

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Advanced Braking Technology Limited

ABN / ARBN:

66 099 107 623

Financial year ended:

30 June 2019

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: www.advancedbraking.com/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 30 September 2019 and has been approved by the Board.

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

Date: 30 September 2019

Name of Director or Secretary authorising lodgement:



Kaitlin L Smith

Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at www.advancedbraking.com/corporate-governance	<input type="checkbox"/> an explanation why that is so 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 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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.

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
<p>1.5 A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at www.advancedbraking.com/corporate-governance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so 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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so 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>1.7 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>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so 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>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 2 - STRUCTURE THE BOARD TO 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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so 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 and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so 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>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, 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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in the Directors' Report of the Annual Report 2019</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so 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 provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
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.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input checked="" type="checkbox"/> at www.advancedbraking.com/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.advancedbraking.com/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at Directors' Report of the Annual Report 2019</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p>	<p><input type="checkbox"/> an explanation why that is so 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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – 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.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so 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.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at www.advancedbraking.com/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.advancedbraking.com/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>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.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so 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>... separately our remuneration 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"/> at Directors' Report of the Annual Report 2019</p>	<p><input type="checkbox"/> an explanation why that is so 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>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement and</p> <p><input checked="" type="checkbox"/> at www.advancedbraking.com/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



Corporate Governance Statement

For the period ended 30 June 2019

The Board of Directors of Advanced Braking Technology Limited ('ABT') aims to achieve appropriate standards of corporate governance and has established corporate governance policies and procedures, where practicable, consistent with the ASX Corporate Governance Council's *'Corporate Governance Principles and Recommendations – 3rd Edition'* (ASX Principles or Recommendation), which became effective on 1 July 2014. The Corporate Governance Council has published the 4th Edition which becomes effective for ABT on 1 July 2020.

In ensuring appropriate standard of ethical behaviour and accountability, the Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the above ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the ASX Recommendations, including those that comply with best practice and which unless otherwise stated, were in place during the whole of the period to the date of this statement.

Details have been included in this statement setting out the ASX Best Practice Recommendations with which the Company has and has not complied in the reporting period. This Corporate Governance Statement has been approved by the Board on 30 September 2019.

Details of the Company's corporate governance practices in the relevant reporting period are set out below.

Principle 1

Lay solid foundations for management and oversight

1.1 Roles and Responsibilities of the Board and Management - followed

The Board is governed by:

- the Corporations Act 2001,
- its formal constitution, and
- by the ASX Listing Rules.

The Board's primary role is to set policy regarding the affairs of the Company for the protection and enhancement of long-term shareholder value.

The primary responsibilities of the Board are set out in a Board Charter and written policy and include:

- Providing leadership to the Company;
- Overseeing the development and implementation of strategy;
- Ensuring corporate accountability to shareholders primarily through adopting an effective shareholder/stakeholder communications policy;
- Overseeing the control and accountability systems that ensure the company is progressing towards the goals set by the board and in line with the company's purpose, the agreed corporate strategy, legislative requirement and community expectations;



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For the period ended 30 June 2019

- Ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- Being responsible for the company's chief executive officer and senior management and personnel including:
 - Directly managing the CEO, including appointment, removal, annual reviews of performance, overseeing the development of the CEO.
 - Ratifying the appointment, the terms and conditions of the appointment and, where appropriate, the removal of the company secretary and other senior managers.
 - Oversight of annual senior executive performance reviews.
 - Ensuring that an appropriate succession plan for the CEO, CFO, company secretary and other senior managers.
 - Ensuring appropriate human resource systems (including WHS systems) are in place to ensure the well-being and effective contribution of all employees.
 - Promoting diversity within all levels of the company.
- Delegating appropriate powers to the CEO, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- Making all decisions outside the scope of these delegated powers.

The Board evaluates this policy on an ongoing basis.

The primary responsibilities of the Management are:

- Operating the Company in accordance with the powers delegated by the Board to Management, as defined by the Company's financial delegation policy;
- Implementing the strategic objectives of the Company;
- Operating within the risk appetite set by the Board; and
- Providing the Board with accurate, timely and clear information.

1.2 a) Undertaking appropriate checks before appointment - followed

The Board is primarily responsible for identifying potential new Directors but has the option to use an external consulting firm to identify and approach possible new candidates for Directorship. The Directors may at any time appoint a person to be a Director, but the total number of Directors may not at any time exceed the maximum number specified in the Constitution of the Company (currently nine) and any Director so appointed holds office only until the next following Annual General Meeting when they are eligible for re-election. The Board undertakes appropriate background checks and requires existing and potential directors to provide evidence of their qualifications, police clearances and solvency checks.

1.2 b) Providing security holders with all material information for director election or re-election - followed

The Company provides security holders with all material information relevant to a decision on whether or not to elect or re-elect a director by disclosing details of a director's skills, experience and qualifications in the Annual General Meeting notice of meeting, dealing with director election or re-election. Further, the Company provides all material information in profiles of the Company's directors on the Company's website. Refer to www.advancedbraking.com/board-management



Corporate Governance Statement

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1.3 Written agreements of appointment for directors and senior executives - followed

The roles and responsibilities of Directors have been formalised in letters of appointment which each Director has entered in to. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relation to committee work or any other special duties attaching to the position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, and insurance and indemnity entitlements

The Company appoints senior executives via the execution of an Executive Employment Contract. The contract terms of senior executives, who are Key Management Personnel, are summarised in the Remuneration Report on Page 15 of the Company's 2019 Annual Report.

1.4 Company Secretary - followed

The Company Secretary is accountable to the Board through the Chairman on all matters relating to the proper functioning of the Board. All directors have access to the Company Secretary.

The appointment or removal of the Company Secretary is a matter for the Board. Details of the Company Secretary's experience and qualifications are set out on page 11 of the Company's 2019 Annual Report.

1.5 Diversity policy – not followed

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. Accordingly, the Company has established a diversity policy which is provided to all staff with responsibility for recruitment.

This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives as positions become vacant and appropriately qualified candidates become available:

	Actual 2019		Objectives 2020	
	No.	%	No.	%
Women on the Board	1	25	1	25
Women in senior executive positions	1	20	1	20
Women employees in the Company	4	19%	5	25%

However, given the size of the Company, the scale of its operations and workforce, the Board is of the view that measurable objectives for achieving gender diversity are not required or practical at this time. As vacancies become available within the organisation the Company undertakes recruitment processes to ensure an appropriately diverse candidate pool is available to select successful applicants based on appropriate skills,



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experience and qualifications. As the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.

The Company's diversity policy is available to be viewed on the Company's website. Refer to www.advancedbraking.com/corporate-governance

1.6 Board and Director performance evaluation – followed

The performance of all Directors is assessed through review by the Board as a whole. A Director's attendance at and involvement in Board meetings and committee meetings, the Director's contribution and other matters identified by the Board or other Directors are taken into consideration. The Directors undertake a written and verbal evaluation, with specified criteria, of the Board and meeting as a standing agenda item at the Company's Board meetings. Significant issues are actioned by the Chairman or as required, the full Board.

The Company has conducted a performance evaluation of the Board, its committees and members of the Board during the reporting period to 30 June 2019, in accordance with the process described above.

1.7 Performance evaluation of senior executives - followed

The Board has delegated the operation and administration of the group to the Chief Executive Officer and the senior executive team. Their performance is assessed formally by the Board on an annual basis both subjectively and by measuring performance against Key Performance Indicators. Performance evaluations were completed in 2019 in accordance with the policy.

Principle 2

Structure Board to add value

2.1 Nomination committee – not followed

The Company has a Remuneration and Nomination Committee ('Committee') that undertakes the role of the nomination committee. The Remuneration and Nomination Committee has an informal charter and is in the process of formalising the charter.

The role of the Committee is to assist the Board in ensuring that the Board comprises directors with a range and mix of attributes appropriate for achieving its objective. The Committee assists the Board by:

- reviewing the skills and expertise of directors and identifying potential deficiencies;
- identifying suitable candidates for the Board, with the assistance of independent recruiting agencies;
- overseeing Board and Director reviews; and
- establishing succession planning arrangements.

During the year ended 30 June 2019, the Remuneration and Nomination Committee consisted of all four Non-Executive Directors the majority of whom are independent directors, with Mr Mark Lindh as the Committee Chair who is an independent director.



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The Directors' qualifications and their attendance at meetings of the committee are included in the Directors' report of the Company's 2019 Annual Report.

The Committee held three meetings during the year ended 30 June 2019 and no new directors were appointed during the period.

2.2 Board skills matrix - followed

The following table outlines the experience and skills of the Board.

Experience Skills and Attributes	Board	Audit, Governance and Remuneration
Total non-executive directors	4	4
Experience		
Corporate Leadership – Successful experience in CEO and/or other corporate leadership roles	3	3
Resource Industry Experience – Relevant industry (Engineering) experience	3	3
Other Board level experience – Membership of other listed entities (last 3 years)	2	2
Knowledge and skills		
Strategy	4	4
Governance	4	4
Capital Raising	4	4
Risk and Compliance	4	4
Mergers and Acquisitions	4	4
Tertiary qualifications	4	4
Economics, law, commerce and/or business	4	4
Public Accounting	1	1
Gender		
Female	1	1
Male	3	3

2.3 Independent Directors – followed

The Board of Directors are considered to be independent when they are independent 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 exercise of their unfettered and independent judgment. In the context of director independence, "materiality" is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.



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Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangement governing it and other factors that point to the actual ability of the director in question to shape the direction of the Company's loyalty.

The ASX Corporate Governance Council identifies factors relevant to assessing the independence of a director. These include:

- the length of service of each director;
- employment in an executive capacity by the entity;
- has a material business relationship or is a provider of material professional services to the entity;
- is a substantial shareholder of the entity;
- has a material contractual relationship with the entity; or
- a close family tie with any person within any of the categories described above.

In accordance with the definition of the independence above, and the materiality threshold set, refer to below for the assessment of independence of each Director of Advanced Braking Technology Ltd:

Name	Position	Appointment Date	Independence
Ms Dagmar Parsons	Non-Executive Director & Chairman	22 April 2018	Independent
Mr David Slack	Non-Executive Director	9 September 2009	Not independent
Mr Adam Levine	Non-Executive Director	9 April 2013	Independent
Mr Mark Lindh	Non-Executive Director	27 June 2017	Independent

Mr David Slack is not considered to be independent as he is a substantial shareholder of the Company with a 14% relevant interest in ordinary shares and is a convertible note holder of the Company, holding a value of \$500,000 representing approximately 30% of the convertible notes on issue.

Independent professional advice

With the prior approval of the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

2.4 Composition of the Board - followed

As per the assessment of Director independence above, the majority of the Board are independent, Non-Executive Directors.

2.5 The Chairman - followed

The Board requires that the Chairman be an independent director and that the role of Chairman of the Board is separate from that of the Chief Executive officer who is responsible for the day to day management of the Company. The role of the Chairman has been fulfilled by Ms Dagmar Parsons, who is an independent Director and the role of Chief Executive Officer has been fulfilled by Mr John Annand during the majority of the financial year ended 30 June 2019.



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2.6 Board induction and professional development - followed

An induction process including appointment letters exists to promote early, active and relevant involvement of new members of the Board. All ABT directors are encouraged to further their knowledge through ongoing professional development through professional industry, governance and government bodies.

Principle 3

Act ethically and responsibly

3.1 Code of conduct - followed

The Company aims for an appropriate standard of corporate governance and ethical conduct by Directors and employees.

All directors have signed agreements with the Company which require them to comply with all the obligations of a director under the Corporations Act 2001. Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter, subject to the discretion of the Board.

All Directors are required to provide the Company with details of all securities registered in the Director's name or an entity in which the director has a relevant interest.

Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. The Corporations Act also prohibits the acquisition and disposal of securities where a person possesses information that is not generally available, and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available.

The Company has a code of conduct for Directors, senior executives and employees. A copy of the code is available on the Company's website. Refer to www.advancedbraking.com/corporate-governance.

Principle 4

Safeguard integrity in financial reporting

4.1 Audit committee – followed

The Audit Committee consists of all four Non-Executive Directors, the majority of whom are independent directors, with Mr Adam Levine as the Committee Chair, who is an independent director. The Audit Committee has a formal charter, which is available on the Company's website. Refer to; www.advancedbraking.com/corporate-governance



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Meetings are held as required between the Audit Committee, the Company's Chief Executive Office, the Financial Controller and the Auditors to discuss the Company's ongoing activities and to discuss, where appropriate, any proposed changes prior to their implementation and to seek advice in relation thereto.

The Board has no formal procedures for the selection, appointment or rotation of its external auditor but reviews this matter on an ongoing basis and implements changes as required.

The Committee held four meetings during the year ended 30 June 2019. For the relevant qualifications and experience of members of the Audit Committee and their attendances at meetings refer to the Directors' report, in the 2019 Annual Report.

4.2 CEO and CFO financial statements declaration - followed

The person who performs the Chief Executive Officer and Chief Financial Officer roles are required to provide written declarations under s295A of the Corporations Act 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.

Both the Chief Executive Officer, John Annand and the Financial Controller, Paige Exley have provided their declarations to the Board in relation to the 2019 Annual Report.

4.3 External Auditor attendance at AGM - followed

The external auditor of the Company is invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Principle 5

Making timely and balanced disclosure

5.1 Continuous disclosure policy – followed

The Company has in place a continuous disclosure policy, a copy of which is provided to all Company officers and employees who may from time to time be in the possession of undisclosed information that may be material to the price or value of the Company's securities.

The continuous disclosure policy aims to ensure timely compliance with the Company's continuous disclosure obligations under the Corporations Act 2001 (Cth) and ASX Listing Rules and ensure officers and employees of the Company understand these obligations. The procedure adopted by the Company is essentially that any information which may need to be disclosed must be brought to the attention of the Chairman, who in consultation with the Board (where practicable) and any other appropriate personnel, will consider the information and whether disclosure is required and prepare an appropriate announcement.



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At least once in every 12 month period, the Board will review the Company's compliance with this continuous disclosure policy and update it from time to time, if necessary.

Principle 6

Respect the rights of shareholders

6.1 Information on website - followed

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and aims to ensure that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.

The Company website contains names, photographs and profiles of its directors and senior executives. Refer to www.advancedbraking.com/board-management

The Company website also has a corporate governance page which provides access to the Company's constitution, Board and Committee charters, corporate governance policies and statements. Refer to www.advancedbraking.com/corporate-governance

6.2 Investor relations program – not followed

Due to the size of the Company, the Board does not believe that a documented or formalised investor program is required. However, the Company actively engages with investors at the Annual General Meeting and General Meetings, provides periodic operational updates to the market and responds to enquiries made from time to time.

Information is communicated to Shareholders as follows:

- as the Company is a disclosing entity, regular announcements are made to the Australian Securities Exchange in accordance with the Company's continuous disclosure policy, including quarterly cash flow reports, half-year audit reviewed accounts, year-end audited accounts and an Annual Report;
- the Board ensures the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments;
- any proposed major changes in the Company's affairs are submitted to a vote of Shareholders, as required by the Corporations Act 2001;
- the Board encourages full participation of Shareholders at the Annual General Meeting to ensure a high level of accountability and identification of the Company's strategies and goals. All Shareholders who are unable to attend these meetings are encouraged to communicate or ask questions by writing to the Company; and
- the external auditor is requested to attend the annual general meetings to answer any questions concerning the audit and the content of the auditor's report.

The Board reviews this policy and compliance with it on an ongoing basis.



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6.3 Security holder participation at meetings – followed

The Board encourages full participation of shareholders at the Annual General Meeting and general meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the Shareholders as single resolutions and Shareholder discussion of the resolutions is encouraged.

6.4 Electronic security holder communications - followed

The Board aims to ensure that Shareholders are given the opportunity to engage with the Company as conveniently as possible. Shareholders are able to receive communications from the Company electronically via the Company's share registry, Computershare Investor Services. Shareholders are also able to contact the Company via its public email address info@advancedbraking.com and the share registry via its online portal, Investor Centre – Australia. Refer to www-au.computershare.com/Investor

Principle 7

Recognise and manage risks

7.1 Risk committee – followed

Advanced Braking Technology is committed to the proactive management of risks and opportunities through the development of a strong culture and the implementation of practical risk management frameworks and processes across all structures, functions and operational activities.

The Audit Committee deals with Board matters of Audit, Finance and Risk and consists of four Non-Executive Directors, the majority of whom are independent. On 15 August 2017, the membership of the Audit Committee became; Mr Adam Levine - Chairman, Ms Dagmar Parsons - Member, Mr David Slack – Member, Mr Mark Lindh - Member.

Meetings are held as required by the Audit Committee to discuss the Company's ongoing risk activities and to discuss, where appropriate, any proposed changes prior to the risk management framework and implementation and to seek advice in relation thereto. During the period the Audit Committee held four meetings. For the relevant qualifications and experience of members of the Audit Committee and their attendances at meetings refer to the Directors' report, in the 2019 Annual Report.

The Audit Committee's charter is available on the Company's website. Refer to www.advancedbraking.com/corporate-governance

7.2 Risk assessment and management - followed

The Company's maintains a risk management framework in accordance with its risk management policy. The Company's policies, registers and practices are designed to identify and manage significant business risks, including:

- regular budgeting and financial reporting;



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- procedures and controls to manage financial exposures and operational risks;
- the Company's business plan;
- corporate strategy guidelines and procedures to review and approve the Company's strategic plans; and
- insurance and risk management programmes which are reviewed by the Board.

The Board reviews these systems and the effectiveness of their implementation annually and considers the management of risk at its meetings. The Company's management has reported to the Board on the effectiveness of the Company's management of its material business risks. The Company's risk profile is reviewed annually. The Board may consult with the Company's external Auditors on external risk matters or other appropriately qualified external consultants on risk generally, as required. A review of the risk management framework has occurred during the period.

The Board receives regular reports (monthly) about the financial condition and operating results of the consolidated group. The Chief Executive Officer and the Chief Financial Officer annually provide a formal statement to the Board that in all material respects and to the best of their knowledge and belief:

- the Company's financial reports present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and
- the Company's risk management and internal control systems are sound, appropriate and operating efficiently and effectively.

7.3 Internal Audit function – not followed

The Company does not have an internal audit function and does not believe that the size and nature of the Company warrants establishment of said function at this time.

Procedures have been established at the Board and Management levels that are designed to safeguard the assets and interests of the Company, and to ensure the integrity of reporting. These include accounting, financial reporting and internal control policies and procedures. To achieve this, the Non-Executive Directors perform the following procedures:

- ensure appropriate follow-up of significant audit findings and risk areas identified;
- review the scope of the external audit to align it with Board requirements; and
- conduct a detailed review of published accounts.

7.4 Economic, environmental and social risks – followed

The Board recognises that there are inherent risks associated with the Company's operations. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. Reports in relation to the Company's management of its material business risks are presented to the Board in the CEO report. The Board and Management do not consider that the entity has any material exposure to economic, environmental or social sustainability risks and has similar operating risks to any other business developing and producing braking systems.



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Principle 8

Remunerate fairly and responsibly

8.1 Remuneration committee – followed

The Company has a Remuneration and Nomination Committee ('Committee') that undertakes the role of the remuneration committee. The Remuneration and Nomination Committee has an informal charter and is in the process of formalising the charter. The role of the remuneration committee is to assist the Board in the general application of the remuneration policy. In doing so, the remuneration committee is responsible for:

- developing remuneration policies for Directors and Key Management Personnel, with the assistance, as necessary, of independent external consultants;
- reviewing Key Management Personnel remuneration packages annually and, based on these reviews, making recommendations to the Board on remuneration levels for Key Management Personnel; and
- assisting the Chair in reviewing KMP performance and reporting to the Board on Key Management Personnel performance.

During the year ended 30 June 2019, the Remuneration and Nomination Committee consisted of all four Non-Executive Directors the majority of whom are independent directors, with Mr Mark Lindh as the Committee Chair who is an independent director.

The Directors' qualifications and their attendance at meetings of the committee are included in the Directors' report of the Company's 2019 Annual Report. The Committee held three meetings during the year ended 30 June 2019.

8.2 Executive and Non-Executive remuneration policy - followed

Details of the Company's remuneration policies are included in the Directors' Report of the 2019 Annual Report.

Non-Executive Directors will be remunerated by cash director's fees or share benefits alone and will not be provided with retirement benefits, other than statutory superannuation contributions. Executive Directors and Executives may be remunerated by both fixed remuneration and equity performance based remuneration plus statutory superannuation contributions but no termination payments will be agreed other than a reasonable period of notice of termination as detailed in the executive's employment contract.

8.3 Equity-based remuneration scheme –followed

The Company does have an equity-based remuneration scheme and Employee Share scheme approved by shareholders in 2016. The Company has a policy that participants are not permitted to enter into transactions which limit the economic risk of participating in the scheme.

A copy of the Company's securities trading policy is available on the Company's website. Refer to www.advancedbraking.com/corporate-governance