remuneration Committee, so as to establish a solid governance framework.

This Corporate Governance Statement, dated 25 March 2021 has been approved by the Board of the Company on that date and outlines the key principles and practices of the Company which, taken as a whole, represents the system of governance.

Additional information about the Company's corporate governance policies and practices including copies of the Policies and Charters listed below is set out on the Company's website at <https://www.hsctg.com.au/> where copies of the Company's Charters and Policies and its Annual Report for 2021 can be viewed.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

PRINCIPLE 1: LAY SOLID FOUNDATION FOR MANAGEMENT AND OVERSIGHT		
	Recommendation	HSC Technology Group Ltd Current Practice
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Adopted. 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. A copy of the Company's Board Charter which is part of the Company's Corporate Governance structure and is available on the Company's website at: https://www.hsctg.com.au/investors/ Executive Service Agreements outline functions of the executive directors. Non-executive director appointment letters outline the terms and conditions of non-executive director appointments. As the Company recruits additional management, the roles and responsibilities of these persons will be considered and documented.

1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	Adopted. The Nomination and Remuneration Committee (NRC) is responsible for making recommendations to the Board in relation to new appointments to it and its Committees. The NRC or its nominated delegates, undertake the selection and interview process for potential candidates and in forming its recommendation to the Board, the NRC will assess fitness and propriety of the proposed new director and conduct appropriate background checks including character assessment, experience, education, criminal record and bankruptcy history. In accordance with the Company's Constitution, a director appointed by the Board must stand for re-election by shareholders at the next Annual General Meeting (AGM). The following information is provided about a candidate standing for election or re-election as a director in the AGM's Notice of Meeting to assist shareholders to make an informed decision on the vote for that candidate: • Date of appointment and tenure; • Profession and employment history; • Other material directorships held; • A statement as to whether or not the Board considers that the candidate will qualify as an independent director; and • The Board's recommendation as to whether or not to re-elect the candidate.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted. On appointment, new directors are provided with a formal letter of appointment setting out their duties, terms and conditions of appointment, and remuneration. A Deed of Indemnity is also entered into with each director, and with the Company Secretary/ies. Written employment contracts are in place with each member of the senior management team.
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.	Adopted. The responsibilities of the Company Secretary are contained in the Board Charter. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Adopted. (a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy will allow the Board to set measurable gender diversity objectives, if considered appropriate, and to be able to assess annually these objectives. (b) The Diversity Policy is available, on the Company's website. (c) The Board did not set measurable gender diversity objectives for the financial period but will consider these going forward and as the Company's size and operations grows. The Company makes the following disclosures regarding the proportion of women employed in the organisation as at 31 December 2020: - Women on Board: 0% - Women in Senior Management: 0 % - Women in whole organisation: 0 %
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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Adopted. The Company has a Performance Evaluation Policy available on the Company's website. The Nomination and Remuneration Committee will arrange a performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis as appropriate. An evaluation of the Board and its committees has been completed during the financial period.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Adopted. As detailed above, the Company has a process for performance evaluation which includes the performance of senior management and executives. An evaluation of senior management and executives was completed during the financial period.

PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND TO ADD VALUE		
	Recommendation	HSC Technology Group Ltd Current Practice
2.1	The board of a listed entity should: (a) Have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; and disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the committee met through 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 issue 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.	Partially Adopted The Company established during the financial period a separate Nomination & Remuneration Committee. While this Committee is chaired by an independent director, at this time due to the size and the makeup of the board, the Committee is constituted by only two (2) directors, both of whom though are independent. The Charter detailing the roles and responsibilities of the Committee is available on the Company's website. Details of the members of the Committee and the number of meeting held and the attendances of the members at the meetings are disclosed in the Directors' Report contained within the Company's Annual Report. Any future appointments to the Board will be considered as appointees to the Nomination & Remuneration Committee in order to bring its membership to three (3).
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Adopted post financial period. The Board has recently adopted a Board Skills Matrix that sets out the mix of skills and diversity that the Board currently holds and those that have been identified as important for future appointments. The skills and competencies that are included in the Matrix include Leadership, People and Workplace Culture, Regulatory as well as Strategic and Commercial Acumen.

		The Board has also completed a formal assessment of each of its directors against the Skills Matrix. The Directors believe that the Board currently has the appropriate skills and knowledge required for a company of its size, however the mix of skills and board diversity will remain under review as part of the continual board review process.
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.	The Company has two (2) directors who satisfy the criteria for independence as outlined in the factors relevant to assessing the independence of a director being Mr Leylan Neep and Mr Ramsay Carter. The Board is currently made up of three (3) directors whose details and dates of appointment are as follows: 1. Leylan Neep: Independent Non-Executive Chairman – Appointed 1 September 2020; 2. Mr Ramsay Carter: Independent Non-Executive Director – Appointed 16 June 2020; and 3. Mr Graham Russell: Managing Director – Appointed 3 December 2019.
2.4	A majority of the board of a listed entity should be independent directors.	Adopted Having regard to the factors relevant to assessing the independence of a director as provided in the ASX Recommendations, the Board considers that an independent director is one who is a Non-Executive director who is not a member of management and who is free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgment. Currently the Board is comprised of three (3) members two (2) of which the Board considers as independent applying the criteria detailed above.
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.	Adopted. The current Chairman Mr Leylan Neep is considered to be an independent director. The roles of Chairman and Managing Director/CEO (Mr Graham Russell) were carried out by different persons throughout the whole of the financial period.
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	Adopted In accordance with the Company's Nomination and

	professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Remuneration Committee Charter, the Committee is responsible for an effective induction program for new directors to ensure that understand their responsibilities and the business activities of the Company. Given the size of the Company there is no formal professional development program in place however directors are expected to maintain the skills required to effectively discharge their obligations and are encouraged to undertake continuing professional education such as industry seminars and approved education courses.
PRINCIPLE 3: INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY		
	Recommendation	HSC Technology Group Ltd Current Practice
3.1	A listed entity should articulate and disclose its values.	Adopted post financial period. The Board is aware of the current expectation that companies must, in addition to their legal obligations, make ethical and responsible decisions having regard to the reasonable expectations of their shareholders and other affected stakeholders. Operating in the Aged Care sector post the Royal Commission, this is area that the Company strives to excel at. To assist with guiding the corporate culture of HSC Technology Group, the Company has published its Statement of Values on its website, which are the guiding principles that determines the type of company which HSC Technology Group Ltd aspires to be and what it requires from its Directors, senior executives and employees to achieve that goal. The statement of these values can be found at: https://www.hsctg.com.au/
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.	Adopted. The Company has adopted a Corporate Code of Conduct that sets out the Company's values, commitments, ethical standards and policies and outlines the standards of conduct expected of directors, senior executives and employees, considering the Company's legal and other obligations to its stakeholders. The Code of Conduct is supplemented by a Whistleblower Policy and an Anti-Bribery and Anti-Corruption Policy which contain reporting obligations in respect to reports made under or breaches of those policies. In addition, the Code of Conduct encourages any

		employees to report any matters without fear of retribution. A securities Trading Policy has also been established to set out the Company's policy on directors, senior management and employees buying and selling securities of the Company.
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.	Adopted As required by the Corporations Act and being one of the new recommendations under the 4th Edition of the ASX Guidelines, the Company has adopted both a Whistleblower Policy and Anti-Bribery and Corruption Policy copies of which are available on the Company's website. These provide inter-alia that any material incidents that are reported under these policies are referred to the Board for its consideration and, if necessary, action.
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.	Adopted Please see above response to 3.3.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

	Recommendation	HSC Technology Group Ltd Current Practice
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	Partially Adopted. During the financial period the Board established a separate Audit & Risk Committee which role was previously carried out by the Board as a whole. The Audit & Risk Committee is constituted by Mr Ramsay Carter and Mr Leylan Neep, both of whom are independent Non-Executive directors. The Committee is chaired by Ramsay Carter who is not the Chair of the board. Each member of the Audit & Risk Committee has an appropriate knowledge of the Company's affairs and has the financial and business expertise to effectively discharge the duties of the Committee. The members of the Audit & Risk Committee by virtue of their professional background experience and personal qualities are well qualified to carry out the

	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.	functions of the Audit & Risk Committee. At least one member has significant, recent and relevant financial experience. Details of the experience and qualifications of the members of the Audit & Risk Committee can be found in the Directors' Report contained in the Company's Annual Report, as well as the details of the Audit & Risk Committee members' attendance at meetings. The Committee has a documented charter which has recently been reviewed and updated. This Charter sets out the specific role and responsibilities delegated to the Committee by the Board. A copy of the Audit & Risk Committee Charter which incorporates the procedure adopted for the appointment of external auditors is available on the Company's website. The members of the Committee have direct access to any employee, the auditors and financial and legal advisers without management present. The Committee meets as often as is required but no less than twice a year and meets with the auditor without management present to ensure open and frank discourse with the auditors.
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	Adopted The Board has received declarations from the Managing Director (in his capacity as the CEO) and the Chief Financial Officer pursuant to s295A of the Corporations Act which state, that the financial statements for both the half year ended 30 June 2020 and the year ended 31 December 2020, were founded on sound risk management and internal controls and that the system is operating effectively in all material respects in relation to financial reporting risks.
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.	Adopted The periodic finance-based reports that the Company releases each year include the Full Year and Half Year financial statements, the Quarterly Appendix 4C cashflow reports and the Preliminary Final Report. The Half Year and Full Year accounts are audited and signed off the Company's independent external auditors. While the Appendix 4Cs and the Preliminary Final Report are prepared internally, they are done so utilising the same accounting principles and accounts

		on which the audited Half Year and Full Year accounts are prepared and released. These reports are also reviewed before release by Audit & Risk Committee members and the Board as a whole.
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE		
	Recommendation	HSC Technology Group Ltd Current Practice
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Adopted The Company has adopted a Continuous Disclosure Policy in compliance with the continuous disclosure obligations under the ASX Listing Rules and Corporations Act to ensure all investors have equal and timely access to material information concerning the Company and that Company announcement are factual and presented in a clear and balanced manner. A copy of the Policy is available on the Company's website.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Adopted Given the present size of the Board, the Company's current practice is to circulate to the Board any material ASX announcements before they are released. In addition, there is an internal protocol that has been established to ensure that Directors receive copies of all ASX announcements. Their emails have been recorded with the ASX email distribution list so that on an announcement being made an email confirming its release and attaching a copy of the announcement is independently sent to each Director by the ASX.
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.	Adopted Presentations that are made to analysts or investors are posted on the Company's website. If the presentations contain information that has not previously been announced to ASX that could have a material effect on the share price, the presentation is released to the ASX before the presentation is delivered. In addition, the Company's website contains the functionality that allows interested parties to subscribe to receive electronic notification of public releases and other relevant material concerning the Company.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS		
	Recommendation	HSC Technology Group Ltd Current Practice
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted The Company has a Shareholders Communication Strategy a copy of which is on the Company website. Through this and the Company's website the Board strives to ensure that shareholders are informed of the Company's governance and all major developments affecting the Company.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Adopted The Board aims to ensure that shareholders are provided with all of the information necessary to assess the performance of the Company. Information is communicated to shareholders through the Company's website, ASX announcements, the Quarterly Half Year and Full Year reporting regimes.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Adopted The Board encourages full participation of shareholders at the AGM to ensure a high level of accountability as well as encouraging the use of electronic communication with shareholders through the establishment of a dedicated investor email address; investors@hsctg.com.au This year the AGM is intended to be livestreamed for those shareholders unable to physically attend and the ability to ask questions of the Board via email will be made available.
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.	Adopted In compliance with this recommendation and to ascertain the true intent of the Company's security holders the Board has decided that all material resolutions at general meetings will be decided by poll.
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.	Adopted The Company's website contains a function to allow interested parties to subscribe to receive electronic notification of public releases and other relevant material concerning the Company and its activities.

		In addition, shareholders can register their email address with the Company's Share Registry and elect to receive all correspondence and notices from the registry such as notices of general meetings or corporate transactions.
PRINCIPLE 7: RECOGNISE AND MANAGE RISK		
	Recommendation	HSC Technology Group Ltd Current Practice
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.	Partially Adopted During the financial period, the Board established a separate Audit & Risk Committee which role was previously carried on by the Board as a whole. The Audit & Risk Committee is constituted by Mr Ramsay Carter and Mr Leylan Neep, both of whom are independent Non-Executive Directors. The Committee is chaired by Ramsay Carter who is not the Chair of the board. The Committee has a documented charter which has recently been reviewed and updated. This Charter sets out the specific role and responsibilities delegated to the Committee by the Board. A copy of the Charter is available on the Company's website. The Committee meets as often as is required but no less than twice a year. Details of the number meetings and the attendance of the members are detailed in the Directors Report contained in the Company's 2021 Annual Report.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and 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.	Adopted The Board with the assistance of the Audit & Risk Committee undertook and completed a review of the Company's risk management framework during the finance period under review. The review determined that the risk management framework that was in place continues to be sound and robust enough to address the risks that face the Company.
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	Not Adopted The Company does not have an internal audit function. The Audit & Risk Committee discharges the function of evaluating and continually improving the effectiveness of its risk management and internal

	employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	control processes, and in doing so is subject to the overall supervision of the Board. Internal control policies are reviewed annually.
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.	Adopted At this juncture the Company does not believe that it has any material exposure to economic, environmental or social risk. However, the Company is mindful that it operates as a service provider to the Aged Care industry that has recently been the subject of a Royal Commission into Age Care Quality and Safety. It is closely monitoring the outcome and recommendations of the enquiry and the Commonwealth Governments response to those recommendations as an emerging area to be monitored.
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY		
	Recommendation	HSC Technology Group Ltd Current Practice
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.	Partially Adopted During the financial period, the Board established a separate Nomination & Remuneration Committee which roles were previously carried out by the Board as a whole. The Nomination & Remuneration Committee is constituted by Mr Leylan Neep and Mr Ramsay Carter, both of whom are independent Non-Executive Directors. The Committee is chaired by Leylan Neep who is, an independent director. The Committee has a documented charter which has recently been adopted. This Charter sets out the specific role and responsibilities delegated to the Committee by the Board. A copy of the Charter is available on the Company's website. The Committee meets as often as is required but no less than twice a year. Details of the number meetings and the attendance of the members are detailed in the Directors Report contained in the Company's 2021 Annual Report.
8.2	A listed entity should separately disclose its policies and practices regarding the	Adopted

	remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company's Remuneration Policy as detailed in the Remuneration Report contained within the Annual Report for 2021 sets out its policies and practices regarding the remuneration of non-executive and executive directors and other senior executives.
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.	Adopted The Company has an Incentive Performance Rights Plan (IPRP). The Company's securities Trading Policy, which would include performance rights issued under the IPRP, prevents participants in the scheme from entering into a transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of the unvested equity interest.

Corporate Governance Statement dated 25 March 2021

Approved by the Board of HSC Technology Group Ltd 25 March 2021