



Holdings Limited

ACN 131 090 947

Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

In line with the above, the Board has set out the way forward for the Company in its implementation of its Principles of Good Corporate Governance and Recommendations. The approach taken by the board was to set a blueprint for the Company to follow as it introduces elements of the governance process. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the recommendations approved via the board charter. Where the Company has not adhered to the recommendations it has stated that fact in this Corporate Governance Statement however has set out a mandate for future compliance when the size of the Company and the scale of its operations warrants the introduction of those recommendations. Date of last review and Board approval: 1 November 2019.

Principle / Recommendation	Compliance	Website / Annual Report Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
<u>Recommendation 1.1</u> 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.	Yes	Website: Board Charter & Code of Conduct	<p>To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience have been stated in the Directors' Report of the 2019 Annual Report. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment.</p> <p>The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out those delegated duties.</p>

			<p>In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors.</p> <p>In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.</p> <p>Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.</p> <ul style="list-style-type: none"> • Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board. • Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company. • Overseeing Planning Activities: the development of the Company’s strategic plan. • Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company as well as ensuring timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. • Monitoring, Compliance and Risk Management: the development of the Company’s risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company. • Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting along with ensuring the integrity of the Company’s financial and other reporting. • Human Resources: reviewing the performance of Executive Officers and monitoring the performance of senior management in their implementation of the Company’s strategy. • Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company’s occupational health and safety systems to ensure the well-being of all employees. • Delegation of Authority: delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board. • Monitoring the effectiveness of the Company’s corporate governance practices.
--	--	--	---

			Full details of the Board and Company Secretary roles and responsibilities are contained in the Board Charter.
<p><u>Recommendation 1.2</u> 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 in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	No	Director Selection Procedure (internal document)	<p>Proposed directors are considered for appointment based on their experience. Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. In addition, Directors should have the relevant blend of personal experience in:</p> <ul style="list-style-type: none"> • Accounting and financial management; and • Director-level business experience. <p>The Board will undertake appropriate background checks prior to the appointment of a new director.</p> <p>Information regarding each director to be elected or re-elected will be set out in the current year annual report. Where this is not possible, sufficient information will be included in the notice of annual general meeting sent to shareholders.</p>
<p><u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	No	Kept at registered office	<p>The Company has not entered into a written agreement with each director setting out the terms of their appointment. However the board is currently drafting written agreements to include term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations.</p> <p>Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.</p>
<p><u>Recommendation 1.4</u> 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	Website: Board Charter	<p>The company secretary works closely with the board Chairman but is also available to each board member and each board member available to the company secretary.</p> <p>The company secretary is accountable to the board. The board relies on the company secretary for guidance on governance matters, monitoring of board policies, preparation of board papers and any other matters required by the board.</p> <p>The duties provided by the company secretary are detailed in the agreement between the company and MMR Corporate Services Pty Ltd, the company providing company secretarial services.</p> <p>Full details of the board and company secretary roles and responsibilities are contained in the Board Charter.</p>

<p><u>Recommendation 1.5</u> 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>	No		<p>The Company does not have a formal policy on diversity and has not established or reported measurable objectives for achieving gender diversity.</p> <p>The Company makes its appointment decisions based on merit, by assessing whether a person's skills and experience are appropriate for particular roles. It does not discriminate based on gender, age, ethnicity or cultural background.</p> <p>Given the Company's size and stage of development, it does not believe that a formal diversity policy will provide any measurable benefit to the Company that is not already provided by its existing practices in this area. However, as the Company's operations develop, it will reconsider the adoption of a formal diversity policy and the setting of measurable objectives for achieving gender diversity.</p> <p>The Company provides the following information regarding gender diversity as at 30 June 2019:</p> <table data-bbox="999 571 1532 724"> <thead> <tr> <th>Category</th> <th>Proportion of females</th> </tr> </thead> <tbody> <tr> <td>Whole organisation</td> <td>Nil</td> </tr> <tr> <td>Senior Executives</td> <td>Nil</td> </tr> <tr> <td>Board</td> <td>Nil</td> </tr> </tbody> </table>	Category	Proportion of females	Whole organisation	Nil	Senior Executives	Nil	Board	Nil
Category	Proportion of females										
Whole organisation	Nil										
Senior Executives	Nil										
Board	Nil										

<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>a)</p>	<p>Yes</p>	<p>Board Performance Evaluation Procedure (Internal document)</p>	<p>It is the policy of the Board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company.</p> <p>During the financial year no formal evaluation of the performance of the board and its members was carried out. As the Company progresses its activities, a review of board performance will be undertaken at an appropriate time.</p> <p>However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company’s status as a listed entity are in place.</p>
<p><u>Recommendation 1.7:</u> 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>No</p>	<p>N/A</p>	<p>During the financial year there was no formal evaluation of individual senior executives. Refer Recommendation 1.6 above.</p> <p>The board will establish a formal policy when appropriate.</p>
<p>Principle 2: Structure the board to add value</p>			
<p><u>Recommendation 2.1</u> 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</p>	<p>Yes</p>	<p>Nomination Committee Charter (Internal document)</p>	<p>The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.</p> <p>The Company does not have a separate Nomination Committee but the board as a whole employs the processes and procedures set out in the Nomination Committee Charter which is summarised below. However, during the year the board did not meet as the Nomination Committee.</p>

<p>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>Should the Company circumstances change to warrant a separate Nomination Committee, one will be established.</p> <p>The responsibilities of the Nomination Committee (or the board convening as the Nomination Committee) include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as directors for review by the Board. The Nomination Committee also oversees management succession plans including the Managing Director and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of directors. Matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice are clearly understood by all directors, who are experienced public company directors.</p> <p>In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next annual general meeting.</p>
<p>Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>Skills Matrix (Internal document)</p>	<p>The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages.</p> <p>The skill areas of the board are relevant to the current operations of the company and collectively include CEO/CFO/COO experience; legal; corporate governance; risk management; strategy; accounting and finance; technology; and marketing.</p> <p>As the Company's operations progress, the Company will reassess any skills gaps and address them through the identification of suitable candidates and professional development.</p>

<p><u>Recommendation 2.3</u> 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>Yes</p>	<p>Website: Board Charter</p>	<p>The Company has concluded that each of the current non-executive directors is independent based on an assessment of the following criteria. The board considers Messrs Ted Tzovaras and John Tomaras to be independent directors.</p> <p>The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. An Independent Director:</p> <ol style="list-style-type: none"> 1. is a Non-Executive Director, and; 2. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment; 3. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided; 4. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; 5. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; 6. has no material contractual relationship with the Company or other group member other than as a Director of the Company; 7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; 8. is free from any close family ties with any person who falls within the categories described above; and 9. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company. <p>Materiality for the purposes of points 1 to 9 above is determined on the basis of both quantitative and qualitative aspects with regard to the independence of Directors. An amount over 5% of the Company's expenditure or 10% of the particular director's annual gross income is considered to be material. A period of more than six years as a Director would be considered material when assessing independence.</p> <p style="text-align: center;">-</p>
---	------------	-----------------------------------	--

<u>Recommendation 2.4</u> A majority of the board of a listed entity should be independent directors.	Yes	N/A	The Board has a majority of Directors who are independent.
<u>Recommendation 2.5</u> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	N/A	The Chairman is not an independent director. The Company does not currently have a CEO.
<u>Recommendation 2.6</u> 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.	Yes	Director Induction Program & Ongoing Education Framework (Internal documents)	<p>It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations and relevant health and safety information.</p> <p>Information conveyed to new Directors includes:</p> <ul style="list-style-type: none"> • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate Governance Statement, board charter and policies; and • a copy of the Constitution of the Company. <p>In order to achieve continuing improvement in board performance, all Directors are encouraged to undergo continual professional development. The board has implemented an Ongoing Education Framework.</p>
Principle 3: Act ethically and responsibly			
<u>Recommendation 3.1</u> 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.	Yes	Website: Code of Conduct	<p>As part of its commitment to recognising the interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.</p> <p>A copy of the Code of Conduct is published on the Company website.</p>
Principle 4: Safeguard integrity in corporate reporting			
<u>Recommendation 4.1</u> The board of a listed entity should: (a) have an audit committee which:	Yes	Website: Audit Committee Charter	The Company does not have a separate Audit Committee but the board as a whole undertakes the processes and procedures set out in the Audit Committee Charter. The responsibilities of the Audit Committee (or the board convening as the Audit Committee) are published on the Company website.

<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</p> <p>5) experience of the members of the committee; and</p> <p>6) 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>However, during the year the board did not meet as the Audit Committee.</p> <p>Should the Company circumstances change to warrant a separate Audit Committee, one will be established.</p>
---	--	--	---

<p><u>Recommendation 4.2</u> 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>	Yes	Kept at registered office	The declaration by the CEO and CFO in accordance with section 295A of the Corporations Act is provided to the board prior to approval of the financial statements.
<p><u>Recommendation 4.3</u> 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.</p>	Yes	N/A	In accordance with Section 250RA for the Corporations Act 2001, the external auditor is required to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure			
<p><u>Recommendation 5.1</u> 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.</p>	Yes	Website: Continuous Disclosure Policy	<p>The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.</p> <p>In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.</p> <p>A copy of the Company's Continuous Disclosure Policy is published on the website.</p>
Principle 6: Respect the rights of security holders			
<p><u>Recommendation 6.1</u></p>	Yes	Website:	The Company provides information on its website including director information, ASX announcements, product information, corporate governance policies and its constitution.

A listed entity should provide information about itself and its governance to investors via its website.		Shareholder Communication Policy	The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.
<u>Recommendation 6.2</u> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	N/A	Refer Recommendation 6.1. The Company communicates effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company. Should the future operations of the Company require a formal investor relations program, one will be established.
<u>Recommendation 6.3</u> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Website: Shareholder Communication Policy	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in general meetings of the Company and ensuring the attendance of the external auditor at the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report of future Annual Reports.
<u>Recommendation 6.4</u> A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Website: Shareholder Communication Policy	All new shareholders receive correspondence will allows they to elect to receive communications electronically. An election form is also sent to all shareholders periodically. Additionally, a shareholder can, at any time, contact the share registry to make this election.
Principle 7: Recognise and manage risk			
<u>Recommendation 7.1</u> The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee;	Yes	Website: Risk Committee Charter	The role of a Risk Committee is to help the board recognise and manage risk. The Company does not have a separate Risk Committee but the board as a whole employs the processes and procedures set out in the Risk Committee Charter which is summarised below. However, during the year the board did not meet as the Risk Committee. Should the Company circumstances change to warrant a separate Risk Committee, one will be established. The responsibilities of a Risk Committee (or the board convening as the Risk Committee) are set out in the Risk Committee Charter published on the Company website. The objectives of the Company's Risk Management Strategy are to identify risks to the Company; balance risk to reward; ensure regulatory compliance is achieved; and ensure senior executives, the Board and investors understand the risk profile of the Company.

<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>The Board monitors risk through various arrangements including regular Board meetings; share price monitoring; market monitoring; and regular review of financial position and operations.</p>
<p><u>Recommendation 7.2</u></p> <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>	No	N/A	<p>Given the change in operations of the Company during the year, the board has not undertaken a review of the risk management framework.</p>
<p><u>Recommendation 7.3</u></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</p>	Yes	N/A	<p>The Company does not have an internal audit function due to its size and limited current operations.</p> <p>Risks and internal controls are continuously monitored by all directors through numerous mechanisms such as weekly review of the cash and creditor position and quarterly board meetings.</p>

evaluating and continually improving the effectiveness of its risk management and internal control processes.			
<u>Recommendation 7.4</u> 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.	Yes	N/A	The Company does not have any material exposure to economic, environmental or social sustainability risks. The Company however, continues to closely monitor its cash position to early identify any economic risks that could arise.
Principle 8: Remunerate fairly and responsibly			
<u>Recommendation 8.1</u> The board of a listed entity should: <ol style="list-style-type: none"> a) have a remuneration committee which: <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: <ol style="list-style-type: none"> 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a remuneration committee, 	Yes	Website: Remuneration Committee Charter	The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate and transparent process for establishing remuneration levels and incentive policies for employees. The Company does not have a separate Remuneration Committee but the board as a whole employs the processes and procedures set out in the Remuneration Committee Charter which is summarised below. However, during the year the board did not meet as the Remuneration Committee. Should the Company circumstances change to warrant a separate Remuneration Committee, one will be established. The responsibilities of a Remuneration Committee (or the board convening as the Remuneration Committee) are set out in the Risk Committee Charter published on the Company website. Full details regarding the remuneration of Directors has been included in the Directors' Report of the 2019 Annual Report.

<p>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><u>Recommendation 8.2</u> 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>	N/A	N/A	Refer to the Remuneration Report section of the 2019 Annual Report.
<p><u>Recommendation 8.3</u> A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> 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. 	N/A	N/A	The Company does not have an equity-based remuneration scheme.