



HOLDINGS LIMITED

Corporate Governance Statement

Approved by the Board on 28 September 2023

Overview

The Company's board of directors (Board) is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

Accordingly, the Company has, where appropriate, sought to adopt the "Corporate Governance Principles and Recommendations" (Third Edition) (ASX Recommendations) published by the ASX Corporate Governance Council.

The corporate governance principles and practices adopted by the Company may differ from those set out in the ASX Recommendations where the Board considers that adherence is not appropriate, having regard to the nature, complexity and size of the Company's business.

The Company reports below on its compliance with the ASX Recommendations and those matters of corporate governance where the Company's practice departs from the ASX Recommendations to the extent that they are currently applicable to the Company. This statement is current as at 28 September 2023.

ASX Corporate Governance Principles and Recommendations

1. Principle 1: Lay a solid foundation for management and oversight

1.1 Recommendation 1.1

A listed entity should disclose:

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

Compliance with ASX Recommendation: followed

The Company has adopted a Board Charter.

Under the Board Charter, the Board is responsible for the overall operation and management of the Company and its subsidiaries and, in particular, is responsible for:

- (a) setting the strategic objectives of the Consolidated Group, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- (b) ensuring there are adequate resources available to meet the Consolidated Group's objectives;
- (c) appointing the Managing Director, if any, evaluating the performance and determining the remuneration of senior executives and ensuring that appropriate

policies and procedures are in place for recruitment, training, remuneration and succession planning;

- (d) approving and monitoring the progress of business objectives;
- (e) approving and monitoring financial reporting and capital management;
- (f) ensuring that adequate risk management procedures exist and are being implemented;
- (g) ensuring that the Consolidated Group has appropriate corporate governance structures in place, including standards of ethical behaviour;
- (h) ensuring that any necessary statutory licences are obtained and maintained and that compliance measures are implemented to ensure compliance with the law and licences;
- (i) ensuring that the Board is and remains appropriately skilled to meet the needs of the Consolidated Group; and
- (j) ensuring procedures are in place for ensuring the Company's compliance with the law and financial and audit responsibilities, including the appointment of an external auditor and reviewing the financial statements, accounting policies and management processes.

In complying with Recommendation 1.1, the Company has adopted a Board Charter which discloses the respective roles and responsibilities of the Board and senior management and identifies those matters expressly reserved to the Board and those delegated to management.

The Board Charter is available on the Company's website.

1.2 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*
- (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.*

Compliance with ASX Recommendation: followed

The Company conducts appropriate checks of candidates prior to their appointment or nomination for election by shareholders. The Company does not propose to conduct specific checks prior to nominating an existing Director for re-election by shareholders at a general meeting on the basis that this is not considered necessary in the Company's circumstances.

The Company includes in its notices of meeting, succinct biographical information on each Director who stands for election or re-election. The biography sets out the relevant qualifications and experience of the nominated Director for consideration by shareholders.

1.3 Recommendation 1.3

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

Compliance with ASX Recommendation: followed

The Company engages or employ its Directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.

The Company's Chief Executive Officer is engaged pursuant to a written consulting contract with the Company and each non-executive Director is engaged under a letter of appointment.

1.4 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.

Compliance with ASX Recommendation: followed

The Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.

The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures and coordinates circulation of meeting agendas and papers.

1.5 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:*
 - (i) *the measurable objectives set for that period to achieve gender diversity;*
 - (ii) *the entity's progress towards achieving those objectives; and*
 - (iii) *either:*
 - (A) *the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
 - (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.*

Compliance with ASX Recommendation: Recommendation 1.5(a) and 1.5(b) followed; recommendation 1.5(c) not followed.

The Board has adopted a diversity policy. However, considering the size and scope of the Consolidated Group, the Board has not set a measurable objective for achieving gender diversity. As at 30 June 2023, women made up 50% of the total Consolidated Group workforce and consultants. There is currently one woman in senior management and no women on the Board.

The Diversity Policy is available on the Company's website.

1.6 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 a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

Compliance with ASX Recommendation: not followed

The Company does not have in place a formal process for evaluation of the Board, its committees and individual Directors. The small size of the Board and the nature of the Company's activities make the establishment of a formal performance evaluation strategy inefficient. Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events, the Board as a whole will review performance of senior management, Directors and the Board.

1.7 Recommendation 1.7

A listed entity should:

- (a) *have and disclose a process for evaluating the performance of its senior executives at least one 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.*

Compliance with ASX Recommendation: Not followed

The Company does not have a formal process for evaluation of its key executives, in place. The Company's comparatively small size and the nature of its activities make the establishment of a formal performance evaluation strategy inefficient. As with evaluation of Directors, performance evaluation for key executives is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of the executives and management, as a whole.

2. Principle 2: Structure the Board to be effective and add value

2.1 Recommendation 2.1

The board of a listed entity should:

- (a) *have a nomination committee which:*
 - (i) *has at least three members, a majority of whom are independent directors; and*
 - (ii) *is chaired by an independent director,*

and disclose:

- (iii) *the charter of the committee;*
 - (iv) *the members of the committee; and*
 - (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (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.*

Compliance with ASX Recommendation: 2.1(a) not followed, 2.1(b) followed

The Company does not have a nomination committee but has adopted Nomination and Remuneration Committee Charters. The full Board, which comprises six Non-Executive Directors, considers the matters and issues that would otherwise be addressed by a nomination committee.

Under the Board, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. Generally, candidates for the office of Director are individually assessed by the Chairman and the Managing Director, if any, before appointment or nomination to ensure that they possess the relevant skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

The Board considers that, given the current size and scope of the Company's operations, establishing a separate nomination committee would be inefficient, but the Board intends to reconsider the requirement for, and benefits of, a separate nomination committee when Company's operations grow to a point where a nomination committee is appropriate.

2.2 Recommendation 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.

Compliance with ASX Recommendation: not followed

The Company does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is inappropriate, given the current size and complexity of the Company's operations. The Board may adopt such a matrix at a later time, when appropriate.

2.3 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, association 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, association or relationship in question and an explanation of why the board is of that opinion; and*

- (c) *the length of service of each director.*

Compliance with ASX Recommendation: followed

The Board has a majority of directors who satisfy the criteria for independence as outlined in Box 2.3 of the ASX Recommendations.

The Board currently comprises the following members:

- (a) Mr Daniel Chan - Non-Executive Chairman

Mr Chan was appointed on 22 November 2013. A party related to Mr Chan has a substantial shareholding in the Company and therefore the Board does not consider him to be independent.

- (b) Mr George Lam - Non-Executive Director

Mr Lam was appointed on 22 November 2013. Mr Lam is non-executive and is not a shareholder in the Company and therefore the Board considers him to be independent.

- (c) Mr David Morris – Non-Executive Director

Mr Morris was appointed on 24 November 2020. Mr Morris is non-executive and is not a shareholder in the Company and therefore the Board considers him to be independent.

- (d) Mr Andrew Macintosh - Non-Executive Director

Mr Macintosh was appointed on 4 July 2019. Mr Macintosh is non-executive and is not a shareholder in the Company and therefore the Board considers him to be independent.

- (e) Mr Bernard Ripoll - Non-Executive Director

Mr Ripoll was appointed on 10 March 2021. Mr Ripoll is non-executive and is not a shareholder in the Company and therefore the Board considers him to be independent.

- (f) Mr James Dick – Non-Executive Director

Mr Dick was appointed on 4 December 2022. Mr Dick is non-executive and is not a shareholder in the Company and therefore the Board considers him to be independent.

2.4 Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Compliance with ASX Recommendation: followed

The Board comprises a majority of “independent directors” at present.

There are currently five Directors who satisfy the criteria for independence for the purposes of ASX Recommendation 2.3, namely Mr George Lam, Mr David Morris, Mr Andrew Macintosh, Mr Bernard Ripoll and Mr James Dick.

2.5 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.

Compliance with ASX Recommendation: not followed

The Chairman, Mr Daniel Chan, is not considered to be an independent director. The Board considers that, at the present time, the Company's interests are best served by having Mr. Chan as its Chairman. A party related to Mr Chan has a substantial interest in the Company's shares but is not an executive of the Company.

2.6 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.

Compliance with ASX Recommendation: not followed

The Company does not currently have a formal induction program for new Directors or a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and complexity of the Company's operations.

When the Company's operations grow and evolve, the Board will consider adopting such a program, if then appropriate.

3. Principle 3: Instil a culture of acting lawfully, ethically and responsibly

3.1 Recommendation 3.1

A listed entity should articulate and disclose its values.

Compliance with ASX Recommendation: not followed

The Company is committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards. The Board does not consider that a formal value statement is necessary given the current size and complexity of the Company's operations.

3.2 Recommendation 3.2

A listed entity should:

- (a) *have 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.*

Compliance with ASX Recommendation: followed

The Board believes that there should be a strong ethical culture within the Company. Accordingly, the Board has adopted a Code of Conduct which sets out minimum standards with which the directors, officers, managers, employees and consultants of the

Consolidated Group are expected to comply in relation to the affairs of the Company's business and when dealing with each other, shareholders and the broader community.

The Code sets out the Company's policies on various matters, including the following:

- (a) compliance with all applicable laws, rules and regulations;
- (b) conflicts of interest;
- (c) dealings with the Company's assets and property;
- (d) use and confidentiality of information;
- (e) gifts and entertainment.

The Code also outlines the procedure for reporting any breaches of the Code of Conduct and the possible disciplinary action the Company may take in respect of any breaches.

In addition to their obligations under the Corporations Act in relation to inside information, all Directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at the Company's expense, subject to prior approval of the Chairman, whose approval will not be unreasonably withheld.

The Company's Code of Conduct is available on the Company's website.

3.3 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.*

Compliance with ASX Recommendation: followed

The Board has adopted a Whistleblower policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistleblowing about issues where the interests of others, including the public, or of the organisation itself are at risk.

Under the Company's Whistleblower Policy, any material breaches are to be reported to the Chairman and the Company Secretary of the Board. A copy of the Whistleblower Policy is available on the Company's website.

3.4 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.*

Compliance with ASX Recommendation: not followed

The Company has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has not yet formally adopted an anti-bribery and anti-corruption policy given the current size and complexity of the Company's operations.

4. Principle 4: Safeguard the integrity of corporate reports

4.1 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 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.*

Compliance with ASX Recommendation: 4.1(a) not followed, 4.1(b) followed

The Company does not have an audit committee but has adopted an Audit & Risk Committee Charter. The full Board, which comprises six Non-Executive Directors, considers the matters and issues that would otherwise be addressed by an Audit Committee.

The Board considers that, given the current size and scope of the Company's operations, establishing a separate audit committee would be inefficient, but the Board intends to reconsider the requirement for, and benefits of, a separate audit committee when Company's operations grow to a point where an audit committee is appropriate.

The Audit & Risk Committee Charter is available on the Company's website.

4.2 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.

Compliance with ASX Recommendation: followed

The Company obtains declarations from its CEO and CFO, substantially in the form referred to in ASX Recommendation 4.2, before its financial statements are approved.

4.3 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.

Compliance with ASX Recommendation: followed

When preparing reports for release to the market including the quarterly activity and cash flow reports these reports shall be prepared by management and reviewed by the Board. Such reports shall not be released to the market without this review and approval process.

5. Principle 5: Make timely and balanced disclosure

5.1 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.

Compliance with ASX Recommendation: followed

The Company is a “disclosing entity” pursuant to section 111AR of the Corporations Act and as such, is required to comply with the continuous disclosure requirements of Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company is required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company’s securities.

The Company is committed to complying with its disclosure obligations under the Corporations Act and its obligations under the ASX Listing Rules. All relevant information provided to ASX is posted on the Company’s website.

The Company has adopted a Continuous Disclosure Policy, the purpose of which is to:

- (a) ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and;
- (b) provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- (c) promote investor confidence in the integrity of the Company and its securities.

The Continuous Disclosure Policy is available on the Company’s website.

5.2 Recommendation 5.2

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

Compliance with ASX Recommendation: followed

Under the Company’s Continuous Disclosure Policy, all members of the Board will receive material market announcements prior being released.

5.3 Recommendation 5.3

A listed entity that gives 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.

Compliance with ASX Recommendation: followed

Under the Company's Continuous Disclosure Policy, all substantive investor or analyst presentations will be released on the ASX Market Announcements Platform ahead of such presentations.

6. Principle 6: Respect the rights of security holders

6.1 Recommendation 6.1

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

Compliance with ASX Recommendation: followed

Information on the Company's corporate governance, including copies of its various corporate governance policies and charters, are available on the Company's website.

6.2 Recommendation 6.2

A listed entity should design and implement an investor relations program that facilitates effective two-way communication with investors.

Compliance with ASX Recommendation: followed

The Board is adopting a Shareholder Communications Policy, the purpose of which is to facilitate the effective exercise of shareholders' rights by communicating effectively with shareholders, giving shareholders access to information about the Company and its corporate strategies and making it easy for shareholders to participate in general meetings of the Company.

The Company communicates with shareholders:

- (a) through releases to the market via the ASX;
- (b) through the Company's website;
- (c) through information provided directly to shareholders; and
- (d) at general meetings of the Company.

The Shareholder Communications Policy will be made available on the Company's website.

6.3 Recommendation 6.3

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

Compliance with ASX Recommendation: followed

In accordance with the Company's Shareholder Communications Policy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation.

In preparing for general meetings of the Company, the Company will draft the notice of meeting and related explanatory information so that they provide all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. This information will be presented clearly and concisely so that it is easy to understand and not ambiguous.

The Company will use general meetings as a tool to effectively communicate with shareholders and allow shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting.

6.4 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.

Compliance with ASX Recommendation: followed

All resolutions of security holder meetings will be decided by poll rather than a show of hands.

6.5 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.

Compliance with ASX Recommendation: followed

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner. In accordance with the Shareholder Communication Policy, the Company gives shareholders the option to receive communications from the Company electronically and the Company encourages them to do so.

All shareholders that opt to receive communications electronically will be provided with notifications by the Company when an announcement or other communication (including annual reports, notices of meeting etc) is uploaded to the ASX announcements platform.

7. Principle 7: Recognise and manage risk

7.1 Recommendation 7.1

The board of a listed entity should:

- (a) *have a committee or committees 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; 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.*

Compliance with ASX Recommendation: 7.1(a) not followed, 7.1(b) followed

The Company does not have a risk committee but has adopted an Audit & Risk Committee Charter. The full Board, which comprises six Non-Executive Directors, considers the matters and issues that would otherwise be addressed by an Audit & Risk Committee.

The Board considers that, given the current size and scope of the Company's operations, establishing a separate audit committee would be inefficient, but the Board intends to reconsider the requirement for, and benefits of, a separate audit committee when Company's operations grow to a point where an Audit & Risk committee is appropriate.

The Audit & Risk Committee Charter is available on the Company's website.

7.2 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.*

Compliance with ASX Recommendation: not followed

As the Board has responsibility for the monitoring of risk management. The Board believes that the Company's affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing, monitoring and managing risk in the Company.

7.3 Recommendation 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.*

Compliance with ASX Recommendation: 7.3(a) not followed, 7.3(b) followed

The Company does not currently have an internal audit function. This function is undertaken by the full Board.

The Company has adopted internal control procedures which are set out in its Risk Management Policy.

The Company's internal controls include the following:

- (c) use of appropriately qualified consultants and advisors;

- (d) identification of key risks, assessing them and determining appropriate risk treatment;
- (e) managing activities within budgets and operational and strategic plans;
- (f) periodic financial reporting against budget;
- (g) visiting the Company's exploration project areas to review practices;
- (h) appraisal procedures and due diligence requirements for potential acquisitions or divestments; and
- (i) reliance on auditor reviews and senior management declarations.

The CEO is charged with evaluating and considering improvements to the Company's risk management and internal control processes on an ongoing basis.

The Board considers that an internal audit function is not currently necessary given the current size and complexity of the Company's operations and that no Director holds an executive position in the Company. As the Company's operations become more complex, the Board will reconsider the appropriateness of adopting an internal audit function.

7.4 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.

Compliance with ASX Recommendation: followed

The Company's primary objectives include mineral exploration and development which are speculative in nature and have inherent risks. They are subject to various economic, environmental and social sustainability risks, which may materially impact the Company's ability to operate and to generate value for shareholders.

The Company has adopted the Risk Management Policy and other procedures to identify, mitigate and manage these risks. These policies are updated from time to time as the Board considers appropriate in the circumstances for the management of the Company's risk profile.

8. Principle 8: Remunerate fairly and responsibly

8.1 Recommendation 8.1

The board of a listed entity should:

- (a) *have a remuneration committee which:*
 - (i) *has at least three members, a majority of whom are independent directors; and*
 - (ii) *is chaired by an independent director.*

and disclose:

- (iii) *the charter of the committee;*
- (iv) *the members of the committee; and*

- (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (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.*

Compliance with ASX Recommendation: 8.1(a) not followed, 8.1(b) followed

The Company does not have a Remuneration Committee but has adopted a Remuneration Committee Charter. The full Board, which comprises six Non-Executive Directors, considers the matters and issues that would otherwise be addressed by a remuneration committee.

The Board considers that, given the current size and scope of the Company's operations, establishing a separate audit committee would be inefficient, but the Board intends to reconsider the requirement for, and benefits of, a separate remuneration committee when Company's operations grow to a point where an audit committee is appropriate.

The Remuneration Committee Charter is available on the Company's website.

8.2 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.

Compliance with ASX Recommendation: followed

The Company's policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior executives is set out in the Remuneration Report contained in the Company's Annual Report for each financial year.

8.3 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.*

Compliance with ASX Recommendation: not followed

The Company does not currently have an equity-based remuneration scheme.

Whilst the Company's Securities Trading Policy sets out the circumstances in which the Company's directors, officers and employees are prohibited from dealing in the Company's securities, there is no specific policy guidance on whether participants in any equity-based remuneration scheme the Company may in future implement, are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. Such a policy will be considered in future, if appropriate.

The Securities Trading Policy is available on the Company's website.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

AUSTCHINA HOLDINGS LIMITED

ABN/ARBN

20 075 877 075

Financial year ended:

30 JUNE 2023

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

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.austchinaholdings.com>

The Corporate Governance Statement is accurate and up to date as at 28 September 2023 and has been approved by the board.

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

Date: 28 September 2023

Name of authorised officer authorising lodgement: Suzanne Yeates (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 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 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: http://www.austchinaholdings.com	☐ 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
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

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) at: <i>[insert location]</i> and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☐ and we have disclosed our board skills matrix at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement OR ☐ 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 at 2.4 in our Corporate Governance Statement. and the length of service of each director in our 2022 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 OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: <i>[insert location]</i>	☒ 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 in our Corporate Governance Charter at: http://www.austchinaholdings.com	☐ set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☒ and we have disclosed our whistleblower policy at: http://www.austchinaholdings.com	☐ 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: <i>[insert location]</i>	☒ 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.	☒ and we have disclosed a copy of the charter of the committee at: http://www.austchinaholdings.com and the information referred to in paragraphs (4) and (5) in our 2022 Annual Report.	☐ set out in our Corporate Governance Statement
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 <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 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: http://www.austchinaholdings.com	☐ 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: http://www.austchinaholdings.com	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at 6.3 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
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <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 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☒ and we have disclosed a copy of the charter of the committee at: http://www.austchinaholdings.com and the information referred to in paragraphs (4) and (5) at in our 2022 Annual Report.	☐ set out in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☐ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: [insert location]	☒ 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
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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☒ and we have disclosed whether we have any material exposure to environmental and social risks at 7.4 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: http://www.austchinaholdings.com and the information referred to in paragraphs (4) and (5) in our 2022 Annual Report.	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our 2022 Annual report and at 8.2 of our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: [insert location]	☒ set out in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable