

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

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| STRUCTURAL MONITORING SYSTEMS PLC |
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ARBN

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| 106 307 322 |
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Financial year ended:

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|--------------|
| 30 June 2023 |
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Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website:

<https://www.smsystems.com.au/corporate-overview/>

The Corporate Governance Statement is accurate and up to date as at 29 September 2023 and has been approved by the board.

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

Date: 29 September 2023

Name of authorised officer authorising lodgement: Sam Wright – Company Secretary

¹ “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council’s recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity’s corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes “OR” at the end of the selection and you delete the other options, you can also, if you wish, delete the “OR” at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|--|---|--|
| <p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p>[insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p>[insert location]</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>.....</p> <p>set out in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p>set out in our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|---|---|--|--|
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>..... <i>[insert location]</i></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>..... <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|--|--|---|--|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>.....</p> <p>set out in our Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|---|--|--|---|
| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | <input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: set out in our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: set out in our Corporate Governance Statement and the length of service of each director at: set out in the Annual Report - https://www.smsystems.com.au/investor-centre/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | <input type="checkbox"/> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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|---|--|---|--|
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: Corporate Code of Conduct section of Corporate Governance Plan https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | <input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|--|--|---|
| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf</p> <p>and the information referred to in paragraphs (4) and (5) at: disclosed in the Annual Report</p> <p>https://www.smsystems.com.au/investor-centre/</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.3 | <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | <p><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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|---|---|--|--|
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: set out in our Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|---|--|
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf <i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at: disclosed in the Annual Report</p> <p>https://www.smsystems.com.au/investor-centre/ <i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: <i>[insert location]</i></p> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: set out in our Corporate Governance Statement</p> | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|--|--|
| <p>7.3 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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |
| <p>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.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>.....</p> <p>In the Company's Annual Report</p> <p>https://www.smsystems.com.au/investor-centre/</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p>In the Company's Annual Report</p> <p>https://www.smsystems.com.au/investor-centre/</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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|--|--|--|---|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: https://www.smsystems.com.au/wp-content/uploads/Corporate-Governance-Plan-SMS-4th-Edition-Compliant.pdf</p> <p>and the information referred to in paragraphs (4) and (5) at: disclosed in the Annual Report</p> <p>https://www.smsystems.com.au/investor-centre/</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>..... [insert location]</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>..... In the Company's Remuneration Report (within the Company's Annual Report)</p> <p>https://www.smsystems.com.au/investor-centre/</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
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| 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. | <input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: In the Company's Remuneration Report (within the Company's Annual Report) https://www.smsystems.com.au/investor-centre/ | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | N/A | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | N/A | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | N/A | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ | |
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| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | N/A | <input type="checkbox"/> set out in our Corporate Governance Statement |
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | N/A | <input type="checkbox"/> set out in our Corporate Governance Statement |

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement is accurate and up to date as at 29 September 2023 and has been approved by the board.

| Principle and Recommendations | Comply (Yes/No) | Explanation |
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| PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | |
| <p>Recommendation 1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | Yes | <p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out matters including the specific roles and responsibilities of the Board and management requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, and the establishment, operation and management of Board Committees.</p> <p>The Company's Board Charter is available on the Company's website.</p> |
| <p>Recommendation 1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p> | Yes | <p>(a) The Company undertakes checks on any person who is being considered as a director. These checks may include good fame and character, experience, education and financial history and background.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p> |
| <p>Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | Yes | <p>Each senior executive and executive Director has a formal employment contract and the non-executive Directors have a letter of appointment.</p> |
| <p>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.</p> | Yes | <p>The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p> |

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| <p>Recommendation 1.5</p> <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>(1) (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>Partially</p> | <p>The Company’ workforce, including employees, contractors, management and the Board, is made up of individuals with diverse skills, values, backgrounds and experiences that bring to the Company the skills and expertise that are required for the Company to enhance its performance. The Company values diversity and recognises the benefit it can bring in achieving the Company’s goals. To this end, the Company has a Diversity Policy Charter that reflects its commitments and objectives, and includes requirements for the Board to annually review performance against these objectives, as part of its annual performance assessment.</p> <p>The Company has established a Diversity Policy. A copy of the Diversity Policy is available in the Corporate Governance section of the Company’s website.</p> <p>Due to the current size and composition of the organisation, the Board does not consider it appropriate to provide measurable objectives in relation to gender. The Company is committed to ensuring that the appropriate mix of skills, experience, expertise and diversity are considered when employing staff at all levels of the organisation, and when making new senior executive and Board appointments, and is satisfied that the composition of employees, senior executives and members is appropriate considering its size and environment. The Company has the objective to improve the current ratio of women to men with its proposed staff recruitment as soon as the scale of its operations allows so.</p> |
| <p>Recommendation 1.6</p> <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 in relation to each reporting period, whether a performance</p> | <p>Yes</p> | <p>The performance of the Board, is reviewed annually against appropriate measures in a manner that the Board deems appropriate. The review has regard to various matters including those set out in the Board Charter. The full Board will evaluate the performance of directors.</p> <p>The Company will report on whether a</p> |

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| <p>evaluation was undertaken in the reporting period in accordance with that process.</p> | | <p>performance evaluation was undertaken.</p> |
| <p>Recommendation 1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Yes</p> | <p>(a) The Remuneration Committee is responsible for evaluating the performance of senior executives on an annual basis in accordance with the Company's Performance Evaluation Procedures policy. The Performance Evaluation Procedures policy is available on the Company's website in the Corporate Governance Plan.</p> <p>(b) For each reporting period the Company will disclose in the annual report each year whether or not performance evaluations were conducted during the relevant reporting period in line with the Company's Performance Evaluation Procedures policy.</p> |
| <p>PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE</p> | | |
| <p>Recommendation 2.1 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;</p> <p>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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p> | <p>Partially</p> | <p>(a) The Board has determined that the function of the Nomination Committee is most efficiently carried out with full board participation and accordingly, the Company has elected not to establish a separate Nomination Committee at this stage.</p> <p>As a result, the duties that would ordinarily be assigned to the Nomination Committee under the Nomination Committee Charter are carried out by the full board.</p> <p>The Nomination Committee Charter is set out in the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>(b) The Board will devote time at board meetings to discuss Board succession issues on at least one occasion each financial year. All members of the Board are to be involved in the Company's nomination process, to the maximum extent permitted under</p> |

| | | the Corporations Act and ASX Listing Rules. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------|--|-----------|----------------------|--------------------|-----------|----------------------|--------------------|-----------|---|---|---|---|---|---------------------|---|---|---|---|---|--------------|---|---|---|---|---|------------|---|---|---|---|---|------------|---|---|---|---|---|
| <p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the skills and diversity that the board currently has or is looking to achieve in its membership.</p> | Yes | <p>The Board of the Company is comprised of directors with a broad range of technical, operational, commercial, financial and other skills, experience and knowledge relevant to overseeing the business of the Company.</p> <p>The Company has developed a skills matrix which it intends to use as a tool to assess the appropriate and ideal balance of knowledge, skills, experience, independence and diversity necessary for the Board to discharge its duties and responsibilities effectively.</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Board</th> <th>Capital Markets</th> <th>Aerospace</th> <th>Financial Accounting</th> <th>ASX Listed Company</th> </tr> </thead> <tbody> <tr> <td>Ross Love</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Heinrich Loechteken</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>x</td> </tr> <tr> <td>Miro Miletic</td> <td>✓</td> <td>x</td> <td>✓</td> <td>x</td> <td>x</td> </tr> <tr> <td>Brian Wall</td> <td>✓</td> <td>x</td> <td>✓</td> <td>✓</td> <td>x</td> </tr> <tr> <td>Sam Wright</td> <td>✓</td> <td>✓</td> <td>x</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table> | Director | Board | Capital Markets | Aerospace | Financial Accounting | ASX Listed Company | Ross Love | ✓ | ✓ | ✓ | ✓ | ✓ | Heinrich Loechteken | ✓ | ✓ | ✓ | ✓ | x | Miro Miletic | ✓ | x | ✓ | x | x | Brian Wall | ✓ | x | ✓ | ✓ | x | Sam Wright | ✓ | ✓ | x | ✓ | ✓ |
| Director | Board | Capital Markets | Aerospace | Financial Accounting | ASX Listed Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ross Love | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Heinrich Loechteken | ✓ | ✓ | ✓ | ✓ | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Miro Miletic | ✓ | x | ✓ | x | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Brian Wall | ✓ | x | ✓ | ✓ | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sam Wright | ✓ | ✓ | x | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 2.3</p> <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, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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</p> <p>(c) the length of service of each director.</p> | Yes | <p>(a) Disclosure of the names of Directors considered by the Board to be independent will be provided in the annual report. The current independent directors are Messrs Loechteken, Miletic, Wall and Wright.</p> <p>(b) Details of the Directors' interests, positions associations and relationships are provided in the annual report.</p> <p>(c) The length of service of each Director will be provided in the annual report.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | Yes | <p>The Board Charter requires that where practical the majority of the Board will be independent.</p> <p>The current independent directors are Messrs Loechteken, Miletic, Wall and Wright.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and,</p> | No | <p>Given the size and nature of the Company, Mr Love is considered the most appropriate Director to act as</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| in particular, should not be the same person as the CEO of the entity. | | Chairman. |
| <p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p> | Yes | <p>The Company's program for the induction of new directors is tailored to each new Director depending on their personal requirements, background skills, qualifications and experience and includes meetings with management of the Company, the provision of a formal letter of appointment and an induction pack containing sufficient information to allow the new Director to gain an understanding of the business of the Company and the roles, duties and responsibilities of Directors.</p> <p>All Directors are expected to maintain the skills required to effectively discharge their obligations to the Company. All Directors are also encouraged to undergo continual professional development and, subject to prior approval by the Chairman, all Directors have access to numerous resources and professional development training to address any skills gaps.</p> |
| PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY | | |
| <p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p> | Yes | A copy of the Company's Statement of Values is available in the Corporate Governance section of the Company's website (under the heading 'Schedule 2 – Corporate Code of Conduct'. |
| <p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p> | Yes | <p>(a) The Company's Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>The Company's Code of Conduct is available on the Company's website.</p> <p>(b) Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.</p> |
| <p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under</p> | Yes | (a) The Company has a Whistle blower Policy and is committed to conducting all of its business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. The Company's board of directors, management and employees are dedicated to high ethical standards and recognise and |

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| that policy. | | <p>support the Company's commitment to compliance with these standards. Any material breaches of the Whistleblower Protection Policy are to be reported to the Whistleblower Protection Officer, a relevant Supervisor/Senior Manager, the Chairman of the Audit and Risk Committee, any member of the Board, or the Company Secretary (as appropriate). Reports can be made by email, telephone or in person. In certain cases the disclosing party may feel more comfortable making an anonymous disclosure.</p> <p>(b) A copy of the Company's Whistle Blower Policy is available in the Corporate Governance section of the Company's website.</p> |
| <p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p> | Yes | <p>The Company has an Anti-Bribery and Corruption Policy. The Policy outlines the Company's commitment to fair and legal business practices, anti-bribery and corruption. Any material incidents related to Bribery or Corruption will be reported to the Board, or relevant Board Sub-Committee.</p> <p>A copy of the Company's Anti-Bribery and Corruption Policy is available in the Corporate Governance section of the Company's website.</p> |
| PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING | | |
| <p>Recommendation 4.1</p> <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</p> | No | <p>(a) The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established an audit committee.</p> <p>(b) The board devotes time annually to fulfilling the roles and responsibilities associated with maintaining the company's internal audit function and arrangements with external auditors. All members of the board are involved in the company's</p> |

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| <p>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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | | <p>audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p> |
| <p>Recommendation 4.2</p> <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 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>Yes</p> | <p>Before the Board approves the entity's financial statements for a financial period, the CEO and CFO must have declared 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>Recommendation 4.3</p> <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>Yes</p> | <p>The Board and Company Secretary are responsible for reviewing all communications to the market to ensure they are full and accurate and comply with the Company's obligations.</p> |
| <p>PRINCIPLE 5: MAKE TIMELY AND BALANCE DISCLOSURE</p> | | |
| <p>Recommendation 5.1</p> <p>(a) A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p> | <p>Yes</p> | <p>(a) The Company has adopted a Continuous Disclosure Policy which details the processes and procedures which have been adopted by the Company to ensure that it complies with its continuous disclosure obligations as required under the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Continuous Disclosure Policy is set out in the Company's Corporate Governance Plan which is available on the Company's website.</p> |

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| <p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p> | <p>Yes</p> | <p>All announcements are circulated to the board before (if material) or immediately after release to the market (if not material).</p> |
| <p>Recommendation 5.3</p> <p>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.</p> | <p>Yes</p> | <p>Under the Company's Continuous Disclosure Policy, any written materials containing new price sensitive information to be used in investor presentations are lodged with ASX prior to the presentation commencing.</p> |
| <p>PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS</p> | | |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | <p>Yes</p> | <p>Shareholders can access information about the Company and its governance (including its Constitution, Corporate Governance Plan and Corporate Governance Statement) on the Company's website.</p> |
| <p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p> | <p>Yes</p> | <p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to Shareholders, including by its website, through announcements released to the ASX, its annual report and general meetings. Shareholders are also welcome to contact the Company or its registrar.</p> <p>The Company's Shareholder Communications Strategy is contained in the Company's Corporate Governance Plan which is available on the Company's website.</p> |
| <p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> | <p>Yes</p> | <p>Shareholders will be encouraged to participate at all general meetings of the Company by written statement contained in every notice of meeting sent to shareholders prior to each meeting.</p> <p>The Company intends to accommodate shareholders who are unable to attend general meetings in person by accepting votes by proxy.</p> |

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| | | <p>Further, any material presented to shareholders at the meeting will be released to the ASX immediately prior to the commencement of the meeting for the benefit of those shareholders who are unable to attend in person. The Company will also announce to the ASX the outcome of each meeting immediately following its conclusion.</p> <p>At each general meeting, shareholders will be given an opportunity to ask questions in relation to the resolutions put to shareholders at that meeting, and in respect of the Company's business and operations generally.</p> <p>At each annual general meeting, shareholders will also be invited by the Chairman to ask questions of the Company's external auditor and the Board in relation to the annual financial report of the Company and the conduct of the audit.</p> |
| <p>Recommendation 6.4</p> <p>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.</p> | Yes | Per the Company's Corporate Governance Policy and specifically the Shareholder Communication Strategy section, all substantive resolutions at shareholder meetings will be decided by a poll rather than a show of hands. |
| <p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> | Yes | The Shareholders Communication Strategy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders including receiving communications electronically. |
| PRINCIPLE 7: RECOGNISE AND MANAGE RISK | | |
| <p>Recommendation 7.1</p> <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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> | No | <p>(a) The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a committee to oversee risk.</p> <p>(b) The board devotes time annually to fulfilling the roles and responsibilities associated with overseeing risk and</p> |

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| <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 process it employs for overseeing the entity's risk management framework.</p> | | <p>maintaining the entities risk management framework and associated internal compliance and control procedures.</p> |
| <p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within 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>Yes</p> | <p>(a) The Company's process for risk management and internal compliance is set out in its Risk Management Policy and includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. The Company's Audit and Risk Committee is responsible for the review of the Company's risk management procedures and internal compliance and controls on an annual basis.</p> <p>(b) For each reporting period the Company will disclose in its annual report whether a review of the Company's risk management framework was undertaken in line with its Risk Management Policy.</p> |
| <p>Recommendation 7.3</p> <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 risk management and internal control processes.</p> | <p>Yes</p> | <p>(a) Due to the size and nature of the Company's operations, the Company does not consider it necessary to establish a formal internal audit function at this stage. The Audit and Risk Committee, will however, monitor the need for a formal internal audit function as the Company develops.</p> <p>(b) The effectiveness of the Company's risk management and internal control processes is subject to annual review by the Audit and Risk Committee.</p> |
| <p>Recommendation 7.4</p> <p>A listed entity should disclose whether it</p> | <p>Yes</p> | <p>The Company's Risk Management Policy details the Company's risk</p> |

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| <p>has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | | <p>management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (where appropriate).</p> |
| <p>PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY</p> | | |
| <p>Recommendation 8.1 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>No</p> | <p>(a) The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a remuneration committee.</p> <p>(b) The Board devotes time annually to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> |
| <p>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.</p> | <p>Yes</p> | <p>The Company's policies and practices regarding the remuneration of non-executive and executive directors and other senior employees are set out in its Remuneration Policy, a copy of which is available on the Company's website.</p> <p>Non-executive directors are remunerated at a fixed fee for time and may receive equity-based remuneration, subject to shareholder approval, where the Company believes the issue of securities will align the interests of the Company's non-executive Directors with those of shareholders. There are no documented agreements providing for</p> |

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| | | <p>termination or retirement benefits to non-executive directors.</p> <p>Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Performance incentives may include performance bonus payments, shares and / or other appropriate equity securities granted at the discretion of the Board and subject to obtaining the relevant approvals.</p> |
| <p>Recommendation 8.3</p> <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> | Yes | <p>(a) The Company has an employee incentive scheme. The Remuneration Committee is also responsible for granting permission, on a case by case basis, for scheme participants to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Scheme.</p> <p>(b) The Company's policy in this regard is set out the Company's Remuneration Committee Charter, a copy of which is available on the Company's website.</p> |
| <p>Recommendation 9.1</p> <p>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.</p> | N/A | |
| <p>Recommendation 9.2</p> <p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p> | N/A | |
| <p>Recommendation 9.3</p> <p>A listed entity established outside Australia, and an externally managed</p> | N/A | |

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| 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. | | |
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