

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Acrux Limited

ABN/ARBN

72 082 001 152

Financial year ended:

30 June 2020

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://investors.acrux.com.au/investor-centre/?page=corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 19 August 2020 and has been approved by the board.

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

Date: 24 August 2020

Name of authorised officer
authorising lodgement:



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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our Board Charter at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our Corporate Governance Statement at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our Corporate Governance Statement at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our Corporate Governance Statement at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the 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
1.5	<p>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&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><input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>and we have disclosed the information referred to in paragraph (c) at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>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.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p>The workforce at Acru is small and the majority of positions require specialist qualifications and experience. The Committee believes specific diversity objectives are impractical at this time. At the date of this report, 49% of Acru's workforce were female. The Senior Management team consists of two female members and two male members, while the five current Board members are male. The Committee and the Board will review the potential need for measurable diversity objectives in the future as the Company evolves.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: http://investors.acru.com.au/investor-centre/?page=corporate-governance and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination 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, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; 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 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><input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: http://investors.acrux.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at: Details are provided in the Directors Report, refer to the Financial Report for the year ending 30 June 2020.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>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:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p>The Company has a Nomination Committee which currently has two members after the resignation of Mr Simon Green in November 2019. The Committee has agreed to undertake a full review of Committee memberships at the next meeting to determine the appropriateness of a third member. All Directors who are not members of the Committee are invited to attend Committee meetings.</p>
2.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at: http://investors.acrux.com.au/investor-centre/?page=corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: The Board has detailed the requirements for a Director to be considered independent. In addition to the Corporate Governance Statement please refer to the Board Charter at: http://investors.acru.com.au/investor-centre/?page=corporate-governance and, where applicable, the information referred to in paragraph (b) at: http://investors.acru.com.au/investor-centre/?page=corporate-governance The Board has assessed the independence of each Director. The only Director that is not independent is the Chief Executive Officer and Managing Director. and the length of service of each director at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> 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.	<input checked="" type="checkbox"/> The Board has a program for inducting new Directors and provides relevant development opportunities to ensure each Director has the skills and knowledge to perform their role as a Director effectively. In addition to the Corporate Governance Statement please refer to the Board Charter at http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values within the Acrux Ltd Code of Conduct at: http://investors.acrux.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: http://investors.acrux.com.au/investor-centre/?page=corporate-governance Directors and senior executives are bound by the Company's Code of Conduct.	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: http://investors.acrux.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: http://investors.acrux.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <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><input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>Details of the qualifications and experience is provided in the Directors Report contained in the Financial Report for the year ended 30 June 2020.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>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><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: http://investors.acru.com.au/investor-centre/?page=corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

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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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; 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><input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>The Board has established an Audit and Risk Committee to oversee risk and make recommendations to the Board regarding risk management. A copy of the Charter can be found at http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>A copy of the Charter can be found at http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>The Audit and Risk Committee meets biannually to discuss and review the Company's risk framework. Details regarding Committee meetings are provided in the Directors Report, refer to the Financial Report for the year ending 30 June 2020.</p>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	<input type="checkbox"/> <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>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement The Company does not have an internal audit function however deploys both internal and external resources to evaluate the effectiveness of controls.
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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: Relevant details are provided in the Directors Report, refer to the Financial Report for the year ending 30 June 2020 and, if we do, how we manage or intend to manage those risks at: Relevant details are provided in the Directors Report, refer to the Financial Report for the year ending 30 June 2020	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>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, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; 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 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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: http://investors.acru.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>Details are provided in the Directors Report, refer to the Financial Report for the year ending 30 June 2020</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ 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>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p>The Company has a Nomination Committee which currently has two members. The Committee currently has 2 members after the resignation of Mr Simon Green in November 2019. The Committee has agreed to undertake a full review of Committee memberships at the next meeting to determine the appropriateness of a third member. All Directors who are not members of the Committee are invited to attend Committee meetings.</p>
8.2	<p>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><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>http://investors.acru.com.au/investor-centre/?page=corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>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><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>The Company has equity based remuneration schemes. The details of the schemes have been made publicly available via the ASX and are disclosed with in the Financial Report for the year ended 30 June 2020.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location] Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/> Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/> Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location] Not applicable	<input type="checkbox"/> 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
<p>-</p> <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the overall corporate governance of Acrux Limited (“Company”). The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving strategic objectives, plans and budgets of the Company. The Board is committed to optimising performance and building sustainable value for shareholders. In conducting business with these objectives, the Board seeks to ensure that the Company is appropriately managed to protect and enhance shareholder interests and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for the Company’s business and that are designed to promote responsible management and conduct of the Company.

The Australian Securities Exchange (“ASX”) Corporate Governance Council has developed and released its Corporate Governance Principles and Recommendations 4th edition (“ASX Principles”) for entities listed on the ASX in order to promote investor confidence and to assist companies to meet stakeholder expectations. This Corporate Governance Statement outlines the key aspects of the Company’s governance framework and governance practices which are consistent with the ASX Principles unless stated otherwise.

The Company’s corporate governance principles, details of which can be found on the Company’s website (www.acrux.com.au), comprise:

- Statement of Corporate Governance Principles
- Code of Conduct
- Board Charter
- Audit and Risk Committee Charter
- Human Capital and Nomination Committee Charter
- Continuous Disclosure and Shareholder Reporting Policy
- Share Trading Policy
- Whistleblower Policy
- Diversity Policy
- Anti-bribery and Corruption Policy

This statement has been approved by the Board of Acrux Limited and is current at 19 August 2020.

1. The Board of Directors

1.1 Board Role and Charter

The sets out details of the Board’s composition, its role and responsibilities, the expected relationship and interaction between the Board and management, details of the responsibilities and functions expressly reserved to the Board and those authorities which are delegated by the Board to management and Board Committees. A copy of the charter can be viewed in the corporate governance section of the Company’s website.

The Board is responsible for the management, oversight and performance of the Company, including but not limited to the following matters:

Strategic and Financial Objectives

- a) evaluating, approving and monitoring the strategic and financial plans and performance objectives for the Company;
- b) evaluating, approving and monitoring the annual budgets and business plans;
- c) evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions including the issue of any securities of the Company;
- d) evaluating and approving the annual and half year financial reports and associated announcements and disclosures;
- e) monitoring other material reporting and external communications by the Company including financial projections and or statements as to future financial performance; and
- f) appointing external auditors.

Board and Senior Management

- g) nomination and remuneration of Directors;
- h) appointment of the Chair;
- i) evaluation of Board and individual Director performance;
- j) appointing, removing and managing the performance of, and the succession planning for, the Chief Executive Officer;
- k) overseeing and ratifying the terms of appointment and, where appropriate, removal, of Senior Management (being those persons reporting directly to the Chief Executive Officer), including their remuneration;
- l) monitoring Senior Management performance and their implementation of strategy and ensuring appropriate resources are available;
- m) control of membership and Charters of Board Committees; and
- n) corporate governance matters relating to the Board and Senior Management and matters of principle regarding corporate governance.

Risk and Compliance Management

- o) monitoring the Company's performance in relation to best practice principles of corporate governance;
- p) approving and monitoring the Company's risk management strategy and internal controls and accountability systems and their effectiveness;
- q) approving and monitoring compliance with the Company's Code of Conduct and other policies; and
- r) monitoring and reviewing the Company's operations in relation to, and compliance with, legal and regulatory requirements.

Secretarial and Other

- s) convening of shareholder meetings;
- t) issuing shares, equity instruments or other securities;
- u) disclosure of Directors' interests;
- v) major litigation;
- w) continuous disclosure and shareholder communications;
- x) related party transactions;
- y) insider trading; and

- z) design of any short or long-term incentive plans to employees of the Company including, but not limited to employee share and option plans;

The Board has delegated the day to day management of the Company to the Chief Executive Officer who, in turn, may delegate to Senior Management. The delegations to the Executive Director include:

- a) developing business plans, budgets and company strategies for consideration by the Board and, to the extent approved by the Board, implementing those plans, budgets and strategies;
- b) operating the business of the Company within the parameters determined by the Board and keeping the Board promptly informed of all developments material to the Company and its business;
- c) where proposed transactions, commitments or arrangements to be undertaken by Senior Management exceed limits authorised by the Board, referring the matter to the Board for consideration and approval;
- d) identifying and managing operational risks and formulating strategies for managing those risks for consideration by the Board;
- e) managing the Company's financial and other reporting mechanisms and control and monitoring systems to ensure that they capture all relevant material information on a timely basis and are functioning effectively;
- f) ensuring that the Board is provided with sufficient information on a timely basis in relation to the Company's business and, in particular, in relation to the Company's performance, financial condition, operating results, risks and prospects to enable the Board to discharge its duties; and
- g) implementing the policies, processes and codes of conduct approved by the Board.

1.2 Board Composition

The Board seeks to achieve a mix of skills and diversity that enables it to most effectively carry out the functions and responsibilities set out in the Board Charter. This includes:

Skills or experience required by all Directors:

- a) Knowledge of corporate governance requirements and practices and risk management is important because we are a publicly listed company and must ensure our integrity, values and the way in which we assess and manage risk are set from the top.
- b) Significant leadership and strategy experience over extended periods is important because it helps identify these qualities in the management team and brings a practical understanding of organisations and how to drive change and growth.
- c) Fit and balance within board is important to ensure that the board can build effective team work.
- d) Demonstrates Company values is important because the values drive standards, behaviour and how we should interact. The Company values are "Round the clock", "Innovation", "Openness", "Standout."

Skills or experience required to be represented on the board in light of Acrux's current and expected future business needs:

- a) Financial management is important because it assists understanding and oversight of financial reporting and controls, because our corporate structures are complex.

- b) Investor/investment management and capital markets experience is important to ensure strong alignment with our investors and to review distribution of, or raising of capital.
- c) Technology or project selection experience is important because we are choosing to invest in new projects which require allocation of capital, assessment of risk and financial returns.
- d) Pharmaceutical industry experience is important in understanding and reviewing our strategy and investment decisions and managing our risks.
- e) Legal or contract or IP experience relevant to industry is important in understanding strategy related to intellectual property and reviewing and managing alliances governed through contractual relationships.
- f) Sectoral experience relevant to corporate strategy is important because our competitive advantage is based on know-how and our pipeline is dependent on making good product selections.
- g) Product development experience is important as our projects will usually involve the coordination of trials which are pivotal to regulatory assessment and approval of products that Acrux develops.
- h) International experience is important because the products Acrux develops will have a greater market potential outside the local Australian market and potential partners will most likely be based outside Australia.
- i) Alliance management or partner management experience is important because all of our development projects and commercialised products are intended for marketing through partnerships making alliance management a critical success factor for Acrux.
- j) Talent management or organisational development or change management experience is important because we are a highly skilled organisation making talent acquisition, development and retention a critical success factor.

The Board adopts and regularly reviews a skills matrix that defines a set of skills appropriate for the Board to discharge its duties having regard to the current and future strategies and operational priorities of the Company.

The current Board is made up of a Chairman (Ross Dobinson), three non-executive Directors (Timothy Oldham, Geoffrey Brooke and Norman Gray) and an Executive Director (Michael Kotsanis). The names of the Directors, the dates of their appointments, their non-executive, executive or independent status and whether they will seek election at the 2020 Annual General Meeting are set out in the table below.

The details of their background, skills and experience are set out on pages 8-9 of the financial report.

Name	Appointed/resigned	Non-Executive	Executive	Independent	Seeking election at 2020 AGM
Ross Dobinson	Appointed 1998	Yes	No	Yes	Yes
Timothy Oldham	Appointed 1 October 2013	Yes	No	Yes	No ¹
Michael Kotsanis	Appointed 1 November 2014	No	Yes	No	No ²
Geoff Brooke	Appointed 1 June 2016	Yes	No	Yes	No ³
Norman Gray	Appointed 28 November 2019	Yes	No	Yes	No ⁴

1. Timothy Oldham was re-elected on 1 November 2018.
2. Michael Kotsanis is the Managing Director.
3. Geoff Brooke was re-elected on 28 November 2019.
4. Norman Gray was elected on 28 November 2019.

1.3 Director Independence

Pursuant to the recommendations of ASX Principle 2, the Board Charter requires the Board to include a majority of non-executive independent Directors, have a non-executive independent Chairman and to have different persons filling the roles of Chairman and Chief Executive Officer.

The Board comprises a majority of independent Directors. In defining the characteristics of an independent director, the Board uses the Principles and Recommendations, together with its own consideration of the Company's operations and businesses and appropriate materiality thresholds in any relationship that could materially interfere, or be perceived as interfering with the exercise of an unfettered independent judgement in relation to matters concerning the Company. In defining the characteristics of an independent director, the Board uses the Principles and Recommendations, together with its own consideration of the Company's operations and businesses and appropriate materiality thresholds in any relationship that could materially interfere, or be perceived as interfering with the exercise of an unfettered independent judgement in relation to matters concerning the Company. The Board considers that Ross Dobinson, Timothy Oldham, Geoff Brooke and Norman Gray do not have any interests, positions, associations or relationships of the type described in Box 2.3 of Recommendation 2.3.

In accordance with the recommendation of ASX Principle 2.5 the roles of Chair and Chief Executive Officer are not exercised by the same individual. The Chair is responsible for the leadership of the Board, for ensuring that the Board functions effectively and, where appropriate, communicating the views of the Board to the public. The Chair sets the agendas for Board meetings and manages the conduct of meetings by facilitating open discussion between Board members, between the Board and Senior Management and with the public.

1.4 Terms of Director Appointment

The Chairman, Directors and Managing Director have formal letters of appointment. Remuneration of the Directors, Managing Director and the terms of appointment of the Chairman are disclosed in the Remuneration Report.

Non-executive Directors should be willing to serve for not less than that period of time determined by the Board at the time of the non-executive Director's appointment before retiring from the Board. Each non-executive Director will resign pursuant to ASX guidelines unless the other Directors unanimously request that Director to continue in office. In that case the non-executive Director will continue as a Director until he or she resigns or does not stand for re-election or another Director does not approve of him or her standing for re-election.

1.5 Access to Information and Independent Advice

All Directors have unrestricted access to employees of the Company and, subject to the law, access to all Company records and information held by the Company, its employees and advisors. The Board receives an agenda, detailed financial and operational reports and, where relevant, reports of the Board Committees for each Board meeting.

Each Director is entitled to obtain independent professional advice at the Company's expense for the purpose of assisting them in performing their duties. A Director who wishes to obtain such advice must first obtain the approval of the Chair (which approval must not be unreasonably

withheld) and must provide the Chair with the reason for seeking such advice, the identity of the person from whom the advice will be sought and the likely cost of obtaining such advice. Except in certain circumstances detailed in the Board Charter, advice obtained in this manner is made available to the Board as a whole.

1.6 Human Capital and Nomination Committee

The current members of the Human Capital and Nomination Committee of the Board are Timothy Oldham (Chair) and Geoff Brooke. The Committee currently has 2 members after the resignation of Simon Green in November 2019. The Committee has agreed to undertake a full review of Committee memberships at the next meeting to determine the appropriateness of a third member. All Directors who are not members of the Committee are invited to attend Committee meetings.

During the financial year, the Committee met on 28 November 2019 and 22 June 2020.

Members of the Committee are chosen having regard to their skills and experience in relation to the matters for which the Committee is responsible. Members of the Committee have unrestricted access to company records, Senior Management, advisers and the external auditors.

The objective and purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors and ensuring that the Company obtains and retains Senior Management and employees of high quality and motivation to drive the long term growth of the Company.

The Committee's duties and responsibilities, which are set out in its Charter, in general terms is to:

- a) establish a formal and transparent procedure for the selection and appointment of new Directors to the Board;
- b) identify suitable candidates to fill Board vacancies as and when they arise and nominating candidates for the approval of the Board;
- c) consider processes for the orientation and education of new Directors and developing ongoing policies to facilitate continuing education and development of Directors;
- d) periodically assess the skills required for each Director to discharge competently the Director's duties;
- e) regularly review the structure, size and composition of the Board and the effectiveness of the Board as a whole;
- f) establish and conduct an appropriate evaluation of the Board's process and of existing Directors, including an evaluation of whether each Director is contributing the time required of him or her for Board duties;
- g) recommend to the Board a policy and framework for Senior Management's remuneration;
- h) review and monitor the implementation of the human resources plan of the Company and succession planning for Senior Management; and
- i) review and recommend to the Board the total individual remuneration package of each member of Senior Management, including any bonuses, incentive payments, and participation in any share or share option plans in accordance with the policy and framework for Senior Management's remuneration.

In accordance with the recommendations of ASX Principle 2.4, the Committee's Charter further provides that, where practical, a majority of the Committee must be independent non-executive

Directors and the Chair must be a non-executive Director who is not the Chair of the Company. Executive Directors may not be members of the Committee.

The Company's Code of Conduct, which has been in place since 2005, contains a principle of equal opportunity to be applied in all human resource decisions and in the workplace environment. The Committee has supplemented the Code of Conduct principle by adopting a formal diversity policy. However, the Committee has not yet set measurable objectives for gender diversity.

The workforce at Acrux is small and the majority of positions require specialist qualifications and experience. The Committee believes specific diversity objectives are impractical at this time. At the date of this report, 49% of Acrux's workforce were female. The Senior Management team consists of two female members and two male members, while the five current Board members are male. The Committee and the Board will review the potential need for measurable diversity objectives in the future as the Company evolves.

1.7 Audit and Risk Committee

The Company has an Audit and Risk committee compliant with Recommendation 4 and 7 which consists of independent non-executive directors; Geoff Brooke(Chair), Timothy Oldham and Ross Dobinson. During the financial year, the Committee met on 22 August 2019 and 25 February 2020.

Members are chosen having regard to their skills and experience in relation to the matters for which the Committee is responsible. Members of the Committee have unrestricted access to company records, Senior Management, advisers and the external auditors.

The objective and purpose of the committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities relating to the Company's financial accounting practices, internal control systems, risk management procedures, external reporting and the external audit function.

The Committee's duties and responsibilities, which are set out in its Charter, in general terms is:

1. overseeing the Company's system of financial reporting for the purpose of safeguarding its integrity, including viewing all regular financial reports and other formal announcements relating to the Company's financial performance prepared for release to the ASX, regulators and the public before making appropriate recommendations to the Board;
2. determining the extent of internal audit activities required and monitor the effectiveness of those activities (note that the Committee has determined that the Company, due to its size, does not presently warrant establishing a separate internal audit function. However, certain procedures have been put in place to manage risk and ensure, as far as possible, accuracy in financial reporting);
3. monitoring the performance and activities of the external auditor including:
 - overseeing the process for the appointment, reappointment and removal of the external auditors (including audit engagement letters), overseeing the rotation of the principal audit partner and reviewing the level of the external auditors' fees;
 - assessing the performance and independence of the external auditors and the quality of the audit work performed;
 - requiring, reviewing and monitoring compliance with the audit plan of the external auditors, including the scope of the plan and the levels of financial statement materiality;

- reviewing reports from the external auditors and meeting with the external auditors at least once annually in the absence of Senior Management and also meeting with the external auditors as requested by the Board, the Committee or the external auditors; and
 - receiving, reviewing, developing and implementing policy on the engaging of the external auditors to supply non-audit services.
4. overseeing and reviewing the Company's financial and risk management compliance and internal control framework including:
- overseeing the creation, implementation and maintenance of the risk management system of the Company and its controlled entities and their internal control framework, including information systems;
 - reviewing the effectiveness of the Company's implementation of its risk management systems and internal controls on an ongoing basis and reviewing the outcome of any non-financial audits;
 - requiring Senior Management to report to the Board at least annually on whether the Company's material business risks are being managed effectively;
 - developing an understanding of the overall business environment, relevant laws and codes of importance to the Company and the programs that the Company has in place to provide reasonable assurance of compliance;
 - reviewing the Company's occupational health and safety policies and ensuring regular reporting to the Committee on issues related to occupational health and safety;
 - reviewing insurance coverage and claims trends;
 - ensuring that the Chief Executive Officer and the Chief Financial Officer state in writing to the Board annually that:
 - i. the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with the relevant accounting standards;
 - ii. the statement in (i) above is founded on a sound system of risk management and control which implements the policies adopted by the Board; and
 - iii. the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects. The Board has received the report from Senior Management referred to above, advising whether the Company's material business risks are being managed effectively.

The Board received the statement in writing referred to above from the Chief Executive Officer and the Chief Financial Officer on 24 August 2020.

In accordance with the recommendations of ASX Principle 4.1 and 7.1, the Committee's Charter provides that the Committee have at least three members, Executive Directors may not be members of the Committee, a majority of the Committee must be independent Directors and the Chair must not be the Chair of the Company.

1.8 Director and Senior Management Remuneration and Performance

The remuneration structure for Senior Management and Directors and the amounts paid to each during the year are set out in the Remuneration Report section of the Directors' Report on pages 11 and 18. Non-executive Directors are remunerated by way of fees. They are also eligible to participate in the Company's Omnibus Equity Plan.

At the end of each financial year, the performance of Senior Executives against the company and their personal goals is assessed. At the same time personal goals and development plans for the next financial year are set, to be aligned with the Company's objectives. The review of Senior Management team members is carried out by the Chief Executive Officer and the results are subject to further review and approval by the Chair of the Human Capital and Nomination Committee.

The review of the Chief Executive Officer's performance is carried out by the Human Capital and Nomination Committee and the Committee's remuneration recommendations are then approved by the Board. A performance evaluation in accordance with this process was undertaken in respect of the year ended 30 June 2020 at the Human Capital and Nomination Committee meeting held on 22 June 2020.

A review of the performance of the Board and its Committees was undertaken and discussed at the Human Capital and Nomination Committee on 22 June 2020. No areas of under-performance requiring immediate remedial action were identified.

The Board remains focussed on continuous improvement and its current areas of focus are:

- a) Board skills, experience and diversity;
- b) Role of the board vis-a-vis management; and
- c) Board process and dynamics.

2. Disclosure and Communication

2.1 Continuous Disclosure

The Board has adopted a Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules continuous disclosure requirements. The Policy sets out procedures aimed at ensuring the Company fulfils its obligations in relation to the timely disclosure of material price-sensitive information. The Company has an obligation to keep the market fully informed of any information it becomes aware of concerning the Company which may have a material effect on the price or value of the Company's securities, subject to certain exceptions.

A copy of the Continuous Disclosure Policy is available on the Company's website.

This policy:

- a) gives guidance as to the information that may need to be disclosed;
- b) gives guidance for dealing with market analysts and the media;
- c) establishes regular reminders to Directors and Senior Management to actively consider whether there is any price sensitive information which needs disclosure;
- d) allocates responsibility for approving public disclosures and shareholder communications.

2.2 Communications with Shareholders

The Board has approved, as part of the continuous disclosure policy, the Company's policy to promote effective communication with its shareholders. In addition to its disclosure obligations under the ASX Listing Rules, the Company communicates with its shareholders through a number of channels including:

- a) annual and half-yearly reports;
- b) media releases, public announcements and investor briefings; and
- c) annual general meetings.

All the above communications are posted on the Company's website (www.acrux.com.au). Shareholders are encouraged to receive shareholder materials electronically and can do so by visiting our investor centre, located on the Company's website. In addition, the Company is committed to using general meetings of the Company to effectively communicate with shareholders and to allow reasonable opportunities for informed shareholder participation at these meetings.

Where possible the Company will comply with the ASX Best Practice Guidelines for the content of notices of meeting. Further, the external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit of the Company and the preparation and content of the auditor's report. The Company is committed to further developing its communications strategies to optimise shareholder communication.

The Company promotes online voting for shareholder meetings and provides all shareholders with an opportunity to receive electronic communications via the registry. All substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.

3. Share Trading

Under the Company's share trading policy, the Directors, Senior Executives and all other employees of the Company (and their collective designated persons) are prohibited from trading in the Company's shares if they are in possession of inside information.

In addition, the Directors, Senior Executives and all other employees (and their collective designated persons) are prohibited from trading in the Company's shares during the periods starting at the end of either the financial year or the half year and ending when the financial results related to these periods are released to the market.

The Directors, Senior Executives and all other employees of the Company (and their collective designated persons) may not trade in the Company's shares without the approval of the Company Secretary (who must obtain approval from the Chair) and only if they have provided a statement that they are not in possession of material non-public information. Such approval expires after five business days. If the Chair wishes to trade in the Company's shares, proper approval must be obtained from the Chair of the Audit and Risk Committee or the Company Secretary.

4. Conduct and Ethics

The Directors and Senior Management of the Company and its controlled entities are committed to observing high standards of ethics and behaviour in all of the Company's activities, including the Company's interaction with its shareholders, employees, business partners, customers, suppliers, the community and the environment in which the Company operates.

The Company has adopted a Code of Conduct which provides the ethical and legal framework for how the Company will conduct its business and how the Company will relate to shareholders, employees, business partners, customers, suppliers, the community and the environment in which the Company operates.

The Board have set the following general principles which are covered by the Code of Conduct:

- a) values
- b) compliance with laws
- c) fair dealing
- d) confidentiality and protection of Company assets
- e) conflicts of interest

- f) shareholders and the financial community
- g) trading in Company securities
- h) equal opportunity
- i) health, safety and environment
- j) reporting non-compliance and grievances
- k) compliance with taxation laws
- l) bribes and financial inducements
- m) political donations

As part of the Company's commitment to observing high standards of ethics and behaviour in all of its activities, the Company has adopted a Whistle-blower Policy. The Company is also committed to maintaining a culture where all staff are encouraged to raise concerns about poor or unacceptable practice and misconduct and can do so safely. A whistleblowing program is an important aspect of detecting poor or unacceptable practice and misconduct in an organisation.

The purpose of this policy is to encourage the reporting of conduct by employees of the Company and other persons with whom the Company deals closely where the interests of others, including the public, or of the Company itself are at risk.

Acrux has processes to ensure that the Board is informed of any material breaches of the Code of Conduct.

The conduct covered by the policy is conduct that is:

- a) illegal, dishonest, fraudulent or corrupt;
- b) in breach of Commonwealth or state legislation or local authority by-laws;
- c) in breach of applicable industry practices, such as Good Laboratory Practice, Good Clinical Practice or Good Manufacturing Practice;
- d) unethical (being either a breach of the Company's Code of Conduct or generally);
- e) gross mismanagement;
- f) a serious or substantial waste of resources;
- g) an unsafe work practice;
- h) failure to comply with the Company's Code of Conduct;
- i) failure to comply with agreements with the Company's commercial partners;
- j) a breach of proper environmental practice;
- k) discriminatory, bullying or harassing;
- l) other serious improper conduct; and
- m) any other conduct that may cause financial or non-financial loss to the Company or otherwise be detrimental to the interests of the Company.

The Company has also adopted an Anti-Bribery, Corruption and Fraud policy.

Acrux is committed to operating in a manner consistent with the laws and regulations of the jurisdictions in which its businesses operate, including those relating to anti-bribery and corruption.

Acrux's Anti-Bribery, Corruption and Fraud Policy (the "Policy") is a critical part of Acrux's overall risk management framework to prevent and detect corrupt, illegal or other undesirable conduct.

The Policy prohibits Acrux, its Employees and Business Partners from engaging in activity that constitutes Bribery, Corruption, Fraud or other related improper conduct. It also outlines:

- a) the responsibilities of Acrux and its Employees in observing and upholding the prohibition

on Bribery, Corruption, Fraud and other related improper conduct; and

- b) information and guidance on how to recognise and deal with instances of Bribery, Corruption, Fraud or other related improper conduct.
- c) The Policy is underpinned by Acrux's Code of Conduct, a copy of which is available on Acrux's website.