

HJB CORPORATION LIMITED (HJB) – CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out HJB Corporation Limited's (**the Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**the ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the ASX Principles and Recommendations.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
1.1. Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	<p>The Company's board of directors (the Board) is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> (a) maintain and increase Shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> (a) developing initiatives for profit and asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the Shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. <p>The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate</p>

		<p>Directors' participation in Board discussions on a fully-informed basis.</p> <p>It is expected that the division of responsibility of the Board and senior executives will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.</p>
1.2. Companies should undertake appropriate checks before appointing a person for election as a director, and provide securityholders with all material information relevant to a decision on electing a director.	Yes	<p>The Company undertakes backgrounds checks with regards to the person's character, experience and education prior to nomination for election as a director. Any material adverse information revealed by these checks is released to securityholders prior to the General Meeting at which they are able to be elected.</p> <p>When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the securityholders in the Company.</p>
1.3. Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	<p>Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts setting out the terms of their appointment. These set out the relevant terms by which they will be involved in the Company.</p>
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.	Yes	<p>The company secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.</p>
1.5. Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving	No	<p>The Company has not found it necessary to create a diversity policy or to annually report on measurable objectives with respect to achieving gender diversity. It will remain committed to ideals of gender diversity.</p> <p>As the Company develops, the Board intends to review its</p>

<p>them. The results should be disclosed annually.</p>		<p>practices, and if deemed necessary in the future, the Board may consider adopting a policy.</p>
<p>1.6. Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.</p>	<p>No</p>	<p>Due to the fact that the Company is only in the early stages of its restructure, there is currently no separately constituted remuneration committee in the Company.</p> <p>The remuneration of an executive director will be decided by the Board, without the affected executive Director participating in that decision-making process. There are currently two executive Directors on the Board.</p> <p>In accordance with clause 13.8 of the Company's Constitution, the total maximum remuneration of non-executive Directors is currently set at \$500,000. The determination of non-executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.</p> <p>Such information is available in several publicly available forums such as ASX announcements.</p> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider putting in a process for evaluating the performance of the Board, its committees and individual Directors.</p>
<p>1.7. Companies should disclose the process for evaluating the performance of senior executives.</p>	<p>No</p>	<p>The Board and senior management team will regularly review the performance of its senior executives and address any issues that may emerge. However, given the current size of the Company, the Board does not consider that disclosure of the process of evaluating the performance of senior executives is necessary.</p>

		As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider disclosing the process for evaluating the performance of senior executives.
2. Structure the board to add value		
2.1. The board should establish a nomination committee.	No	No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if required), has been committed to by the Board.
2.2. Companies should disclose a board skills matrix.	No	The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principle criterion for the appointment of new Directors is their ability to add value to the Company and its business. In light of this, it has not been deemed necessary to create a formal document outlining the particular skills of the existing Board.
2.3. Companies should disclose the names of the directors considered to be independent, interests, positions and associations that might cause doubts as to the independence of a director and the length of service of each director.	No	The Board ensures that each Director is not able to be significantly adversely influenced by the operations of the company by ensuring a diverse range of backgrounds. Information with respect to potential issues of independence may be disclosed to the market but no formal policy exists to ensure such disclosure.
2.4. A majority of the board should be independent directors.	No	The Board has reviewed the position and associations of each of the four Directors in office and has determined that none of the Directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Corporate Governance Principles and Recommendations (3 rd Edition), and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other Directors, as appropriate.

		<p>Due to the fact that the Company is only in the early stages of its recapitalization and restructure, there are no independent Directors on the Board. Each of the Directors in office are essential to the success of the Company at this stage of its restructure.</p> <p>As the Company develops, the Board intends to review the composition of the Board.</p>
2.5. The chair should be an independent director and should not also exercise the role of chief executive officer.	No	The Company's current Executive Chairman, Mr Mike Hill, does not satisfy the ASX Corporate Governance Principles and Recommendations definition of an independent director, as Mr Hill will be a substantial shareholder of the Company. However, the Board considers Mr Hill's role as Executive Chairman essential to the success of the Company at this stage of its restructure. Mr Hill will not exercise the role of CEO.
2.6. Companies should have a program for inducting new directors.	No	The Company does not have a formal program for inducting new Directors, however the Company takes care in ensuring that Directors will be able to effectively manage and govern the Company before their nomination as potential Directors.
3. Act ethically and responsibly		
3.1. Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity; the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	No	<p>The Board is committed to the establishment and maintenance of appropriate ethical standards. Given the fact that the Company is only in the early stages of its restructure there is currently no official code of conduct in place.</p> <p>As the Company develops the Board intends to review its practices, and if deemed necessary, establish an appropriate code of conduct.</p>
4. Safeguard integrity in corporate reporting		
4.1. The board should establish an audit committee which	No	The Company does not have a separately constituted audit

<p>is structured so that it:</p> <ul style="list-style-type: none"> • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman <p>And should disclose:</p> <ul style="list-style-type: none"> • The charter of the committee • The qualifications of the committee • The number of times the committee meets <p>If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard the integrity of its reporting.</p>		<p>committee due to the fact that the Company is only in the early stages of its restructure. As the Company develops the Board intends to review its practices, and if deemed necessary, establish an audit committee.</p> <p>The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.</p>
<p>4.2. The Board should receive from its CEO and CFO a declaration that in their opinion, the financial records have been properly maintained and comply with the proper standards.</p>	<p>N/A</p>	<p>The Company currently does not have a CEO or CFO.</p> <p>However, the Board has received a declaration from its Executive Chairman that in their opinion, the financial records have been properly maintained and comply with the proper standards.</p>
<p>4.3. A Company should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Yes</p>	<p>An external auditor will be present at the AGM and be available to answer questions from security holders relevant to the audit.</p>
<p>5. Make timely and balanced disclosure</p>		
<p>5.1. Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.</p>	<p>No</p>	<p>Due to the fact that the Company is only in the early stages of its restructure, there are no written policies in place. The Company is however committed to providing relevant up-to-date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act 2001.</p> <p>The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX and shareholders as</p>

		well as providing guidance to directors and employees on disclosure requirements and procedures.
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.	Yes	The Company has recently launched its website http://www.hjbcorporation.com.au/ which contains all relevant information about the Company. The Company will regularly update the website and contents therein as deemed necessary.
6.2. A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	The Company has no investor relations program in place, but ensures that all material information is conveyed to its investors so as to facilitate communication.
6.3. Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	No	Although the Company does not have a formal communications policy in place, all material matters will be disclosed to the market in accordance with the ASX Listing Rules.
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.	Yes	The Company encourages shareholders to register for receipt of announcements and updates electronically.
7. Recognise and manage risk		
7.1. The Board should establish a risk committee, structured so that it: <ul style="list-style-type: none"> • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman And should disclose: <ul style="list-style-type: none"> • The charter of the committee • The qualifications of the committee • The number of times the committee meets 	No	<p>The Company does not have a separately constituted risk committee due to the fact that the Company is only in the early stages of its restructure. As the Company develops the Board intends to review its practices, and if deemed necessary, establish a risk committee.</p> <p>Presently, the Board is responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation as Board meetings.</p>

<p>If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard its risk management procedures</p>		<p>The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity.</p> <p>The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.</p>
<p>7.2. The Board should review the Company's risk management framework at least annually and disclose whether such a review has taken place.</p>	<p>No</p>	<p>Although the Company does not have a separately constituted risk committee, the Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.</p>
<p>7.3. Companies should disclose if they have an internal audit function or the processes it employs for evaluating and improving the effectiveness of its risk management.</p>	<p>No</p>	<p>The Company does not have an internal audit function, and does not disclose the processes it uses to improve risk management. Nonetheless, it remains committed to effective management and control of these factors.</p>
<p>7.4. Companies should disclose whether they have 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>Yes</p>	<p>All material risks are announced to the market, in accordance with the requirements of the ASX listing rules and otherwise.</p>
<p>8. Remunerate fairly and responsibly</p>		
<p>8.1. The Board should establish a remuneration committee, structured so that it:</p> <ul style="list-style-type: none"> • has at least three members • consists only of non-executive directors, a majority of whom are independent directors • is chaired by an independent director who is not the Chairman <p>And should disclose:</p> <ul style="list-style-type: none"> • The charter of the committee • The qualifications of the committee • The number of times the committee meets 	<p>No</p>	<p>As noted in Section 1.6 above, the Company does not have in place a separately constituted remuneration committee due to the size and current operations of the Company.</p>

<p>If no committee satisfying the above exists, it should disclose that fact and the processes it uses to ensure the remuneration of its directors and senior executives is fair and not excessive.</p>		
<p>8.2. Companies should disclose their policies and practices regarding the remuneration of executive directors and other senior executives.</p>	<p>No</p>	<p>The Company has not deemed it necessary to separately disclose its remuneration policies.</p>
<p>8.3. Companies which have an equity-based remuneration scheme should: 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 disclose that policy or a summary of it.</p>	<p>No</p>	<p>Although the Company does not have a formal policy, the Company has a securities trading policy that restricts the trading of the Company's securities by those who have interests in equity based remuneration.</p>