

# 2023 Corporate Governance Statement

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The Board of Alcidion Group Limited (the **Company**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed entities to prepare a corporate governance statement disclosing the extent to which the Company has complied with the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**) during the reporting period. The Principles and Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Principles and Recommendations, it must identify which Principles and Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Principles and Recommendations, or where appropriate, indicates a departure from the Principles and Recommendations with an explanation. This Statement should be read in conjunction with the governance-related documents on the Company's website [www.alcidion.com](http://www.alcidion.com), including the 2023 Annual Report.

This Statement is current as at 24 August 2023 and has been approved by the Board of Directors of Alcidion Group Limited.

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

### **Recommendation 1.1 - Role of the Board and Management**

The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Company's affairs. The Board aims to protect and enhance the interests of its shareholders, while considering the interests of other stakeholders, including employees, customers, suppliers and the wider community.

The Board has a formal Board Charter which is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/) that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

The Board delegates responsibility for the day-to-day management of the Company and its businesses to the Managing Director (**MD**)/ Chief Executive Officer (**CEO**). The MD/CEO is supported by the Senior Leadership Team and delegates authority to appropriate senior leadership for specific activities and transactions via a formal 'delegation of authority'. The Board maintains ultimate responsibility for strategy, control, and risk profile of the Company.

### **Recommendation 1.2: Appointment of Directors**

The Remuneration and Nomination Committee facilitates the selection and appointment of Directors. Before the Board appoints a new Director or puts forward a candidate for election, the Remuneration and Nomination Committee will ensure that appropriate background checks are undertaken. The Board provides its shareholders with all material information in its possession that is relevant to its decision on whether to elect or re-elect a director through a number of channels, including via the notice of meeting and other information contained in the 2023 Annual Report.

**Recommendation 1.3: Appointment Terms**

Upon appointment, each Director receives a letter of appointment which sets out the formal terms of their appointment. Directors also receive a deed of access and indemnity as well as insurance coverage.

Each senior leadership has a written contract with the Company, setting out the terms of their appointment, including remuneration entitlements and performance requirements.

**Recommendation 1.4: Company Secretary**

The Board is supported by its Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board of Directors' duties, coordinating of all Board business, including agendas and board papers preparation, minutes, communication with regulatory bodies and ASX, and acting as an interface between the Board and Senior Leadership Team across the Company.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding the Company's Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2023 Annual Report.

**Recommendation 1.5: Diversity Policy**

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. To demonstrate the Company's commitment to developing measurable objectives to achieve diversity and inclusion in its workplace, the Company has implemented a Diversity Policy which can be viewed at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/). The Company's policy has meritocracy as a guiding principle and seeks to align the Company's management systems with its commitment to continue to develop a culture that values and achieves diversity in its workforce and on its Board.

The Board and Senior Leadership Team considers building a diverse and inclusive workforce as paramount to gaining the best insight into the needs of our customers and stakeholders. A diversity of perspectives and backgrounds also strengthens creativity and innovation in teams. Focus is paid to achieving a balance of men and women in senior leadership positions across the Company.

The proportion of women on the Board, in senior leadership positions and women across the entire organisation as at 30 June 2023 was as follows:

- Women on the Board – 60%
- Women in senior leadership positions – 55%
- Women across the entire organisation – 40%

Due to the current size and composition of the Company, the Board does not consider it appropriate to provide measurable objectives currently. However, the Company is committed to cultivating an inclusive workplace of fairness and equality which fosters the unique skills and talents of a diverse range of people and to encourage diversity in skill set, experience, qualifications, neuro, culture and age of our workforce. With a diverse mix of professionals, we will continue to encourage diversity in the hiring of candidates.

### **Recommendation 1.6: Board Performance Assessment**

The Board is committed to formally evaluating its performance, the performance of its committees and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

The review process involves:

- completion of a survey by each Director, facilitated by the Company Secretary;
- the preparation and provision of a report to each Director with feedback on the performance of the Board based on the survey results; and
- the Board meeting to discuss any areas and actions for improvement.

In the case of the MD/CEO, this review is conducted by the Chair and the results are reported to the Board.

The Company undertook an internal Board assessment for the reporting period 2023. An analysis of the data collected indicated that the Board is functioning effectively against most of its criteria. It was also noted that there were some opportunities identified to improve Board effectiveness.

### **Recommendation 1.7: Senior Leadership Team Performance Assessment**

Senior Leadership Team is appointed by the MD/CEO and their Key Performance Indicators (KPI's) contain specific financial and non-financial objectives.

These KPIs are reviewed annually by the MD/CEO. The performance of each Senior Leadership Team against these objectives is evaluated annually.

In the case of the MD/CEO, this review is conducted by the Chair and the results are reported to the Board.

Performance evaluations were undertaken during the reporting period by the Company in accordance with the process.

## **PRINCIPLE 2 – BOARD STRUCTURE**

### **Recommendation 2.1: Nomination Committee**

The Company's Remuneration and Nomination Committee Charter provides for the creation of a committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Remuneration and Nomination Committee Charter is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/)

As at 24 August 2023, the Remuneration and Nomination Committee comprises of four members, all of whom are independent Directors, being Simon Chamberlain (Chair), Rebecca Wilson, Danny Sharp, and Victoria Weekes. All Directors have relevant experience as shown in their biographies in the Directors' Report.

Details of meetings held by the Committee during the year and member attendance are set out in the 2023 Directors' Report.

In accordance with the Company's Remuneration and Nomination Committee Charter the function of the Committee is to assist the Board to carry out the following:

- review the criteria for the Board appointment and membership, including the necessary and desirable competencies;
- review the size and composition of the Board;
- review Board succession plans and the succession of the Chair of the Board, MD/CEO and Senior Leadership Team, having regards to the skills matrix and the objective that the Board comprise directors

with a broad range of skills, expertise, and experience from a broad and diverse range of backgrounds, including gender;

- to develop, disclose and review a skills matrix setting out the mix of skills, experience, knowledge, independence and diversity that the Board currently has or is looking to achieve in its membership;
- conduct performance evaluation of the Board, its Committees and individual Directors, and in developing and implementing plans for identifying, evaluating and enhancing director competencies;
- ensure Director induction process is in place and regularly review its effectiveness;
- make recommendations for the appointment and re-election of Directors to the Board; and
- make recommendations to the Board on measurable objectives for achieving diversity targets as per the Company’s Diversity Policy.

**Recommendation 2.2: Board Skills Matrix**

Our objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board’s view that the current Directors including the MD/CEO possess an appropriate mix of relevant skills, experience, expertise, and diversity to enable the Board to discharge its responsibilities and deliver the Company’s strategic objectives. This mix is subject to review on a regular basis as part of the Board’s performance review process. The most recent review of skills and experience was completed in May 2023.

The skills and experience represented in the Board and relevant to the Company’s business are set out in the matrix below and following the Company’s annual performance and skills review, it is satisfied that it meets expectations in all the below categories:

| <b>Skills and experience</b>                     |  |
|--|--|
| Strategy and leadership                          | Stakeholder communication and engagement |
| Financial analysis and capital markets expertise | Operational leadership                   |
| Risk and compliance oversight                    | Global Experience                        |
| People management                                | Critical and innovative thinking         |
| Commercial experience                            | Negotiation and influence                |
| Legal and regulatory approval                    | Enabling innovation and technology       |
| Cybersecurity                                    | Global Healthcare Experience             |
| Environmental, Social and Governance             | Health & Safety                          |
| Digital Health Experience                        |  |
| Investor Relations                               |  |

To the extent that any skills noted are not directly represented on the Board, they are augmented through management and external advisors. Full details of each Directors’ relevant skills and experience are set out in the Company’s 2023 Annual Report.

**Recommendation 2.3: Independent Directors**

An independent director is a non-executive director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director considering the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the Director’s terms of appointment, the Corporations Act 2001, the Board Charter and Conflicts of Interest and Related Party Transactions Policy.

When appointing an independent director or reviewing the independence of its Directors', the Board will have regard to the definition of independent director and the factors set out in the Principles and Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

Currently, the Board's assessment of each current Director is set out below:

| <b>Name</b>       | <b>Position</b>        | <b>Appointment Date</b> | <b>Status</b>   |
|-------------------|------------------------|-------------------------|-----------------|
| Rebecca Wilson    | Non-Executive Chair    | 1 August 2017           | Independent     |
| Kate Quirke       | Managing Director      | 3 July 2018             | Non-Independent |
| Malcolm Pradhan*  | Executive Director     | 22 February 2016        | Non-Independent |
| Simon Chamberlain | Non-Executive Director | 1 July 2019             | Independent     |
| Victoria Weekes   | Non-Executive Director | 1 September 2021        | Independent     |
| Daniel Sharp      | Non-Executive Director | 1 September 2021        | Independent     |

*\*Malcolm Pradhan resigned as a Director of the Company on 30 November 2022.*

Reviews of each Director and their relationships with the Company were conducted in FY23 with the Board concluding that it considers Victoria Weekes, Daniel Sharp, Simon Chamberlain and Rebecca Wilson are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement and is able to fulfil the role of independent director for the purpose of the Principles and Recommendations.

In considering Rebecca Wilson's independence, the Board considered the related party relationship between the Company, WE Worldwide and Rebecca Wilson as outlined in the Related Party Note included in the 2023 Annual Report.

The Board considered:

- the Company's protocols in place to ensuring commercial relationships are made on normal terms and conditions;
- consideration of each of the independence criteria under the ASX principles and recommendations;
- review of costs and services provided by related party WE Worldwide; and
- whether WE Worldwide was considered a material supplier for FY23.

Rebecca Wilson had no role in the assessment of WE's suitability and is not involved in the delivery or oversight of services delivered.

Kate Quirke is considered by the Board not to be independent being Managing Director and Chief Executive Officer of the Company.

#### **Recommendation 2.4: Majority Independence**

As at the date of this Statement, only one Director is deemed non-independent. The current Board composition reflects an appropriate balance of skills, expertise and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders. The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure independent thought and decision making.

Non-executive directors also confer periodically and as appropriate as a group without senior leadership present.

Further information regarding our directors, including their experience and qualifications, is set out in the Directors' Report of our 2023 Annual Report.

**Recommendation 2.5: Board Chair**

Rebecca Wilson was appointed as Non-Executive Chair of the Company in August 2019, and is considered an independent Director. The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. The role of Chair is set out in more detail in the Board Charter.

The roles of Chair and Managing Director /Chief Executive Officer are exercised by different individuals, being Rebecca Wilson and Kate Quirke, respectively.

**Recommendation 2.6: Induction, Education and Training**

New Directors are provided with copies of all relevant documents and policies governing the Company's business, operations, and management, at the time of joining the Board. All Directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge. Directors are also encouraged to personally undertake appropriate training and refresher courses as appropriate to maintain the skills required to discharge their obligations to the Company.

**PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY****Recommendation 3.1: Statement of Values**

The Company's values are the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors.

**CORE VALUES**

We are Brave  
We are Optimistic  
We are Creative and Innovative  
We Amaze our Customers  
We are a Team  
We Celebrate our Achievements

The Company's Senior Leadership Team is responsible for instilling these values across the organisation.

**Recommendation 3.2: Code of Conduct**

The Board recognises the need to observe the highest standards of corporate practices and business conduct.

Accordingly, the Board has adopted a Code of Conduct designed to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image; and
- make Directors' and employees aware of the consequences if they breach the Code of Conduct.

The Code of Conduct can be found on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

The key aspects of this Code are to:

- act fairly with honesty and integrity in the best interests of the Company;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use the Company's resources and property properly.

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy and security of information.

### **Recommendation 3.3: Whistleblower Policy**

The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised and reviewed at each Board Meeting.

The Whistleblower Policy is available on the Company's website [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

### **Recommendation 3.4: Anti-bribery and Corruption Policy**

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed maintain high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised at the Audit and Risk Committee level, with the latter reporting on them at the next Board meeting.

The Anti-Bribery and Corruption Policy is available on the Company's website [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

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

### **Recommendation 4.1: Audit Committee**

The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Board Chair. The Audit and Risk Committee Charter is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

As at 24 August 2023, the Audit and Risk Committee comprises of three members, all of whom are independent Directors. During the period the members consisted of Victoria Weekes (Chair), Danny Sharp and Simon Chamberlain.

Details of meetings held by the Committee during the year and member attendance are set out in the 2023 Directors' Report.

In accordance with the Company's Audit and Risk Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review and monitor the integrity of the Company's financial reports and statements;
- monitor the performance and independence of the external auditor; and
- reviewing the consolidated accounts of the company.

It also has risk management and internal control functions as set out under Recommendation 6.1.

**Recommendation 4.2: Assurances**

The MD/CEO and Chief Financial Officer (**CFO**) provide an annual declaration to the Board prior to the Board's approval of the Company's full year financial results. This process was followed for the 2023 full year financial results. The MD/CEO and CFO provided a declaration to the Board that, in their opinion, the financial records 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 Company, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. On this basis, the 2023 full year financial results were approved by the Board.

**Recommendation 4.3: Verification of integrity of periodic corporate reports**

Our external auditor, William Buck, was appointed following the 2016 Annual General Meeting (**AGM**). William Buck attends our Annual General Meeting each year and a representative is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

William Buck's independence declaration is contained in the Directors' Report in our 2023 Annual Report.

Any periodic corporate report the company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision.

Following review by the Board of Directors the report is formally approved prior to release.

**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE****Recommendation 5.1: Continuous Disclosure Policy**

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy, which is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/). This policy sets out the key obligations of directors and employees in relation to the Company's continuous disclosure requirements.

The Board has overarching responsibility for compliance with continuous disclosure obligations and the Board approval is required for certain key matters (as set out in the Continuous Disclosure Policy) and matters may be referred to the Board for approval by the MD/CEO or the Company Secretary.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy (as applicable). In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

**Recommendation 5.2: Provide Board with copies of all material market announcements**

The Company ensures that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

**Recommendation 5.3: Investor Presentations**

In accordance with the recommendation, the Company ensures that all substantive presentations are released to the market to enable security holders the opportunity to participate in the presentation.

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

### **Recommendation 6.1: Information and Governance**

Information about the Company and its corporate governance policies is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

The Company also maintains a separate investor page on our website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

### **Recommendation 6.2: Investor Relations**

We endeavour to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications, we aim to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Company's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Company.

Our Company policy for Shareholder Communications is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

### **Recommendation 6.3: Shareholder Meeting Participation**

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable our external auditor.

### **Recommendation 6.4: All substantive resolutions at a security holder meeting are decided by poll**

In order to ascertain the true will of the Company's security holders attending and voting at its security holder meetings, whether they attend in person, electronically or by proxy or other representative, in most situations where this can be achieved the Company will conduct the voting procedure by a poll.

**Recommendation 6.5: Electronic Communication with Shareholders**

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry electronically.

**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK****Recommendation 7.1: Risk Committee**

The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Board Chair. The Audit and Risk Committee Charter is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

As at 24 August 2023, the Audit and Risk Committee comprises of three members, all of whom are independent Directors. During the period the members consisted of Victoria Weekes (Chair), Danny Sharp and Simon Chamberlain.

Details of meetings held by the Committee during the year and member attendance are set out in the 2023 Directors' Report.

In accordance with the Company's Audit and Risk Committee Charter the Committee also has delegated responsibilities in relation to risk management which includes assisting the Board to:

- review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and
- reviewing compliance with relevant laws and regulations.

**Recommendation 7.2: Risk Management Framework**

The Company's risk management framework is supported by the Board of Directors, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. Management is responsible for monitoring compliance with and the effectiveness of risk management systems and controls at a divisional level including financial and non-financial risks. Senior leadership regularly reports to the Board on the adequacy of its risk management systems, processes and key matters for consideration.

The Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control. The Company's risk management framework including risk profile and risk registers are reviewed on a periodic basis, and a review was undertaken by the Audit and Risk Committee during this past financial year.

**Recommendation 7.3: Internal Audit**

The Company does not currently have an internal audit function as, in light of cost/benefit considerations, the size and scope of the Company's operations does not currently support the operation of such a function.

During the past financial year, the Company employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

- the Audit and Risk Committee monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations;
- Senior Leadership Team facilitate the periodic review of financial and non-financial systems and processes and present to the Board the objectives and scope, proposed outcomes and any

- recommendations arising from the review; and
- the Board reviews risk management and internal compliance procedures at each Board meeting and any risk matters raised for consideration by Senior Leadership Team.

#### **Recommendation 7.4: Economic, Environmental and Social Sustainability Risk**

The Company is not subject to any particular or significant single economic, environmental and social sustainability risk. The Company is subject to a range of general economic risks, including macro-economic risks, government policy (including policy regarding technology and research and development), general business conditions, changes in technology and many other factors.

In late FY2022, the Company commenced an initiative to formalise an ESG program. It is in the preliminary stages and involves a review of its current ESG practices and materiality thresholds before determining formal targets and undertaking additional initiatives within the Company.

The Board does not believe the Company has any material exposure to economic and social sustainability risks at the present time.

#### **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY**

##### **Recommendation 8.1: Remuneration Committee**

The Company's Remuneration and Nomination Committee Charter provides for the creation of a committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Remuneration and Nomination Committee Charter is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

As at 24 August 2023, the Remuneration and Nomination Committee comprises of four members, all of whom are independent Directors, being Simon Chamberlain (Chair), Rebecca Wilson, Victoria Weekes and Danny Sharp. All Directors have relevant experience as shown in their biographies in the Directors Report.

Details of meetings held by the Committee during the year and member attendance are set out in the 2023 Directors' Report.

In accordance with the Company's Remuneration and Nomination Committee Charter, the Committee has delegated responsibilities in relation to remuneration matters which includes assisting the Board to:

- make recommendations to the Board on:
  - MD/CEO and Senior Leadership Team remuneration and incentive plans and process with which any pool of directors' fees approved by shareholders are allocated;
  - overall Company's remuneration framework and monitoring its effectiveness in achieving the Company's remuneration strategies;
  - performance target, short term incentive strategy and related short term incentive payments for the MD/CEO and Senior Leadership Team;
  - major changes and developments to the Company's employee equity incentive plans;
  - major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for Senior Leadership Team;
  - review senior leadership performance assessment processes and results as they reflect the capability of management to realise the business strategy;
  - the Company's annual Remuneration Report; and
  - remuneration arrangements for the Chair of the Board and the non-executive Directors of the Board.

**Recommendation 8.2: Remuneration Policies and Practices**

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration policies for the Directors and Senior Leadership Team. If necessary, it obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Details of the Company's remuneration practices for its directors and Senior Leadership Team are disclosed in the Remuneration Report in the Company's Annual Report. The Remuneration Report highlights the balance between fixed pay, short term incentive and long-term incentives, and includes details of the remuneration paid and the relationship to the Company's performance.

**Recommendation 8.3: Equity Based Remuneration Scheme**

The Company's Securities Trading Policy prohibits relevant personnel from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Further, all relevant personnel are prohibited from entering into margin lending arrangements to fund the acquisition of any of the Company's securities or from entering into arrangements whereby their securities in the Company are used as collateral.

The Securities Trading Policy is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).