

CIPHERPOINT LIMITED
ABN 61 120 658 497
(COMPANY)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 27 June 2023 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (4th edition) (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted a Corporate Governance Pack which provides the written terms of reference for the Company's corporate governance duties. The Company's corporate governance policies and procedures are available on the Company's website at <https://www.cipherpoint.com/investors/#governance-documents>.

It is noted that the Board does not consider that the Company will gain any benefit from individual Board committees (other than the audit committee) and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

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| <i>Principle 1: Lay solid foundations for management and oversight</i> | | | |
| Recommendation 1.1 | A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | Yes | <p>The Company has adopted a Board Charter (which forms part of the Corporate Governance Pack that is available on the website of the Company) that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter is contained within the Company's Corporate Governance Pack which is available on the Company's website.</p> <p>The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities helps manage expectations and avoid misunderstandings about their respective roles and accountabilities.</p> <p>In general, the Board assumes (amongst others) the following responsibilities:</p> <p>(i) providing leadership and setting the strategic objectives of the Company;</p> |

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| | | | <ul style="list-style-type: none"> (ii) appointing and when necessary replacing the Executive Directors; (iii) approving the appointment and when necessary replacement, of other senior executives; (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; (v) overseeing management's implementation of the Company's strategic objectives and its performance generally; (vi) approving operating budgets and major capital expenditure; (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit; (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and (x) monitoring the effectiveness of the Company's governance practices. |
| <p>Recommendation 1.2</p> | <p>A listed entity should:</p> <ul style="list-style-type: none"> (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. | <p>Yes</p> | <ul style="list-style-type: none"> (a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Pack. The Company's Board Charter and the Remuneration and Nomination Committee Charter (both contained in the Company's Corporate Governance Pack) requires that appropriate checks are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. The Board Charter further provides that prospective Directors will be requested to provide the Company with a consent to undertaking background and other checks. These checks may include checks in respect of character, experience, education, criminal history and bankruptcy history (as appropriate). (b) Under the Board Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. |

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| Recommendation 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | Yes | The Board Charter requires that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for ensuring that the Company has a written agreement with each of its Directors and senior executives. The Company has had written agreements with each of its Directors and senior executives for the past financial year. |
| Recommendation 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | Yes | The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. |
| Recommendation 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</p> | No | <p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Pack, on the Company's website.</p> <p>(c) The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. However, given the current stage of the Company's operations, the Company has determined at this stage not to formally adopt a diversity policy. The Company will re-assess this as the Company grows.</p> <p>(d) The Company did not have any women in senior leadership roles, but has three women in the tier below, for the past financial year.</p> |

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| | <p>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> | | |
| Recommendation 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> | Yes | <p>(a) The Company’s Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for evaluating the performance of the Board, its committees and individual Directors is set out in the Corporate Governance Pack which is available on the website of the Company.</p> <p>(b) The Corporate Governance Pack requires the Company to disclose whether or not performance evaluations have been conducted during the relevant reporting period. Performance evaluations were conducted on an informal basis in accordance with the Corporate Governance Pack in respect of the Board, its committees (if any) and individual Directors for the past financial year (being the reporting period).</p> |
| Recommendation 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> | Yes | <p>(a) The Company’s Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company’s senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The Board may do so with the aid of an independent advisor. The process for evaluating the performance of senior executives is set out in the Corporate Governance Pack which is available on the website of the Company.</p> <p>(b) The performance of the senior executives were assessed by the other respective members of the Board in each case on an informal basis in accordance with the Corporate Governance Pack of the Company.</p> |
| Principle 2: Structure the Board to add value | | | |
| Recommendation 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> | Yes | <p>The Board, as a whole, currently serves as the Company’s Nomination Committee. Given the current size of the Company and structure of the Board, the Board has not yet formed a separate Nomination Committee. However, the Company has adopted the Remuneration and Nomination Committee Charter as terms of reference which is available on the Company’s website as part of the corporate governance policies of the Company.</p> |

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| | <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>In addition to the above, the following information is provided:</p> <ul style="list-style-type: none"> the full Board seeks to fulfill the functions of a nomination committee in accordance with the remuneration and nomination committee charter; the skills, experience and expertise of each of the Company's directors are set out in the Company's Director's Report and the Company's website; the Board Charter provides for the proper assessment of prospective directors; and Directors are appointed based on the specific skills required by the Company. | | | | | | | | |
| <p>Recommendation 2.2</p> | <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>Yes</p> | <p>The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspective will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders. As at 31 March 2023, the Board comprised three Directors from diverse backgrounds with a range of business experience, skills and attributes. The following demonstrates the skills and experience of the Directors across several dimensions that are relevant to the Company:</p> <table border="1" data-bbox="1093 1129 2092 1415"> <thead> <tr> <th data-bbox="1093 1129 1886 1193">Managing and leadership</th> <th data-bbox="1886 1129 2092 1193">No of Directors</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 1193 1886 1289">Holds senior management positions outside the Company (past and present)</td> <td data-bbox="1886 1193 2092 1289">3</td> </tr> <tr> <td data-bbox="1093 1289 1886 1353">Technology industry experience</td> <td data-bbox="1886 1289 2092 1353"></td> </tr> <tr> <td data-bbox="1093 1353 1886 1415">Management/board representation of other entities (past and present)</td> <td data-bbox="1886 1353 2092 1415">3</td> </tr> </tbody> </table> | Managing and leadership | No of Directors | Holds senior management positions outside the Company (past and present) | 3 | Technology industry experience | | Management/board representation of other entities (past and present) | 3 |
| Managing and leadership | No of Directors | | | | | | | | | | |
| Holds senior management positions outside the Company (past and present) | 3 | | | | | | | | | | |
| Technology industry experience | | | | | | | | | | | |
| Management/board representation of other entities (past and present) | 3 | | | | | | | | | | |

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| | | | Management of technology development activities | 3 |
| | | | Governance or regulatory | |
| | | | Experience in governance of listed organisations (past and present) | 2 |
| | | | Board membership of other listed entities (past and present) | 2 |
| | | | Experience in the regulatory regime applicable to the Company | 3 |
| | | | Strategy | |
| | | | Experience in growing the business, assessing value based opportunities, thinking strategically and reviewing and challenging management in order to make informed decisions and assess performance against strategy | 3 |
| | | | Experience in identifying, negotiating and executing transactions including the acquisition of desirable opportunities | 3 |
| | | | Financial acumen | |
| | | | Financial literacy | 3 |
| | | | In addition, the Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details of the relevant skills and experience of each Director and senior executive are available in the Company's Annual Report. | |
| Recommendation 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, 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 | Yes | (a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. As at 31 March 2023, the Board considers Mr Ken Benson to be an independent Director. (b) Mr Benson has received securities under an incentive plan of the Company, as reasonable remuneration in connection with his appointment as a director. The number of securities issued was not a material amount. Accordingly, the prior issue of securities to Mr Benson is not considered to impact upon the independence of Mr Benson. (c) The length of service of each Director is set out in the Annual Report. | |

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| | question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | | |
| Recommendation 2.4 | A majority of the board of a listed entity should be independent directors. | No | Currently, one of the three Directors is an independent Director. Given the small size of the Company and its operations, the Board does not consider it necessary to appoint further, independent Directors at this time however the Board and senior management will periodically review this position. |
| Recommendation 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | No | Mr Steven Bliim is the Company's Non-executive Chairman who was appointed in an executive capacity position by the Company within the last three year and is therefore not considered to be an independent Director. Mr Bliim is not the CEO. |
| Recommendation 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | Yes | The Board Charter sets out an extensive induction process for new Directors which are to be facilitated by the Company Secretary. The Remuneration and Nomination Committee (or, in its absence, the Board) shall review the induction process periodically to ensure it remains appropriate for new Directors. The Board Charter sets out that the need for professional development of Directors shall be reviewed each year by the Remuneration and Nomination Committee (or, in its absence, the Board). The Remuneration and Nomination Committee (or, in its absence, the Board) shall also develop with the Directors an appropriate training and development program. |
| <i>Principle 3: Act ethically and responsibly</i> | | | |
| Recommendation 3.1 | A listed entity should articulate and disclose its values. | Yes | The Company has adopted a statement of values that is available on the Company's website. |
| Recommendation 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | Yes | (a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Pack) is available on the Company's website. |
| Recommendation 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and | Yes | (a) The Company has adopted a whistleblower policy that is available on its website. |

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| | (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | | (b) Breaches of the whistleblower policy are to be reported to the Company secretary who shall be responsible, subject to compliance with the terms of the whistleblower policy, for reporting the breach directly to the Board. |
| Recommendation 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. | Yes | (a) The Company has adopted an anti-bribery and corruption policy that forms part of the Corporate Governance Pack that is available on the website of the Company. (b) Breaches of the anti-bribery and corruption policy are to be reported to the Company Secretary who shall be responsible for reporting the breach directly to the Board. |
| Principle 4: Safeguard the integrity of Corporate Reports | | | |
| Recommendation 4.1 | The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external | Yes | The Board, as a whole, currently serves as the Company's Audit Committee. Given the current size of the Company and structure of the Board, the Board has not yet formed a separate Audit Committee. However, the Company has adopted the Audit and Risk Committee Charter as terms of reference which is available on the Company's website as part of the corporate governance policies of the Company. The Charter of the audit and risk committee is to review and make recommendations to the Board in relation to: (i) the adequacy of the entity's corporate reporting processes; (ii) whether the entity's financial statements reflect the understanding of the committee members of, and otherwise provide a true and fair view of, the financial position and performance of the entity; (iii) the appropriateness of the accounting judgements or choices exercised by management in preparing the entity's financial statements; (iv) the appointment or removal of the external auditor; (v) the rotation of the audit engagement partner; (vi) the scope and adequacy of the external audit; (vii) the independence and performance of the external auditor; |

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| | auditor and the rotation of the audit engagement partner. | | (viii) any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor. |
| Recommendation 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | Yes | The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms. The Company has obtained a sign off on these terms for each of its financial statements in the past financial year. |
| Recommendation 4.3 | A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor. | Yes | Periodic financial or other reports released in or for a particular financial period which are not audited or reviewed by the external auditor are to be peer-reviewed internally and signed off on by the CFO (or the person(s) fulfilling that role, if any) and the Board prior to release (including release as an announcement to ASX). |
| <i>Principle 5: Make Timely and Balanced Disclosure</i> | | | |
| Recommendation 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | Yes | The Company has adopted a Communication and Disclosure Policy that contains its policy for complying with its continuous disclosure obligations under listing rule 3.1. The Communication and Disclosure Policy forms part of the Corporate Governance Pack that is available on the website of the Company. |
| Recommendation 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | Yes | The Company Secretary circulates all market announcements to the Board immediately prior to, or shortly after, release to ASX in accordance with the Board Charter and the Communication and Disclosure Policy. |
| Recommendation 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | Yes | The Company Secretary is responsible for releasing presentation materials to ASX ahead of the presentation occurring. |

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| Principle 6: Respect the Rights of Security Holders | | | |
| Recommendation 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | Yes | The Company provides information about itself and its corporate governance policies and procedures, including its corporate governance statement prepared in respect of each reporting period, via its website. |
| Recommendation 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | Yes | The Communication and Disclosure Policy sets out the investor relations program of the Company that is proposed to facilitate effective two-way communication with investors and is available on the Company's website as part of the Company's Corporate Governance Pack. |
| Recommendation 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | Yes | The Board Charter sets out how shareholders are encouraged to participate in meetings. The Communication and Disclosure Policy provides for shareholder meetings being structured to provide effective communication to shareholders and allow the reasonable opportunity for shareholder participation, including to ask questions of the Company and, in the case of an AGM, the external auditor of the Company. |
| Recommendation 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | Yes | As set out in the Board Charter, all substantive resolutions are to be determined by way of a poll rather than by a show of hands. All substantive resolutions considered at meetings of security holders during the reporting period were decided by a poll. |
| Recommendation 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Yes | <p>The Company has always provided shareholders with the opportunity to communicate with the Company by electronic means.</p> <p>As set out in the Communication and Disclosure Policy, shareholders are given the option to send and receive communications from the Company and its registry by electronic means.</p> <p>The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> |
| Principle 7: Recognise and Manage Risk | | | |
| Recommendation 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> | Yes | <p>(a) The Company's Corporate Governance Pack contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>A copy of the Corporate Governance Pack is available on the Company's website.</p> |

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| | <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>(b) The Company did not have an Audit and Risk Committee for the past financial year as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the Board devoting time at all Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p> |
| Recommendation 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> | Yes | <p>A review of the risk framework including, where applicable, performance of segments of the entity, human resources, environment, continuous disclosure obligations and financial matters covering internal control and cash flow was undertaken by the Board.</p> <p>It was considered that regular risk reviews were unnecessary unless the nature of the operations of the Company changed.</p> |
| Recommendation 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> | Yes | <p>(a) If the Company were to have an internal audit function, the Audit and Risk Committee Charter provides for the Audit and Risk Committee (or, in its absence, the Board) to structure the internal function and define the role it would perform.</p> <p>(b) The Company did not have an internal audit function for the reporting period. The Company employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:</p> <p>(i) the Board monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations;</p> <p>(ii) the Board periodically undertakes an internal review of financial systems and processes where systems are considered to require improvement these systems are developed; and</p> |

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| | | | (iii) The Board reviews risk management and internal compliance procedures at each Board meeting and monitors the quality of the accounting function. |
| Recommendation 7.4 | A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. | No | <p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management in determining whether the Company has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Pack requires the Company to disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. The Board did not complete a formal analysis of material exposure to environmental and social risks during the reporting period.</p> <p>A formal risk management process specifically considering material exposure to environmental and social risks will be updated again in the near future.</p> |
| Principle 8: Remunerate Fairly and Responsibly | | | |
| Recommendation 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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> | Yes | <p>(a) The Company's Corporate Governance Pack contains a Remuneration and Nomination Committee Charter that provides for the creation of a Remuneration and Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company did not have a Remuneration and Nomination Committee for the past financial year as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter. The Board devotes time at least annually at a Board meeting to assess the level and composition of remuneration for Directors to ensure remuneration is appropriate and not excessive.</p> |

| RECOMMENDATION | RECOMMENDATIONS (4 TH EDITION) | COMPLY | EXPLANATION |
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| Recommendation 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | Yes | The Company's Corporate Governance Pack requires the Board to separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and senior executives. These policies and practices are set out in the Remuneration and Nomination Committee Charter that forms part of the Corporate Governance Pack of the Company. |
| Recommendation 8.3 | A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. | Yes | (a) The Company did not have an equity based remuneration scheme during the past financial year, however the relevant policy is contained in the Remuneration and Nomination Committee Charter. (b) Not applicable, however the relevant policy is contained in the Remuneration and Nomination Committee Charter. |