

11 December 2024

Response to ASX compliance letter

Weebit Nano Ltd (**ASX: WBT, Weebit** or **Company**), updates its corporate governance statement and Appendix 4G for the year ended 30 June 2024, released on 28 August 2024.

ASX Listing Rule 12.7 requires an entity included in the S&P / ASX 300 Index to have an audit committee of the board of directors during the next financial year and comply with Recommendation 4.1 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendation 4.1**), for the whole of that financial year. Recommendation 4.1 requires the audit committee to have at least three members, all of whom are non-executive directors and a majority of whom are independent. It also requires the audit committee to be chaired by an independent director, who is not the chair of the board.

Weebit was first included in the S&P / ASX 300 Index in March 2023. At each meeting of its audit committee for FY24, the composition of the committee complied with Recommendation 4.1. There was a period of non-compliance in the composition of the committee prior to its first meeting on 25 October 2023.

The 2024 Corporate Governance Statement on page 53 of Weebit's 2024 Annual Report was incomplete in not disclosing this issue with Recommendation 4.1 at the beginning of FY24, as required by Listing Rule 4.10.3. The Appendix 4G on 28 August 2024 incorrectly confirmed compliance with Recommendation 4.1. However, the Directors' Report on page 24 which the Corporate Governance Statement cross-refers to, correctly describes the attendance of meetings of the audit committee.

Weebit includes an amended Corporate Governance Statement and amended Appendix 4G with this announcement, fully complying with ASX Listing Rules 4.10.3 and 12.7.

Weebit acknowledges the above circumstances. Weebit has been compliant with the audit committee requirements for more than 12 months and has enhanced its external company secretarial capabilities to ensure complete and accurate disclosure in its Annual Report and Appendix 4G. Weebit confirms it is committed to implementing measures to prevent future occurrences, ensuring that all governance disclosures are accurate and compliant with relevant ASX Listing Rules and that appropriate verification procedures have been undertaken.

Weebit is dedicated to strengthening its governance framework and maintaining transparency with stakeholders, reaffirming its commitment to the highest standards of corporate governance.



ENDS

Authorised for release by the Board of Weebit Nano Limited.

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About Weebit Nano Limited

Weebit Nano Ltd. is a leading developer and licensor of advanced semiconductor memory technology. The company's ground-breaking Resistive RAM (ReRAM) addresses the growing need for significantly higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence.

Weebit's ReRAM allows semiconductor memory elements to be significantly faster, less expensive, more reliable and more energy efficient than those using existing flash memory solutions. As it is based on fab-friendly materials, Weebit ReRAM can be integrated within existing flows and processes faster and easier than other emerging technologies, without requiring special equipment or large investments.

See: www.weebit-nano.com

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2024 CORPORATE GOVERNANCE STATEMENT

current as at August 27, 2024 (including Amendments approved on 10 December, 2024)

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations). This Corporate Governance Statement discloses the extent to which the Company follows each Recommendation. The Company will follow each Recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices and the Board has made appropriate statements reporting on the adoption of that Recommendation. In line with the "if not, why not" reporting regime, where after due consideration, the Company's corporate governance practices do not follow a Recommendation, the Board has explained its reasons for not following that recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the Recommendation. The Company's governance-related documents can be found on its website at www.weebit-nano.com under the section marked Corporate Governance.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1

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

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

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- a) Providing strategic direction for the Company and directing and monitoring the Company's performance against strategies;
- b) Establishing goals for management and monitoring the achievement of those goals;
- c) Reviewing and overseeing the operation of systems of risk management;
- d) Ensuring the overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions between management and the Board remain appropriate to the needs of the Company; and
- e) Formation and monitoring of corporate governance policies, codes of conduct and Board committees.

In exercising its responsibilities, the Board acknowledges the many stakeholders in the operations of the Company, including the CEO and CFO, other employees, shareholders, co-ventures, the government and the community.

A copy of the Board Charter is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>

Recommendation 1.2

A listed entity should:

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

The term of appointment for each Non-Executive Director of the Company shall be the period commencing on appointment and expiring when the Director is next required to stand for election by the shareholders or a period of 3 years, whichever is the lesser. At each Annual General Meeting of the Company, subject to ASX Listing Rule 14.4, at least one Director must retire from office, excluding a Director who is a managing director.

Board support for a Director's re-election is not automatic and is subject to satisfactory Director performance (in accordance with the evaluation process described for Recommendation 1.6).

The Company undertakes appropriate background and screening checks prior to the appointment of a Director and provides to shareholders all material information in its possession concerning the Director standing for election or re-election in the explanatory notes accompanying the notice of meeting.

Recommendation 1.3

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

The Company has a written agreement with each of the Directors. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Contract details of senior executives who are KMP are summarised in the Remuneration Report in the Company's Annual Report.

Recommendation 1.4

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

The Company Secretary is accountable to the Board, through the chair, for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Annual Report.

Recommendation 1.5

A listed entity should:

(a) have and disclose a diversity policy;

(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and

(c) disclose in relation to each reporting period:

(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.

The Company is committed to creating a diverse working environment and promoting a culture which embraces diversity. Given the size of the Company and scale of its operations, however, the Board is of the view that a written diversity policy with measurable objectives for achieving gender diversity is not required at this time. Further, as the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.

Recommendation 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and

(b) disclose for each reporting period whether performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Chairman conducts a review of Board performance at least once each calendar year. It is planned to undertake a review of performance of the Committees in FY25 after allowing some time for the Committee members to spend a period of time in their respective roles. The process usually involves the preparation of a questionnaire, to which Directors and Committee members respond anonymously, addressing matters relating to the conduct of meeting, the content of Board/Committee papers and other matters relevant to Board/Committee performance.

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for evaluating the performance of its Senior Executives at least once every reporting period;

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The performance of the Company's Senior Executives, including the CEO, is reviewed regularly to ensure that Senior Executive members continue to perform effectively in their roles. Performance is measured against the goals and Company performance set at the beginning of the financial year and reviewed throughout the year. A performance evaluation for Senior Executives has occurred during the year in accordance with this process.

Principle 2 – Structure the board to be effective and add value

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Recommendation 2.1

The Board of a listed entity should:

(a) have a Nomination Committee which:

(1) has at least three members, a majority of whom are independent; 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.

The Company has established a Governance committee to undertake the functions of a Nomination Committee. These are outlined in the Governance Committee Charter, with a copy of the Charter published on the Company's website.

The Committee comprised independent Directors during the financial year Atiq Raza (Chairman), Ashley Krongold and Dadi Perlmutter. Independent Director, Mark Licciardo was a member of the Committee for the period 24 August 2024 until his resignation date on 5 October 2023. The Committee met during the financial year, as disclosed in the Directors Report.

The procedure for the selection and appointment of new Directors or the re-election of incumbent Directors, other than as outlined in the Company's Constitution or the Governance Committee Charter is detailed at Recommendation 1.2.

The Board may seek independent external advice in regard to its composition, when there is a required change (such as retirement or resignation).

Recommendation 2.2

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

The details of the skill set of the current Board members are set out in the biographies of each Director in the Directors' Report in the Annual Report. The Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board.

Skills and experience	Number of Directors/ Board
Executive leadership – Senior executive experience including international experience.	6
Board experience – Experience as a board member or member of a governance body.	6
Financial acumen – Senior executive or equivalent experience in financial accounting and reporting, corporate finance, risk and internal controls.	6
Semiconductor – Experience related to the Semiconductor market, connections to key companies in the domain.	4
ASX and Australian public market – Experience in raising capital in Australia, knowledge of the Australian regulations.	4
Strategy – Experience in developing, implementing and challenging a plan of action designed to achieve the long-term goals of an organisation, including information technology and digital experience.	6
Capital management – Experience in capital management strategies, including capital partnerships, debt financing and capital raisings.	6

Recommendation 2.3

A listed entity should disclose:

(a) the names of the Directors considered by the Board to be Independent Directors;

(b) if a Director has an interest, position or relationship that might raise issues about the independence of a Director 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.

As at 30 June 2024, the board consisted of six directors, four of whom are Independent Non-Executive Directors. The Board considers David Perlmutter (Non-executive Chairman), Ashley Krongold (Non-executive Director), Naomi Simson (Non-executive Director) and Atiq Raza (Non-executive Director) to be Independent Directors. The length of service of each Director has been disclosed in the Annual Report.

Recommendation 2.4

The majority of the Board of a listed entity should be independent Directors.

As noted under Recommendation 2.3, the Board comprises six Directors of whom four are considered Independent Directors. The Board comprises a majority of independent directors and is satisfied that its current composition is suitable for the Company given its resources, size and operations. The current structure and composition of the Board has been determined having regard to the nature and size of the Company, the skill set of the Company's directors both individually and collectively, and the best interests of shareholders. The Board believes that independent judgment is achieved and maintained in respect of its decision-making processes. Furthermore, all directors are entitled to seek independent professional advice as and when required. All directors believe that they are able to objectively analyse the issues before them in the best interests of all shareholders and in accordance with their duties as directors.

Recommendation 2.5

The Chair of the Board of a listed entity should be an independent Director, and in particular, should not be the same person as the CEO of the entity.

The Chairman, Mr David (Dadi) Perlmutter, is an Independent Director. His role as Chairman of the Board is separate from that of the Managing Director (who is responsible for the day-to-day management of the Company) and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

Recommendation 2.6

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

The Board recognises that as a result of the Company's size and the stage of the entity's life, the Board has not put in place a formal program for inducting new directors. However, it does provide a package of background information on commencement and provides ready interaction with the Company's personnel to gain a stronger understanding of the business. The Board will define a specific training for new directors based on their background.

Principle 3 – Instill a culture of acting lawfully, ethically and responsibly

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

Recommendation 3.1

A listed entity should articulate and disclose its values.

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company's values have been communicated across the Company and disclosed on the Company's website at <https://weebit-nano.com/company-values/>

Recommendation 3.2

A listed entity should:

(a) have and disclose a code of conduct for its Directors, Senior Executives and employees; and

(b) ensure that the Board or a committee of the Board is informed of any material breaches of the code.

The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders and ensures that the Board is informed of material breaches of the Code. It may be amended from time to time by the Board and is disclosed on the Company's website. The Code applies to all Directors, employees, contractors and officers of the Company.

A copy of the Company's Code of Conduct is publicly available in the Corporate Governance section of the Company's website at <https://www.weebit-nano.com/corporate-governance/>

Recommendation 3.3

A listed entity should:

(a) have and disclose a whistleblower policy; and

(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Board has developed a whistleblower policy, which applies to all Directors, employees, contractors and officers. Investigation findings under the whistleblower Policy and material breaches will be reported to the Board.

A copy of the Company's whistleblower policy is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>

Recommendation 3.4

A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Board has adopted an anti-bribery and corruption policy, which applies to all Directors, employees, contractors and officers. Material breaches of the policy will be reported to the Board.

A copy of the Company's anti-bribery and corruption policy is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>

Principle 4 – Safeguard the integrity of corporate reports

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

Recommendation 4.1

The Board of a listed entity should:

(a) have an Audit Committee which:

(i) has at least three members, all of whom are Non- Executive Directors and a majority of whom are independent Directors; and

(ii) is chaired by an independent Director, who is not the Chair of the Board.

and disclose:

(iii) the Charter of the Committee;

(iv) the relevant qualifications and experience of the members of the Committee; and

(v) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendance of the members at those meetings.

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has established a Finance, Audit and Risk Committee which is responsible for overseeing finance and audit matters.

The responsibilities of the Committee include but are not limited to:

- Monitoring quarterly and annual financial statements.
- Reviewing annual capital/asset and operating budgets and recommending approval to the Board.
- Overseeing and reviewing the external audit process including assessment of the terms of engagement and remuneration of the auditor; recommending to the Board the appointment of the auditor; considering the scope and quality of external audits; and review of audit reports.
- Reviewing the effectiveness of internal audits, internal financial reports, and control systems.
- Overseeing Weebit's risk management framework and practices including periodic review of key risks to the organisation.
- Periodically reviewing Weebit's Risk Management Plan, Insurances, Delegations Policy, External Procurement Policy, Business Continuity Plan, and other high-level policies relevant to the Committee's purpose.
- Setting and adhering to any relevant KPI's to assist the committee in fulfilling its purpose.

A copy of the Finance, Audit and Risk Committee Charter is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>

The members of the Committee during the financial year were:

NAME	POSITION	APPOINTMENT/RESIGNATION DATE
Ashley Krongold	Committee Chair and Independent Director	22 March 2023 (since the establishment of the Committee)
Yoav Nissan-Cohen	Executive Director	22 March 2023 to 24 August 2023
Naomi Simson	Independent Director	1 September 2023
Mark Licciardo	Independent Director	28 September 2023 to 4 October 2023
Dadi Perlmutter	Board Chair and Independent Director	24 October 2023

The composition of the Finance, Audit and Risk Committee did not comply with Recommendation 4.1 for the period from 1 July 2023 to 27 September 2023 (due to the number of members on the Committee being less than 3 and not comprising of only non-executive directors) and then again from 5 October 2023 to 24 October 2023 (due to the number of members on the Committee being less than 3). There was no meeting of the Committee during the period the Company was not compliant with Recommendation 4.1.

When the Committee held meetings during the financial year, the Committee was fully compliant with the requirements of Recommendation 4.1.

Recommendation 4.2

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

Before approval of the financial statements the Board received a written declaration and assurance from the CEO and the CFO in accordance with section 295A of the Corporations Act.

The Board has also received from the CEO and the CFO written affirmations concerning the Company's financial statements as set out in the Directors' Declaration.

Recommendation 4.3

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

The Board and relevant Senior Management review and verified any periodic corporate report that is released to the market that has not been audited or reviewed by an external auditor.

Principle 5 – Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company has adopted a Continuous Disclosure Policy which sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>

Recommendation 5.2

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

The Board has received copies of all material market announcements promptly after they have been made.

Recommendation 5.3

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

The Company ensures that all investor presentations, including any new and substantive investor or analyst presentations, are lodged with the ASX ahead of the presentation.

Principle 6 – Respect the rights of security holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1

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

The Company keeps investors informed of its corporate governance, financial performance and prospects via its website – www.weebit-nano.com. Investors can access copies of all announcements to the ASX, notices of meetings, annual reports and financial statements via <https://weebit-nano.com/asx-announcements/>, and Investor presentations via <https://weebit-nano.com/presentations-and-webcasts/>. Investors can access general information regarding the Company and the structure of its business by accessing the Company's website at <https://weebit-nano.com/about/>

Recommendation 6.2

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

The Board aims to ensure that shareholders are informed of all major developments affecting the Company. In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the quarterly cash flow and activities report and half yearly financial report lodged with the Australian Securities Exchange (ASX);
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's website at www.weebit-nano.com;
 - disclosure of the Company's Corporate Governance practices on the entity's website; and,
 - email and other electronic means.

In addition to the abovementioned communication methods, the Company has maintained an active investor relations program to facilitate effective two-way communication with relevant equity market stakeholders. This program includes face

to-face meetings with investors, broker analysts and proxy firms as well as responding to shareholder enquiries as appropriate. The Company utilises public investor webcasts and conference calls for key announcements such as the full year and half year financial results. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available an email address and relevant contact for shareholders to make their enquiries.

The Board encourages effective participation at the Company's General Meetings by providing opportunity for shareholders to ask questions of the Company's directors and auditors.

The Company encourages shareholders to receive Company information electronically by registering their email address online with the Company's shareholder registry. The Company also allows shareholders to communicate electronically with the Company and share registry including providing shareholders the ability to submit proxy voting instructions online.

Recommendation 6.3

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

The Board encourages full participation of security holders at its General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Before and during the General Meetings, the security holders are invited to raise questions regarding the operations and performance of the Company.

Recommendation 6.4

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

All resolutions put to security holders at a meeting of security holders are decided by a poll.

Recommendation 6.5

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

The Company provides its security holders the option to receive communications from and send communications to, the Company and the share registry electronically.

Principle 7 – Recognise and manage risk

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

Recommendation 7.1

The Board of a listed entity should:

(a) have a committee(s) to oversee risk, each of which:

(i) has at least three members, a majority of whom are independent Directors; and

(ii) is chaired by an independent Director.

and disclose

(iii) the Charter of the Committee;

(iv) the members of the Committee; and

(v) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company has established a Finance, Audit and Risk Committee which is responsible for overseeing risk.

- The responsibilities of the Committee include but are not limited to:
- Monitoring quarterly and annual financial statements.
- Review of annual capital/asset and operating budgets and recommending approval to the Board.
- Oversight and review of the external audit process including assessment of the terms of engagement and remuneration of the auditor; recommending to the Board the appointment of the auditor; considering the scope and quality of external audits; and review of audit reports.
- Review the effectiveness of internal audits, internal financial reports and control systems.

- Oversight of Weebit's risk management framework and practices including periodic review of key risks to the organisation.
- Periodic review of Weebit's Risk Management Plan, Insurances, Delegations Policy, External Procurement Policy, Business Continuity Plan and other high-level policies relevant to the Committee's purpose.
- Setting and adhering to any relevant KPI's to assist the committee in fulfilling its purpose.

A copy of the Finance, Audit and Risk Committee Charter is publicly available in the Corporate Governance section of the Company's website at <https://weebit-nano.com/corporate-governance/>

The members of the Finance, Audit and Risk Committee during the financial year were:

NAME	POSITION	APPOINTED
Ashley Krongold	Committee Chair and Independent Director	22 March 2023 (since the establishment of the Committee)
Yoav Nissan-Cohen	Executive Director	22 March 2023 to 24 August 2023
Naomi Simson	Independent Director	1 September 2023
Mark Licciardo	Independent Director	28 September 2023 to 4 October 2023
Dadi Perlmutter	Board Chair and Independent Director	24 October 2023

Recommendation 7.1 requires the risk committee to have at least three members, a majority of whom are independent directors and to be chaired by an independent director, who is not the chair of the board.

At each meeting of its risk committee for FY24, the composition of the committee complied with Recommendation 7.1. There was a period of non-compliance in the composition of the committee prior to its first meeting on 25 October 2023.

Recommendation 7.2

The Board or a committee of the Board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board recognises that there are inherent risks associated with the Company's operations including technological, legal and other operational risks. The Board endeavors to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. A formal report in relation to the Company's management of its material business risks was presented to the Board this financial year. The Board reviewed the risk profile of the Company and monitored risk throughout the year. The Finance, Audit and Risk Committee and the Board will continue to review the risk profile of the Company to satisfy itself that the risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite.

Recommendation 7.3

(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.

Due to the Company's scale, it does not have a formal Internal Audit function. However, responsibility for risk management and maintenance of internal controls lies with several executives including the Chief Executive Officer and Chief Financial Officer as well as the Finance, Audit and Risk Committee and the Governance Committee, who evaluate, monitor and report on compliance with the Company's policies and procedures and its legal and regulatory obligations and oversee any required remedial activities.

Recommendation 7.4

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

The Company constantly monitors and reviews the key risks that affect the Company and the management of those risks. They include economic, environment and social risks. This is overseen by the Finance, Audit & Risk Committee.

At the time of reporting, the Company has no material exposure to risks to our environmental and social sustainability profile.

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

Recommendation 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.

The Board has established a Remuneration Committee to assist in the discharge of its responsibilities. The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies related to the Directors and Senior Executives. The Remuneration Committee is also charged with ensuring that the remuneration policies and practices are consistent with the Company's strategic goals and objectives.

The Committee comprised of Independent Directors during the financial year being Dadi Perlmutter, S. Atiq Raza and Ashley Krongold. The Remuneration Committee meets on an as-needed basis. The number of Remuneration Committee meetings held during the year is set out in the Directors' Report under Directors' Meetings.

Following each meeting, the Remuneration Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Remuneration Committee that requires Board approval.

The Board has adopted a Remuneration Committee Charter, which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website at <https://weebit-nano.com/corporate-governance/>

Recommendation 8.2

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

Details of the Company's policies on remuneration are set out in the Company's 'Remuneration Report' in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or claw-back of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

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

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

The Company's Security Trading Policy includes a statement prohibiting directors, officers and employees entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of their security holding in the Company or of participating in unvested entitlements under any equity based remuneration schemes.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- b) trading in the Company's securities which is not subject to the Company's trading policy; and
- c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy forms part of the Company's corporate policies and procedures and is available to all staff and on the Company's website at <https://weebit-nano.com/corporate-governance/>

Additional recommendations that apply only in certain cases

The following additional recommendations apply to the entities described within them.

Recommendation 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.

All directors speak the language (English) that the meetings are held and key corporate documents are written.

Recommendation 9.2

A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.

The Company ensures that meetings of security holders are held at a reasonable place and time.

Recommendation 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.

The external auditor of the Company is invited to and attends the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

WEEBIT NANO LTD

ABN/ARBN

15 146 455 576

Financial year ended:

30 June 2024

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

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.weebit-nano.com/investors/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 27 August 2024 including amendments made [3] December 2024 and has been approved by the board.

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

Date: 11 December 2024

Name of authorised officer authorising lodgement: Anna Sandham, Company Secretary

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 <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 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://www.weebit-nano.com/corporate-governance/	☐ set out in our Corporate Governance Statement OR ☐ 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 OR ☐ 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 OR ☐ 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 OR ☐ 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 <u>in full</u> 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: [insert location] and we have disclosed the information referred to in paragraph (c) at: [insert location] 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 <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable Given the size of the Company and scale of its operations, the Board is of the view that a written diversity policy with measurable objectives for achieving gender diversity is not required at this time. Further, as the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.
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: [insert location] and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: [insert location]	☒ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable The Chairman conducts a review of Board performance at least once each calendar year. It is planned to undertake a review of performance of the Committees in FY25 after allowing some time for the Committee members to spend a period of time in their respective roles.

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 <u>in full</u> 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
1.7	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) within the Corporate Governance Statement. and whether a performance evaluation was undertaken for the reporting period in accordance with that process within the 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 <u>in full</u> 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://www.weebit-nano.com/corporate-governance/ and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and Directors Report.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ 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 within the 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
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 within the Corporate Governance Statement and the length of service of each director within the Annual Report.	☐ 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 <u>in full</u> 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
2.4	A majority of the board of a listed entity should be independent directors.	☒	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ 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 <u>OR</u> ☐ 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 <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable The Board recognises that as a result of the Company's size and the stage of the entity's life, the Board has not put in place a formal program for inducting new directors. However, it does provide a package of background information on commencement and provides ready interaction with the Company's personnel to gain a stronger understanding of the business. The Board will define specific training for new directors based on their background.
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://weebit-nano.com/company-values/	☐ 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.	☒ and we have disclosed our code of conduct at: https://www.weebit-nano.com/corporate-governance/	☐ 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 <u>in full</u> 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
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://www.weebit-nano.com/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://www.weebit-nano.com/corporate-governance/	☐ 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 <u>in full</u> 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 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.	☐	☒ set out in our Corporate Governance Statement We have disclosed a copy of the charter of the committee at: https://weebit-nano.com/corporate-governance/ and the information referred to in paragraphs (4) and (5) within the Corporate Governance Statement and the Directors Report.
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

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 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://weebit-nano.com/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
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: www.weebit-nano.com and https://weebit-nano.com/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 in 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

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 <u>in full</u> 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
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
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.	☐	☒ set out in our Corporate Governance Statement We have disclosed a copy of the charter of the committee at: https://weebit-nano.com/corporate-governance/ and the information referred to in paragraphs (4) and (5) within the Corporate Governance Statement and the Directors 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.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: https://weebit-nano.com/corporate-governance/	☐ 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 <u>in full</u> 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 in 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 in our Corporate Governance Statement.	☐ 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 <u>in full</u> 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://weebit-nano.com/corporate-governance/ and the information referred to in paragraphs (4) in our Corporate Governance Statement and Annual Report.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ 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 in our Annual Report.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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://weebit-nano.com/corporate-governance/	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <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 <u>in full</u> 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
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: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement <u>OR</u> ☒ we do not have a director in this position and this recommendation is therefore not applicable <u>OR</u> ☐ 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 <u>OR</u> ☐ we are established in Australia and this recommendation is therefore not applicable <u>OR</u> ☐ 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 <u>OR</u> ☐ 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



20 November 2024

Reference: ODIN102901

Ms Anna Sandham
Company Secretary
Weebit Nano Ltd
c/- Company Matters Pty Ltd
Level 12, 680 George Street
Sydney NSW 2000

By email

Dear Ms Sandham

Weebit Nano Limited ('WBT'): Breach of Listing Rules 4.10.3 and 12.7

ASX refers to the following:

- A. WBT's corporate governance statement for the year ended 30 June 2024 ('FY2024') released on the market announcements platform on 28 August 2024, together with WBT's annual report for the period.
- B. Listing Rule 4.10.3 which relevantly states:

*"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."*
- C. WBT's inclusion in the S&P/ASX 300 Index effective prior to the open of trading on 20 March 2023 as notified by the S&P Index announcement released on the market announcements platform on 3 March 2023.
- D. Naomi Simson's appointment as a non-executive director of WBT effective 1 September 2023 as stated in an announcement released on the market announcements platform on 24 August 2023.
- E. Listing Rule 12.7 which relevantly states:

"If the entity was included in the S&P/ASX 300 Index at the beginning of its financial year it must also comply with the recommendations set by the ASX Corporate Governance Council in relation to composition and operation of the audit committee for the whole of that financial year, unless it had been included in that index for the first time less than 3 months before the beginning of that financial year. An entity that is included in the S&P/ASX 300 Index for the first time less than 3 months before the first day of its financial year but did not comply with the recommendations set by the ASX Corporate Governance Council in relation to composition and operation of the audit committee at that date must take steps so that it complies with those recommendation within 3 months of the beginning of the financial year."
- F. Recommendation 4.1 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('Corporate Governance Recommendations') which states that 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; and

-
- is chaired by an independent director, who is not the chair of the board.
- G. Page 53 of WBT's annual report in the section titled 'Corporate Governance Statement' under the heading 'Recommendation 4.1' which relevantly states:
- 'The Company has established a Finance, Audit and Risk Committee which is responsible for overseeing finance and audit matters.*
- The Committee comprised Independent Directors during the financial year Ashley Krongold (Chairman) and Executive Director, Yoav Nissan-Cohen. The Committee met during the financial year as disclosed in the Directors Report.'*
- H. Page 24 of the annual report in the section titled 'Directors' Report' which notes that David Perlmutter, Ashley Krongold and Naomi Simson were the only members of the WBT Finance, Audit and Risk Committee and each attended all 3 meetings of that committee held during FY2024.
- I. WBT's Appendix 4G released on the market announcements platform on 28 August 2024 in which WBT indicates that it had complied with Recommendation 4.1 for all of FY2024.

The precise composition of the Finance, Audit and Risk Committee over FY2024 is not clear from the annual report. However, ASX understands from correspondence with WBT that WBT was in breach of Listing Rule 12.7 for the period from at least 1 July 2023 to 1 September 2023 because the Committee did not meet the composition requirements in recommendation 4.1 of the Corporate Governance Recommendations in that period.

Further, WBT did not comply with Listing Rule 4.10.3 because WBT did not report in its corporate governance statement that WBT had not followed recommendation 4.1 of the Corporate Governance Recommendations for the full reporting period. WBT did not disclose the period during which the recommendation was not followed, WBT's reasons for not following the recommendation and what (if any) alternative governance practices WBT adopted in lieu of the recommendation during that period.

Action required

In light of the above, ASX requires WBT to prepare the following documents for release to the market under Listing Rule 18.8(a):

1. An announcement that explains the breaches outlined in this letter. The announcement must:
 - explain the circumstances giving rise to the non-compliance with Listing Rules 4.10.3 and 12.7;
 - state that the corporate governance statement and Appendix 4G failed to identify that WBT had not followed recommendation 4.1 of the Corporate Governance Recommendations for the full reporting period, and that the corporate governance statement did not include the information required to be disclosed under Listing Rule 4.10.3 when a recommendation is not followed; and
 - explain the arrangements that WBT will put in place to verify its corporate governance statement and Appendix 4G in future, and any other measures WBT will adopt to ensure its future compliance with Listing Rules 4.10.3 and 12.7.
2. A revised corporate governance statement which correctly addresses recommendation 4.1 for FY2024.
3. A revised Appendix 4G for FY2024.

When and where to send your response

Please provide the draft documents as soon as reasonably possible and, in any event, by no later than **5:00 PM AEDT Tuesday, 3 December 2024**.

The draft documents should be sent by e-mail to ListingsComplianceMelbourne@asx.com.au. They should not be sent directly to the ASX Market Announcements Office.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance