

## Appendix 4G

### Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

RESPIRI LIMITED

ABN/ARBN

33 120 047 556

Financial year ended:

30 JUNE 2022

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

This URL on our website:

<https://respiri.co/au/investor-centre/corporate-governance/> where there is a link to the 2022 Corporate Governance Statement

<sup>1</sup> “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.

<sup>2</sup> 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.

The Corporate Governance Statement is accurate and up to date at 30 August 2022 and has been approved by the board.

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

Date: 30 August 2022

Name of authorised officer authorising lodgement: Andrew Metcalfe, Company Secretary

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<sup>3</sup> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	X and we have disclosed a copy of our board charter at: <a href="https://respiri.co/au/investor-centre/corporate-governance/">https://respiri.co/au/investor-centre/corporate-governance/</a>	
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.	X	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	X	
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.	X	

<sup>4</sup> 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/”).

<sup>5</sup> 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, <sup>4</sup> 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: <sup>5</sup>
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&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p>X set out in our Corporate Governance Statement</p> <p>Refer to paragraph 1.5 on "Diversity Policy" of the Corporate Governance Report of the Corporate Governance Statement in respect of the Specific Objectives and reasons why Directors have not adopted specific measurable objective targets to achieve gender diversity in FY2022</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>	X set out in our Corporate Governance Statement	

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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.	X set out in our Corporate Governance Statement	

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
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>X set out in our Corporate Governance Statement</p> <p>The Company does not have a Committee however the Board is charged with the responsibility of managing this area of its business, and how the Company meets the governance recommendations is set out at paragraph "Nomination of Directors" in the Company's Corporate Governance Statement.</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>X set out in our Corporate Governance Statement</p> <p>and we have disclosed our board skills matrix at:  <a href="https://respiri.co/au/investor-centre/corporate-governance/">https://respiri.co/au/investor-centre/corporate-governance/</a></p>	

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2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>		<p>X</p> <p>Refer to paragraph on “Composition of the Board” under Principal 2 of the Corporate Governance Statement of the Company in respect of the reasons why Directors have not considered the recommendation to have majority independent director and independent chair.</p>
2.4	A majority of the board of a listed entity should be independent directors.		<p>X</p> <p>Refer to paragraph on “Composition of the Board” under Principal 2 of the Company’s Corporate Governance Statement and reasons why a majority of the board are not independent and how the Board responds to this guideline</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		<p>X</p> <p>Refer to paragraph on “Composition of the Board” under Principal 2 Company’s Corporate Governance Statement and reasons why the chair was not independent and is CEO, and how the Board is responding to this guideline</p>
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.	X set out in our Corporate Governance Statement	

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<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	X and we have disclosed our values at: Principle 3 of the Company's 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.	X and we have disclosed our code of conduct at: <a href="https://respiri.co/au/investor-centre/corporate-governance/">https://respiri.co/au/investor-centre/corporate-governance/</a> and at Principle 3 of the Company's 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.	X and we have disclosed our whistleblower policy at: <a href="https://respiri.co/au/investor-centre/corporate-governance/">https://respiri.co/au/investor-centre/corporate-governance/</a> and at Principle 3 of the Company's 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.	X and we have disclosed our anti-bribery and corruption policy at: <a href="https://respiri.co/au/investor-centre/corporate-governance/">https://respiri.co/au/investor-centre/corporate-governance/</a> and at Principle 3 of the Company's Corporate Governance Statement	

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
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>X set out in our Corporate Governance Statement</p> <p>The Company does not have a Committee however the Board is charged with the responsibility of managing this area of its business, and how the Company meets the governance recommendations is set out at paragraph “Audit Risk and Compliance Committee” in the Company’s 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>X set out in the Company’s 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>X set out in the Company’s Corporate Governance Statement</p>	

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	X and we have disclosed our continuous disclosure compliance policy at <a href="https://respiri.co/au/investor-centre/corporate-governance/">https://respiri.co/au/investor-centre/corporate-governance/</a>  and set out in the Company's 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.	X set out in the Company's 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.	X set out in the Company's Corporate Governance Statement	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	X and we have disclosed information about us and our governance on our website at: <a href="https://respiri.co/au/investor-centre/corporate-governance/">https://respiri.co/au/investor-centre/corporate-governance/</a>  and set out in the Company's Corporate Governance Statement	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	X set out in the Company's Corporate Governance Statement	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	X and we have disclosed how we facilitate and encourage participation at meetings of security holders at: the Company's 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.	X set out in the Company's Corporate Governance Statement	

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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.	X set out in the Company's Corporate Governance Statement	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
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>X set out in our Corporate Governance Statement</p> <p>The Company does not have a Committee however the Board is charged with the responsibility of managing this area of its business, and how the Company meets the governance recommendations is set out at paragraph "Audit Risk and Compliance Committee" in the Company's Corporate Governance Statement.</p>
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>X</p> <p>and we have disclosed in our Corporate Governance Statement whether a review of the entity's risk management framework was undertaken during the reporting period</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> 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: <sup>5</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>		<p>X</p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement.</p>
7.4	<p>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.</p>	<p>X</p> <p>and we have disclosed whether we have any material exposure to environmental and social risks in the Company's Corporate Governance Statement</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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>X set out in our Corporate Governance Statement</p> <p>The Company does not have a Committee however the Board is charged with the responsibility of managing this area of its business, and how the Company meets the governance recommendations is set out at paragraph “Remuneration &amp; Nominations Committee Role” in the Company’s Corporate Governance Statement.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>X</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 in the Company’s Corporate Governance Statement</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>X</p> <p>and we have disclosed our policy on this issue or a summary of it in the Company’s Corporate Governance Statement</p>	

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<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
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.	N/A	
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	N/A	
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.	N/A	

# 2022 CORPORATE GOVERNANCE STATEMENT

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The Board of Directors of Respiri Limited (“RSH” or the “Company”) recognises that a strong corporate governance culture underpins sustainable value creation for shareholders.

This Corporate Governance Statement sets out the Company's current compliance with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (“Principles and Recommendations”).

The Company has adopted a program to continuously review and improve its charters, policies and procedures periodically to ensure its corporate governance framework remains current and compliant with best corporate practice.

This Corporate Governance Statement reports in detail the Company's progress in adopting, implementing and adhering to the specifics of the ASX Principles and Recommendations. The Company's Charters and Policies for the Board referred to in this Corporate Governance Statement are available in the Corporate Governance section of the Company's website at <https://respiri.co/au/investor-centre/corporate-governance/>.

## **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

### *1.1 Role of the Board & Management*

The Board's role, where appropriate, is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interest of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the consolidated entity. The Board must also ensure that the consolidated entity complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the consolidated entity.

To assist the Board carrying out its functions, it has a Code of Conduct in place to guide Directors, the Chief Executive Officer, the Chief Financial Officer and other senior executives and employees in the performance of their roles.

In general, the Board is responsible for, and has the authority to determine all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the consolidated entity.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

1. Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.
2. Strategy Formulation: to set and review the overall strategy and goals for the Company and ensure that there are policies in place to govern the operation of the consolidated entity.
3. Overseeing Planning Activities: overseeing the development of the Company's strategic plan and approving that plan as well as the annual and long-term budgets.
4. Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings.
5. Monitoring, Compliance and Risk Management: overseeing the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operation performance of the Company.
6. Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
7. Human Resources: appointing, and, where appropriate, removing the Executive Officers as well as reviewing the performance of the Chief Executive Officer and monitoring the performance of senior management in their implementation of Company strategy.
8. Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
9. Delegation of Authority: delegating appropriate powers to executives of the Company to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Company's registered office and on the Company's website.

### *1.2 and 1.3 Board Appointments*

The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

#### 1.4 The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings. Mr Andrew Metcalfe has recently been appointed company secretary replacing Mr Alastair Bear. Mr Metcalfe is a professionally qualified and experienced company secretary and acts as the Company's ASX Listing Rule 12.6 Representative responsible for communication with the ASX in relation to listing rule matters

#### 1.5 Diversity Policy

The Company is committed to increasing diversity amongst its employees, and not just in the area of gender diversity. Our workforce is employed based on the right person for the position regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability or appearance.

Executive and Board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when appropriate appointments become available. The Company is also committed to identifying suitable persons within the organisation, and where appropriate opportunities exist, advance diversity to support the promotion of talented employees into management positions.

The Company has not set any gender specific diversity objectives as it believes that multicultural diversity is as equally important within its organisation and due to the small size of the organisation it makes such objectives impractical to set and achieve without potentially compromising the quality of candidates for each role.

The following table demonstrates the Company's gender diversity as at 30 June 2022:

	Number of Males	Number of Females
Directors	3	-
Key Management Personnel	3	1
Other Company Employees	3	5

#### 1.6 and 1.7 Board & Executive Performance Review

The Board considers the ongoing development and improvement of its own performance and the performance of individual directors as critical to effective governance.

A 'Performance Evaluation Policy' has been established to evaluate the performance of the Board, individual Directors and Executive Officers of the Company. The Board is responsible for conducting evaluations on an annual basis in line with these policy guidelines.

This process includes a review in relation to the composition and skills mix of the Directors of the Company. Performance reviews involve analysis based on key performance indicators aligned with the financial and non-financial objectives of the Company. A performance review in accordance with the processes disclosed occurred in November 2021 and will be undertaken again in November 2022.

On at least an annual basis, the Board conducts a formal performance review of key management personnel (KMP). The Board assesses the performance of KMP against qualitative and quantitative key performance indicators relevant to each KMP. A performance review of KMP occurred in relation to the 2021 financial year in accordance with this process and will be undertaken again in November 2022.

#### *Independent Professional Advice*

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

## **PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE ADD VALUE**

### *2.1 Composition of the Board*

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated in the Directors' Report under the section headed 'Directors' along with the term of office held by each of the Directors.

The Board believes that the interests of all Shareholders are best served by:

- Directors having the appropriate skills, experience and contacts within the Company's industry;
- the Company striving to have majority of Directors being independent; and
- maintaining a small, cost-effective Board commensurate with the size, stage of development and cash resources of the Company.

The responsibilities of a Remuneration & Nominations Committee currently sit with the Board of directors. As the Board is only comprised of three directors, of which only one is an independent director, the Company has taken the view that there is no need to have a separate Remuneration & Nominations Committee and that the Board can appropriately exercise the functions of such a committee. It is the Board's responsibility to consider Board succession issues and review Board composition to assist in ensuring the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

When the need for a new director is identified, the required experience and competencies of the new director are defined in the context of the Skills Matrix and any gaps that may exist.

As stated above the Board is currently responsible for these functions and the Company believes this to be appropriate, at this stage, given the size of the Company and the scale and nature of its current operations.

### *2.2 Board Skills Matrix*

The skills and expertise of the Directors are assessed against the criteria outlined against each skill in the Company's table of Director Skills. This Skills Matrix is published in the Investors section of the Company's website under Corporate Governance.

### *2.3 Board members*

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non- Executive Directors can offer. Further, the Company also recognises the importance of Independent Directors in ensuring shareholders that the Board is properly fulfilling its role.

<b>Director</b>	<b>Position</b>	<b>Status</b>	<b>Appointed</b>	<b>Re-election</b>
Nicholas Smedley	Executive Chair	Non-Independent	29/10/2019	2022
Marjan Mikel	Managing	Non-	25/11/2019	2023

	Director	Independent		
Brad Snow	Non-executive Director	Independent	20/06/2022	2022

#### 2.4 Director independence

The Company assesses whether a Director is independent in accordance with the independence guidelines set out in the Council's Principles and Recommendations. A Director who meets the independence guidelines set out in the Principles and Recommendations is considered to be an Independent Director. Mr Brad Snow is considered to be independent.

At this stage, given the size of the Company and the scale and nature of its current operations, the Board does not consider that the recommendation to have a majority of the Board comprised of independent directors is presently necessary, having regard to the additional costs associated with engaging additional non-executive directors. Further, given the size of the Company and the scale and nature of its current operations, the Board does not consider that the recommendation to have an independent chair is appropriate at this time.

#### 2.5 Separation of duties

Mr Nicholas Smedley is the Executive Chairman of the Company. The Board believes it is appropriate to have the Chairman engaged in an executive capacity at this critical stage of the Company's development.

The Company's Chief Executive Officer, Marjan Mikel, is also the Company's Managing Director.

**The role of Chair and CEO are carried out by separate persons.**

#### 2.6 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Information conveyed to new Directors includes:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements;
- a copy of the Board Charter as well as all other Company policies;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- an analysis of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

### **PRINCIPLE 3: ACT LAWFULLY, ETHICALLY AND RESPONSIBLY**

### *3.1 Company Code of Conduct*

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This code includes the following:

#### *a) Responsibilities to Shareholders and the Financial Community Generally*

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

#### *b) Responsibilities to Clients, Customers and Consumers*

The Company has an obligation to use its best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers and is committed to providing clients, customers and consumers with fair value.

The Company also has a Bribery & Corruption Policy that covers dealings with suppliers.

#### *c) Employment Practices*

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

The Company has a Whistleblower Policy

#### *d) Obligations Relative to Fair Trading and Dealing*

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws and strives to deal fairly with the Company's customers, suppliers and competitors and encourages its employees to strive to do the same.

#### *e) Responsibilities to the Community and to Individuals*

As part of the community the Company is committed to conducting its business in accordance with applicable environmental laws and regulations and supports community charities.

The Company is committed to keeping private information from employees, clients, customers, consumers and investors confidential and protected from uses other than those for which it was provided.

#### *f) Conflicts of Interest*

Directors and employees must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

#### *g) How the Company Complies with Legislation Affecting its Operations*

Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

#### *h) How the Company Monitors and Ensures Compliance with its Code*

The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

### *Trading in the Consolidated Entity's Shares*

The Company has a Share Trading Policy which states that Directors, members of senior management, certain other employees and their associates likely to be in possession of unpublished price sensitive information may not trade in the Company's securities prior to that unpublished price sensitive information being released to the market via the ASX. Unpublished price sensitive information is information regarding the Company, of which the market is not aware, that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

## **PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

### *4.1 Audit, Risk and Compliance Committee*

The role of the Audit, Risk and Compliance Committee ('Audit and Risk Committee') currently sits with the Board of directors whilst making reference to Charter approved by the Board. As the Board is only comprised of three directors, of which only one is an independent director, the Company has taken the view that there is no need to have a separate Audit and Risk Committee and that the Board can appropriately exercise the functions of such a committee. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has not delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Committee and instead retains responsibility for these functions.

The Audit and Risk Committee will be reconstituted as a separate sub-committee once additional independent directors are appointed to the board.

### *Role*

The role of the Audit and Risk Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external Auditors. The board is currently responsible for this function.

The Company believes that the overall composition of the Board is appropriate (see Principle 2) and that the use of external accountants alongside current audit processes provide effective internal control when taking into account the limited complexity of the operations.

### *Responsibilities*

The Audit and Risk Committee would normally review the annual and half-yearly financial statements, the quarterly cash position reports, and any reports which accompany published financial statements before submission to the Board and recommends their approval.

The Audit and Risk Committee would also recommend to the Board the appointment of the external auditor each year, reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

As stated above the Board is currently responsible for these functions and the Company believes this to be appropriate, at this stage, given the size of the Company and the scale and nature of its current operations.

### *4.2 CEO and CFO Declarations*

The CEO and consultant CFO have provided the Board with 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.

#### 4.3 External Auditor

The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

The Company has a review process which includes verification testing of content, review and sign-off by the Chief Executive Officer, prior to the Board formally approving the release of material public information, including periodic corporate reports that are not audited or reviewed by the external auditor. The process followed is specific to the nature of the relevant announcement or report and includes review by the relevant subject matter expert and review against source documentation and relevant regulations.

### **PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE**

The Company has procedures in place to ensure that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded and that information disclosed is factual and presented in a clear and balanced way. These procedures are outlined in the Company's Continuous Disclosure Policy.

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

The Company's Continuous Disclosure Policy provides that a copy of any new and substantive investor or analyst presentation materials will be released to the ASX market announcements platform ahead of the presentation.

The Board has designated the Company Secretary as the person responsible for coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

1. Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
2. That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company also posts all information disclosed in accordance with the Continuous Disclosure Policy on the Company's website under ASX Announcements in the Investors section of its website.

### **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

1. Communicating effectively with shareholders through releases to the market via the ASX and the general meetings of the Company;

2. Giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
3. Making it easy for shareholders to participate in general meetings of the Company. Where meetings are held virtually shareholders are given clear instructions about how to ask questions at these meetings; and
4. Requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Shareholders are also able to ring the registered office of the Company to make enquiries of the Company or obtain recent announcements via the ASX website and the Company's website. Security holders have the option to receive communications from, and send communications to, the Company and its share registry electronically.

Information is communicated to shareholders through:

- the annual report which is published on the Company's website and distributed to shareholders where specifically requested;
- the half-year shareholder's report which is published on the Company's website and distributed to shareholders where specifically requested, containing summarised financial information and a review of the operations during the period since the annual report;
- other correspondence regarding matters impacting on shareholders as required; and
- periodic shareholder and investor briefings/updates delivered online and accompanied by a written Investor Presentation. Shareholders and potential investors are notified of these regular updates via an ASX Announcement which includes dial-in details for the meeting along with an email address to submit questions.

Shareholders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically. This is arranged directly with the Company's Share Registry. Contact details for the Registry are provided as a link on the Company's website in the Investor section of the website under Investor Centre.

The Company maintains information in relation to its corporate governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

## **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

### *7.1 Risk Oversight*

As stated under Principle 4, the role of the Audit and Risk Committee currently sits with the Board of directors whilst making reference to Charter approved by the Board. As the Board is only comprised of three directors, of which only one is an independent director, the Company has taken the view that there is no need to have a separate Audit and Risk Committee and that the Board can appropriately exercise the functions of such a committee.

The Audit and Risk Committee will be reconstituted as a separate sub-committee once additional independent directors are appointed to the board.

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities.

The Company recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

### *7.2 Risk Management Framework*

The Board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound. A review of the Company's risk management framework was conducted during the 2022 financial year. A formal Risk Register for the Company generally and for Manufacturing Operations specifically were implemented at the beginning of 2021 financial year. These Registers are reviewed and updated by management periodically during the year.

Management reports risks identified to the Board through regular operations reports, and via direct and timely communication to the Board where and when applicable. These risks are documented in the Company's Risk Registers. During the reporting period, management has reported to the Board as to the effectiveness of the Company's management of its material business risks. As part of the process of approving the financial statements, at each reporting date the CEO and other responsible senior executives provide statements in writing to the Board on the quality and effectiveness of the company's risk management and internal compliance and control systems. The Company does not have an internal audit function.

### *7.3 Internal audit*

The Company does not have an internal audit function. The Board is responsible for monitoring the internal audit function in accordance with the Company's Risk Management Policy

### *7.4 Material exposures to risk*

The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. These risks are monitored and managed via the Company's Risk Registers and periodic review of same. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

### *8.1 Remuneration & Nominations Committee Role*

The role of a Remuneration & Nominations Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees and achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the Board is only comprised of three directors, of which only one is an independent director, the Company has taken the view that there is no need to have a separate Remuneration and Nominations Committee and that the Board can appropriately exercise the functions of such a committee. The functions of such a committee are currently handled by the Board and the Company believes that this is appropriate until the Company's operations have grown sufficiently to require both additional independent directors and a separate sub-committee for Remuneration and Nominations.

#### *a) Composition*

The Board believes the presence of one independent director on the board allows for sufficient independent judgement.

Details of meetings held during the year and attendance of the members of the Remuneration & Nominations Committee are disclosed within the Directors' Report of this Annual Report.

#### *b) Responsibilities*

The responsibilities of the Remuneration & Nominations Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the CEO/MD, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors making recommendations to the Board on any proposed changes, undertake a review of the CEO/MD's performance, including, setting with the CEO/MD goals for the coming year and reviewing progress in achieving those goals.

These functions are currently performed by the board and the Company believes this to be appropriate, at this stage, given the size of the Company and the scale and nature of its current operations

The Nomination duties include devising criteria for Board membership, regularly reviewing the structure of the Board and identifying specific individuals for nomination/removal as Directors for review by the Board. Further responsibilities include overseeing management succession plans including the CEO/MD and their direct reports and evaluation of the Board's performance.

### *8.2 Remuneration Policy*

The Remuneration Report includes further details on the Company's remuneration policy and its relationship to the Company's performance last year. It also includes details of the remuneration of Directors and senior executives last year. Shareholders are invited to vote on the adoption of the report at the Company's annual general meeting.

#### *a) Senior Executive Remuneration Policy*

The Company is committed to remunerating its senior executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders. Remuneration of senior executives may comprise of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in the share/option scheme with thresholds approved by shareholders. Note that all terms and conditions of this scheme are outlined in the ESOP Plan which is agreed to by all participating employees as part of their acceptance of any options granted; and
- statutory superannuation.

The Company aims to align the interests of senior executives with those of shareholders by remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration.

#### *b) Non-Executive Director Remuneration Policy*

Non-Executive Directors are paid their fees in a manner that is market competitive and consistent with

best practice as well as supporting the interests of shareholders.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

### *8.3 Equity based remuneration scheme*

The Company has adopted an equity-based remuneration scheme (ESOP)

Participants in an equity-based remuneration scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Non-Executive Directors are entitled to receive performance-based bonuses as part of their participation in the Company's Employee Share Option Plan (ESOP) but cannot do so without prior shareholder approval.