

# CORPORATE GOVERNANCE STATEMENT 2021

The Board of Astron is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of Astron on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Astron's key governance principles and practices.

The Board is committed to attaining standards of corporate governance that are commensurate with the Company's needs. In this regard, the board has created a framework for managing the Company, including internal controls and business risk management processes. This framework is reflected, in part, in the policies and charters described below.

The Board has adopted, and endorsed, the *ASX Corporate Governance Council's Principles and Recommendations (4<sup>th</sup> Edition)* as amended from time to time (**ASX Recommendations**) and has adopted the ASX Recommendations that are considered appropriate for the Company, given its size and scope of its proposed activities. Details of the Company's compliance with the ASX recommendations are set out below.

In light of the current state of development of the Company, the Board considers its current composition is appropriate. As the nature and scope of the Company's activities change, the Size and composition of the Board and implementation of additional corporate governance policies and structures will be reviewed from time to time.

The 2021 Corporate Governance Statement has been adopted by the board on 29 October 2021.

The Company's corporate governance policies and practices at the date of this report are outlined below and are also available on the Company's website, [www.astronlimited.com.au](http://www.astronlimited.com.au).

## 1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the *Corporations Act 2001* (so far as it applies to foreign registered companies) and the Australian Securities Exchange (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summaries the Company's compliance with the ASX Recommendations as at the date of this report. Where a Recommendation was not complied with, the non-compliance continued for all of financial year 2021, except as noted otherwise:

ASX Recommendations	Company's response
<b>1 Lay solid foundations for management and oversight</b>	
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 Board assumes ultimate responsibility for the leadership and setting the strategic objectives of the Company.  Management of the Company's activities is delegated by the board to the managing director, Mr Tiger Brown. The managing director is assisted in managing and reporting on corporate and operational matters.  The Company does not have a disclosed board charter, and currently does not comply with this Recommendation.
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 (a) provide security holders with all	As part of the process for identification of any future candidates that may be suitable for appointment as a director of the Company, the Board will consider the person's character, experience, education and other matters. Relevant information will be provided to securityholders at the time of election or re-election.

material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>While historically not all directors have had written agreements, all directors and senior executives that have been engaged in recent times have been engaged on the terms of written service contracts, key details of which are included in the Company's annual report.</p> <p>Non-executive directors that have been engaged in recent times have written agreements regarding the provision of the services.</p> <p>The respective executive and non-executive agreement set out the terms including duties and responsibilities, remuneration, termination, insurance and indemnity arrangements.</p>
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.	<p>The Company has a professional company secretary in Hong Kong, given the requirements to have a resident company secretary under Hong Kong law. The Company has an Australian company secretary who fulfils the ongoing role of attending board meetings, shareholder meetings and providing advice is required on governance matters.</p> <p>In addition, each individual Director is able to communicate directly with the Australian company secretary, or vice versa, as required.</p>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(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</p> <p>(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.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>The Company has not adopted a formal diversity policy, and currently does not comply with this Recommendation.</p> <p>The Company believes that while this is currently appropriate given the size and nature of the Company's operations, it is a matter to be reviewed in the near future.</p> <p>The Company is not a "relevant employer" for the purposes of the Workplace Gender Equality Act.</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its</p>	<p>The performance of the Board is reviewed against matters that the Board deems relevant. This review has regard to various matters including those set out in this policy.</p>

<p>committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Remuneration and Nomination Committee will assist the Board as required and evaluation of the performance of the directors (including the Managing Director).</p> <p>No formal board or committee performance evaluation has been undertaken during the year ended 30 June 2021.</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Remuneration and Nomination Committee is responsible for evaluating the performance of the executive directors. The Managing Director is responsible for evaluating the performance of senior executives and employees and makes recommendations in this regard.</p> <p>No formal evaluations were undertaken in the year ended 30 June 2021.</p>
<p><b>2 Structure the Board to be effective and add value</b></p>	
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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</li> </ol> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Remuneration and Nomination Committee is comprised of Mr Tiger Brown, Dr Mark Elliott and Mr George Lloyd (Chair). A majority of these members are independent non-executive directors.</p> <p>There is no formal charter of the Remuneration and Nomination committee, and currently does not comply with this Recommendation.</p>
<p>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.</p>	<p>The Company does not have a formal board skills matrix and as such does not comply with this Recommendation.</p> <p>The current board has extensive experience in the industry in which the Company is operating, and as directors of publicly listed companies. In this regard, the Board considers its composition is currently appropriate for its activities and operations.</p> <p>The Board will continue to monitor the skills, experience, knowledge and independence in response to any proposed changes to the Company's operations are activities.</p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent</p>	<p>The Board considers that, Mr Gerard King, Dr Mark Elliott and Mr George Lloyd are independent directors.</p>

<p>directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (which appears on page 16 of the ASX Recommendations and is entitled "Factors relevant to assessing 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, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Company sets out in its annual report the interests, associations and other matters, including length of service of each board member.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Board considers that 3 of its directors are independent, representing a majority.</p>
<p>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.</p>	<p>Mr Gerard King is the chair of the board and is considered to be independent. Mr King is not the same person as the CEO.</p>
<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The Board has a program for new directors to meet with the chairman and senior executives and provide information on the Company's board and policies, although this is not a formal induction process.</p> <p>Given the size of the Company, this is considered appropriate in the circumstances.</p>
<p><b>3 Instil a culture of acting lawfully, ethically and responsibly</b></p>	
<p>3.1 A listed entity should articulate and disclose its values.</p>	<p>The Company has published a statement of its values at: <a href="https://astronlimited.com.au/about-astron/values-commitment/">https://astronlimited.com.au/about-astron/values-commitment/</a></p>
<p>3.2 A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>Company is in the process of developing a formal code of conduct, and currently does not comply with this Recommendation.</p>
<p>3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>The Company has adopted a whistleblower policy, which has been published at: <a href="https://astronlimited.com.au/wp-content/uploads/2021/03/Whistleblower-Protection-Policy-Astron-Limited-FINAL-Nov19.pdf">https://astronlimited.com.au/wp-content/uploads/2021/03/Whistleblower-Protection-Policy-Astron-Limited-FINAL-Nov19.pdf</a></p>
<p>3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	<p>The Company recognises that bribery and corruption acts to undermine legitimate business activities, distort competition, and expose the Company and its stakeholders to significant risks.</p> <p>While the Company has not adopted a formal anti-bribery and corruption policy and accordingly does not currently comply with this Recommendation, the Company expects its Directors and employees to have a high level of honesty, integrity and fair dealing in undertaking the company's business. This includes compliance with all laws and regulations that apply to the Company's operations and not knowingly participating in any illegal or unethical activities such as facilitation payments, bribes, inducements or other improper benefits.</p>

	Given the size and nature of the Company, the Company's values and whistleblower policy, the Board considers this is appropriate. The Company will consider a formal antibribery and corruption policy in due course.
<b>4 Safeguard the integrity of corporate reports</b>	
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(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</li> </ol> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board does not have an Audit and Risk Committee and as such the Company does not currently comply with this Recommendation. The Board considers that the Company is not of a size, nor are its financial affairs of such complexity, to justify the formation of a separate audit and risk committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems. The Board considers that the experience and qualifications of the Board will assure the integrity of the financial statements of the Company and the independence of the external auditor.</p> <p>The Board in lieu of an Audit and Risk Committee is responsible for:</p> <ul style="list-style-type: none"> <li>• reviewing the quality and integrity of the Company's financial reporting to shareholders, ASX and the ASIC;</li> <li>• reviewing the accounting policies, internal controls, practices and disclosures to assist the Board in making informed decisions, with direct access to management;</li> <li>• reviewing the scope and outcome of external audits, with direct access to external auditors;</li> <li>• nominating external auditors and reviewing the adequacy of existing external audit arrangements;</li> <li>• ensuring the independence of external auditors and reviewing any other services provided by them;</li> <li>• reviewing the Company's risk management systems; and</li> <li>• reporting on meetings and the results of any assessments and reviews.</li> </ul>
<p>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.</p>	<p>The Company requires that the CEO's equivalent and the CFO provide declarations that satisfy requirements of section 295A of the Corporations Act, including confirming that their opinions have been formed on the basis of a sound system risk management and internal controls that is operating effectively, prior to approving the annual and half yearly financial statements, and quarterly cash flow reports.</p>
<p>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.</p>	<p>Periodic corporate reports that are not subject to audit or review by the Company's auditors (including quarterly activities and cash flow reports) are compiled and verified by the CFO before being reviewed by the Board prior to release to the market.</p>
<b>5 Make timely and balanced disclosure</b>	

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 does not currently have a continuous disclosure and market communications policy, and currently does not comply with this Recommendation. However, the Company has a process for ensuring compliance with continuous disclosure obligations.
5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	All material market announcements are provided to the Board for review and comment prior to release on the ASX announcements platform, and the Board is provided with the announcements after they have been released.
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 Board ensures that any substantive investor or analyst presentations are released as a market announcement before the presentation is given.
<b>6 Respect the rights of security holders</b>	
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Information regarding the Company's corporate governance is on the Company's website at: <a href="http://www.astronlimited.com.au/about/GOVERNANCE.aspx">http://www.astronlimited.com.au/about/GOVERNANCE.aspx</a>
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has adopted a communications policy which aims to promote and facilitate effective two-way communication with investors, together with encouraging investors to attend meetings and contact details for any specific queries that an investor wishes to raise are provided on the Company's website.
6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The Company has not separately disclosed any written communications policy, which is not in compliance with this Recommendation. However, the Company does encourage securityholders to participate in meetings, including by seeking written questions prior to any meetings of securityholders.
6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	The Company ensures that all resolutions considered for approval at a meeting of securityholders are decided on a poll rather than a show of hands.  In situations where the Company considers appropriate, the Company will engage an independent 3 <sup>rd</sup> party to undertake the 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.	All securityholders are encouraged to provide the Company's share registry with email addresses to enable electronic communication,
<b>7 Recognise and manage risk</b>	
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;	The Board does not have an Audit and Risk Committee and as such the Company does not currently comply with this Recommendation. The Board considers that the Company is not of a size, nor are its financial affairs of such complexity, to justify the formation of a separate audit and risk committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems. The Board considers that the experience and qualifications of the Board will assure the integrity of the financial statements of the Company and the independence of the external auditor.

<p>and</p> <p>(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</p> <p>(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.</p>	<p>The Board in lieu of an Audit and Risk Committee is responsible for:</p> <ul style="list-style-type: none"> <li>• reviewing the quality and integrity of the Company's financial reporting to shareholders, ASX and the ASIC;</li> <li>• reviewing the accounting policies, internal controls, practices and disclosures to assist the Board in making informed decisions, with direct access to management;</li> <li>• reviewing the scope and outcome of external audits, with direct access to external auditors;</li> <li>• nominating external auditors and reviewing the adequacy of existing external audit arrangements;</li> <li>• ensuring the independence of external auditors and reviewing any other services provided by them;</li> <li>• reviewing the Company's risk management systems; and</li> <li>• reporting on meetings and the results of any assessments and reviews.</li> </ul>
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Board will, at least annually, undertake a structured consideration and review of the risk management framework and the material risks faced by, and the risk attitude of, the Company.</p> <p>A review was undertaken during the reporting period.</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes</p>	<p>The internal audit function is overseen by the Board.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company is of the view that its operations do not create a material exposure to economic, environmental and social sustainability risks.</p>
<p><b>8 Remunerate fairly and responsibly</b></p>	
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p>	<p>The Remuneration and Nomination committee comprises Mr Tiger Brown, Dr Mark Elliott and Mr George Lloyd (chair). While the remuneration committee does not have a formal charter (which is non-compliant with this Recommendation), the committee proposes to adopt such a charter.</p> <p>Details of Remuneration and Nomination committee meetings and the member directors' relevant qualifications and experience are contained in the annual report.</p>

<p>(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</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	
<p>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.</p>	<p>The Company provides disclosure of all Directors and executives remuneration in its annual report.</p> <p>Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities.</p> <p>Remuneration for non-executive directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits to non-executive directors.</p> <p>Executive directors and senior executives are offered base pay that is to be reviewed annually to ensure market competitiveness. Performance incentives may include performance bonus payments, shares and/or options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company has an employee incentive scheme and a performance rights scheme and has adopted a policy that participants are not permitted to enter into transactions which limit the economic risk of participating in the scheme. A summary of both of these schemes was provided with the notice of meeting of 2 July 2021 when those schemes were adopted.</p> <p>The Company has a securities trading policy.</p>
<p><b>9 Additional recommendations that only apply in certain circumstances</b></p>	
<p>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.</p>	<p>Not applicable.</p>
<p>9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>As an entity incorporated outside Australia, the Company considers the time and place for meetings of securityholders, including flexibility for virtual or hybrid meetings.</p>
<p>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.</p>	<p>Where practical and feasible, the Board invites the auditor to attend all general meetings of shareholders.</p>