

# STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE COUNCIL'S RECOMMENDATIONS FOR BEST CORPORATE PRACTICE

(current as at the date of this Report)

Principle #	ASX Corporate Governance Council Principles and Recommendations	Corporate Governance Plan (CGP) Reference	Comply
<b>Principle 1</b>	Lay solid foundations for management and oversight		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	CGP Sch.1, Cl.1(a)–(k), Sch. 1, Cl. 8(a)	Yes
1.2	A listed entity should:  (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and  (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	CGP Sch. 5, Cl. 6	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	CGP Sch. 1, Cl.11	Yes
1.4	The company secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	CGP Sch. 1, Cl.6	Yes
1.5	A listed entity should:  (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;  (b) disclose that policy or a summary of it; and  (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:  (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or  (2) 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.	CGP Sch 10 Cl. 5, Cl. 6, Cl. 7	Yes
1.6	A listed entity should:  (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	CGP Sch. 5	Yes

	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	CGP Sch. 5	No
1.7	A listed entity should:		
	(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	CGP Sch. 5	Yes
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	CGP Sch. 5	No
<b>Principle 2</b>	Structure the Board to add value		
2.1	The board of a listed entity should:		
	(a) have a nomination committee which:	CGP Sch. 5	Yes
	(1) has at least three members, a majority of whom are independent directors; and	CGP Sch. 5, Cl. 2	No
	(2) is chaired by an independent director,	CGP Sch. 5, Cl. 2	No
	and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	CGP Sch. 5	Yes
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	CGP Sch. 1 Cl.12	Yes
2.3	A listed entity should disclose:		
	(a) the names of the directors considered by the board to be independent directors;	CGP review under	Yes (see Directors' Report)
	(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and	CGP review under	Yes (see Directors' Report)
	(c) the length of service of each director.	CGP review under	Yes (see Directors' Report)
2.4	A majority of the board of a listed entity should be independent directors.	CGP Sch. 1, Cl. 2(c)	No
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.	CGP Sch.1, Cl.3(a)	Yes

2.6	A listed entity should have a program for inducing new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	CGP Sch.1, Cl.6(b), Sch. 5, Cl. 6(b)	Yes
<b>Principle 3</b>	Promote ethical and responsible decision-making		
3.1	A listed entity should:  (a) have a code of conduct for its directors, senior executives and employees; and  (b) disclose that code or a summary of it.	CGP Sch.2	Yes
<b>Principle 4</b>	Safeguard integrity in financial reporting		
4.1	The board of a listed entity should:		
	(a) have an audit committee which:	CGP Sch. 3	Yes
	(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	CGP Sch. 3, Cl. 2(a) and (b)	No
	(2) is chaired by an independent director, who is not the chair of the board,	CGP Sch. 3, Cl. 2(e)	No
	and disclose:  (3) the charter of the committee;  (4) the relevant qualifications and experience of the members of the committee; and  (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or  (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	CGP Sch. 3	Yes (see also Directors' Report)
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.	CGP review under	Yes
4.3	A 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.	CGP Sch.10, Cl. 8	Yes
<b>Principle 5</b>	Make timely and balanced disclosure		

5.1	A listed entity should:  (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and  (b) disclose that policy or a summary of it.	CGP Sch.7	Yes
<b>Principle 6</b>	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	CGP Sch.10	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	CGP Sch.10	Yes
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	CGP Sch.10, Cl. 8	Yes
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	CGP Sch.10	Yes
<b>Principle 7</b>	Recognise and manage risk		
7.1	The board of a listed entity should:  (a) have a committee or committees to oversee risk, each of which:	CGP Sch. 3, Sch. 8	Yes
	(1) has at least three members, a majority of whom are independent directors; and	CGP Sch. 3, Cl. 2(a) & (b)	Yes
	(2) is chaired by an independent director,	CGP Sch. 3, Cl. 2(e)	Yes
	and disclose:  (3) the charter of the committee;  (4) the members of the committee; and  (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or  (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	CGP Sch. 3	Yes (see also Directors' Report)
7.2	The board or a committee of the board should:  (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and  (b) disclose, in relation to each reporting period, whether such a review has taken place.	CGP Sch.8	Yes
7.3	A listed entity should disclose:  (a) if it has an internal audit function, how the function is structured and what role it performs; or  (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	CGP Sch.3, Cl.4.3, Sch. 8	Yes

7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	CGP Sch.8, Cl.1	Yes
<b>Principle 8</b>	Remunerate fairly and responsibly		
8.1	The board of a listed entity should: (a) have a remuneration committee which:	CGP Sch.4	Yes
	(1) has at least three members, a majority of whom are independent directors; and	CGP Sch.4, Cl.2(a)	No
	(2) is chaired by an independent director,	CGP Sch. 4, Cl. 2(b)	No
	and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	CGP Sch. 4	Yes (see also Directors' Report)
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.	CGP under review	Yes (see Remuneration Report)
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.	CGP Sch. 4, Cl. 6(d)	N/A (ESOP in place but currently not in practice)

#### *Notes regarding non-compliance*

- Where it is noted in the table above that the CGP is under review, that will form part of the Board's review of the Company's CGP in light of the revised Principles and Recommendations, and therefore there is no specific reference under the current CGP. Notwithstanding, the Board has decided to make the statement of compliance with reference to the latest Principles and Recommendations.
- Principle 1.6(b) – the Board considers the performance evaluation procedures to be appropriate for the Company's current purposes, despite not being strictly in compliance with the Principles and Recommendations.
- Principle 1.7(b) – the Board considers the performance evaluation procedures to be appropriate for the Company's current purposes, despite not being strictly in compliance with the Principles and Recommendations.

- Principle 2.1(a)(1) & (2) - The Board considers the composition of the Nomination Committee to be appropriate for the Company's current purposes, despite not being strictly in compliance with the Principles and Recommendations.
- Principle 2.4 - The Board considers the composition of the Board to be appropriate for the Company's current purposes, despite not being strictly in compliance with the Principles and Recommendations.
- Principle 4.1(a)(1) & (2) - The Board considers the composition of the Audit & Risk Committee to be appropriate for the Company's current purposes, despite not being strictly in compliance with the Principles and Recommendations.
- Principle 8.1(a)(1) & (2) – The Board considers the composition of the Remuneration Committee to be appropriate for the Company's current purposes, despite not being strictly in compliance with the Principles and Recommendations.