

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

AD1 Holdings Limited

ABN/ARBN

29 123 129 162

Financial year ended:

30 June 2021

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

☐ These pages of our annual report:

☒ This URL on our website:

<https://www.ad1holdings.com.au/investors/>

The Corporate Governance Statement is accurate and up to date as at 30 June 2021 and has been approved by the board.

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

Date: 30 September 2021

Name of authorised officer  
authorising lodgement: Harvey Bui – Company Secretary

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

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

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

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

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

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

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

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

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation                             |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>                                       |
|---|---|--|--|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |   |  |  |
| 1.1   | A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.   | <input checked="" type="checkbox"/><br>and we have disclosed a copy of our board charter at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a>    | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2   | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3   | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4   | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>   |
|---|---|--|--|
| 1.7   | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |  | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |
|---|--|---|---|
| 2.3   | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and<br>(c) the length of service of each director. | <input checked="" type="checkbox"/><br>and we have disclosed the names of the directors considered by the board to be independent directors at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a><br><br>and, where applicable, the information referred to in paragraph (b) at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a><br><br>and the length of service of each director at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a> | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 2.4   | A majority of the board of a listed entity should be independent directors.  | <input type="checkbox"/>  | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5   | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.  | <input checked="" type="checkbox"/>   | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable            |
| 2.6   | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.  | <input checked="" type="checkbox"/>   | <input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable            |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation   |  | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:         | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|--|--|--|
| <b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b> |  |  |  |
| 3.1   | A listed entity should articulate and disclose its values.   | <input checked="" type="checkbox"/><br>and we have disclosed our values at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a>                             | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 3.2   | A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code. | <input checked="" type="checkbox"/><br>and we have disclosed our code of conduct at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a>                    | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 3.3   | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.                                | <input checked="" type="checkbox"/><br>and we have disclosed our whistleblower policy at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a>               | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 3.4   | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.                                | <input checked="" type="checkbox"/><br>and we have disclosed our anti-bribery and corruption policy at:<br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a> | <input type="checkbox"/> set out in our Corporate Governance Statement   |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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



## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                 |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|--|--|
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |   |  |  |
| 5.1   | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.  | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at:<br><br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a>                                   | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 5.2   | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 5.3   | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |   |  |  |
| 6.1   | A listed entity should provide information about itself and its governance to investors via its website.  | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at:<br><br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a>                        | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 6.2   | A listed entity should have an investor relations program that facilitates effective two-way communication with investors.  | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 6.3   | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.  | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at:<br><br><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a> | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| 6.4   | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement   |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation    |  | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|--|--|--|--|
| 6.5  | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.   | <input checked="" type="checkbox"/>  | <input type="checkbox"/> set out in our Corporate Governance Statement   |
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |  |  |  |
| 7.1  | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement  |
| 7.2  | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>  | <p><input type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>.....</p> <p><i>[insert location]</i></p>  | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |  | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|--|---|--|
| 7.3   | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes. | <input type="checkbox"/><br><i>[If the entity complies with paragraph (a):]</i><br>and we have disclosed how our internal audit function is structured and what role it performs at:<br>.....<br><i>[insert location]</i><br><i>[If the entity complies with paragraph (b):]</i><br>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:<br>.....<br><i>[insert location]</i> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement  |
| 7.4   | A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.  | <input type="checkbox"/><br>and we have disclosed whether we have any material exposure to environmental and social risks at:<br>.....<br><i>[insert location]</i><br>and, if we do, how we manage or intend to manage those risks at:<br>.....<br><i>[insert location]</i>   | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement  |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation            |  | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:   | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |
|--|--|--|---|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |  |  |   |
| 8.1  | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a 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>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>  |
| 8.2  | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.   | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p><a href="https://www.ad1holdings.com.au/investors/">https://www.ad1holdings.com.au/investors/</a></p>  | <p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></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><input type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>.....</p> <p><i>[insert location]</i></p>  | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                                    |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>   |
|--|---|--|--|
| <b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>             |   |  |  |
| 9.1  | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.                         | <input type="checkbox"/><br>and we have disclosed information about the processes in place at:<br>.....<br>[insert location]   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable  |
| 9.2  | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.  | <input type="checkbox"/>   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable   |
| 9.3  | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.   | <input type="checkbox"/>   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable<br><input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| <b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b> |   |  |  |
| -  | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i><br>The responsible entity of an externally managed listed entity should disclose:<br>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and<br>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | <input type="checkbox"/><br>and we have disclosed the information referred to in paragraphs (a) and (b) at:<br>.....<br>[insert location]  | <input type="checkbox"/> set out in our Corporate Governance Statement   |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup> |
|---|---|--|--|
| -   | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>                          | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>  |



**AD1 Holdings Limited**

ABN 29 123 129 162

Suite 102, 697 Burke Road  
Hawthorn East, VIC Australia 3123

info@ad1holdings.com.au

+61 3 8199 0455

ad1holdings.com.au

## Corporate Governance Statement

AD1 Holdings Limited ('AD1' or 'Gompany' or 'Group') is committed to implementing the highest standards of corporate governance. In determining what those standards should involve, AD1 has considered the ASX Corporate Governance Council's 4<sup>th</sup> Edition corporate governance Principles and Recommendations ('Recommendations').

This corporate governance statement is current as at **30 June 2021**, for the financial year then ended ('reporting period') and discloses the extent to which the company follows the recommendations set by the ASX Corporate Governance Council in its Recommendations. The Recommendations are not mandatory; however, the Recommendations that were not followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the company intends to adopt in lieu of the recommendation.

The company has adopted a corporate governance plan which provides the written terms of reference for the company's corporate governance duties.

Under the ASX Listing Rules, the company is required to provide an annual *Appendix 4G – Key to Disclosures Corporate Governance Council Principles and Recommendations* document with the lodgement of the company's annual report disclosing the extent to which it has followed the recommendations in the reporting period.

AD1's corporate governance plan and other policies can be found on the company's website at <https://www.ad1holdings.com.au/investors/>.



| RECOMMENDATIONS (4th EDITION)   | COMPLY     | EXPLANATION  |
|---|------------|--|
| <b>Principle 1: Lay solid foundations for management and oversight</b>  |            |  |
| <i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.</i>   |            |  |
| <p><b>Recommendation 1.1</b></p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | <p>Yes</p> | <p>The Board has adopted a written charter to clarify the roles and responsibilities of Board members. This charter addresses:</p> <ul style="list-style-type: none"> <li>the Board's composition;</li> <li>the Board's role and responsibilities;</li> <li>the relationship and interaction between the Board and Management; and</li> <li>the manner in which the Board monitors its own performance.</li> </ul> <p>The role of the Board is to identify the expectations of Shareholders and the ethical and regulatory obligations of the Group.</p> <p>The Board Charter formalises the functions and responsibilities of the Board. The Board is ultimately responsible for all matters relating to the running of the Group.</p> <p>The responsibilities of the Board include:</p> <ol style="list-style-type: none"> <li>formulation, review and approval of the objectives and strategic direction of the Group;</li> <li>reviewing, monitoring and approving any related party transaction;</li> <li>monitoring the financial performance of the Group by reviewing and approving budgets and results;</li> <li>approving all significant business transactions including acquisitions, divestments and capital expenditure;</li> <li>ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;</li> <li>review of performance and remuneration of Directors;</li> <li>review of performance and remuneration of the CEO; and</li> <li>the establishment and maintenance of appropriate corporate governance and ethical standards.</li> </ol> <p>The Board has procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Group's expense.</p> |





| RECOMMENDATIONS (4th EDITION)  | COMPLY | EXPLANATION  |
|--|--------|--|
|  |        | <p>Responsibility for the operation and administration of the Group is delegated by the Board to the CEO and the Senior Executives. The Board must ensure that the CEO and Senior Executives are appropriately qualified and experienced to discharge their responsibilities. The performance of the CEO and Senior Executives is assessed annually with reference to agreed milestones.</p> <p>The Board intends to perform a strategic review of the Group and its business at regular intervals, considering the performance of both itself and individual Directors. This review will be carried out by the Board as a whole, with reference to Group strategy and previously agreed milestones.</p> |
| <p><b>Recommendation 1.2</b><br/>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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> | Yes    | <p>The Group undertakes comprehensive reference checks prior to appointing a Director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Group will provide relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.</p>  |
| <p><b>Recommendation 1.3</b><br/>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>   | Yes    | <p>The terms of the appointment of a Non-Executive Director, Executive Directors and senior executives are agreed upon and set out in writing at the time of appointment.</p>  |
| <p><b>Recommendation 1.4</b><br/>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>   | Yes    | <p>The company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.</p>  |



| RECOMMENDATIONS (4th EDITION)  | COMPLY           | EXPLANATION  |
|--|------------------|--|
| <p><b>Recommendation 1.5</b><br/>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <ul style="list-style-type: none"> <li>▪ the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive' for these purposes); or</li> <li>▪ 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.</li> </ul> <p>If the entity was in the S&amp;P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | <p>Partially</p> | <p>The Group is committed to increasing diversity amongst its employees, not just gender diversity. Our workforce is employed based on the right person for the right job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability.</p> <p>Executive and board positions are filled by the best candidates available without discrimination. The Group is committed to increasing gender diversity within these positions when practical and appropriate to do so.</p> <p>The Group has not set any gender specific diversity objectives as it believes that all categories of diversity are equally as important within its organisation.</p> <p>The Group's diversity gender as at 30 June 2021 is detailed below:</p> <ul style="list-style-type: none"> <li>▪ Women on the board and senior executive positions: 1 of 5 (20%)</li> <li>▪ Women in the organisation: 15 of 38 (40%)</li> </ul> |



| RECOMMENDATIONS (4th EDITION)  | COMPLY    | EXPLANATION   |
|--|-----------|---|
| <p><b>Recommendation 1.6</b><br/>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that reporting period.</p> | No        | <p>The performance of the Board, individual Directors and Executive Officers of the Group is monitored and evaluated by the Board. The Board is responsible for conducting evaluations on a regular basis in line with these policy guidelines.</p> <p>The Company did not complete formal performance evaluations in respect of the board, its committees and individual directors for the reporting period in accordance with the above process due to having recently employed a new Managing Director and CEO in early July 2021, but will do so on an ongoing basis moving forward</p> |
| <p><b>Recommendation 1.7</b><br/>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>                | Partially | <p>During the financial year 2021, the Board has conducted evaluations of the management teams and other members of the organisation at the monthly Director meetings.</p> <p>During the year, all Directors have full access to all AD1's records and receive Financial and Operational Reports at each Board Meeting.</p>   |



| RECOMMENDATIONS (4th EDITION)   | COMPLY | EXPLANATION  |
|---|--------|--|
| <b>Principle 2: Structure the board to be effective and add value</b><br><i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i>  |        |  |
| <b>Recommendation 2.1</b><br>The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a nomination committee which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(A) the charter of the committee;</li> <li>(B) the members of the committee; and</li> <li>(C) 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</li> </ul> </li> </ul> </li> <li>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</li> </ul> | No     | The Board has been formed so that it has an effective mix of personnel who are committed to discharging their responsibilities and duties and being of value to the Group. Due to the size of the Company, the Board has not established a nomination committee tht fits the requirements of having at a majority of independent directors, but will endeavour to do so when applicable. |



| RECOMMENDATIONS (4th EDITION)   | COMPLY | EXPLANATION   |
|---|--------|---|
| <p><b>Recommendation 2.2</b><br/>A listed entity should have and disclose a board skill matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>   | No     | <p>The company did not prepare a board skill matrix in accordance with the above process due to having appointed a new Managing Director and Chief Executive Officer in early July 2021 but will endeavour to implement such a matrix.</p> <p>The board charter requires the disclosure of each board member's qualifications and expertise. Full details as to each director and senior executive's relevant skills and experience are available in the company's annual report for the reporting period.</p>  |
| <p><b>Recommendation 2.3</b><br/>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 or relationship of the type described in Box 2.3 of the ASX corporate governance Principles and Recommendation (4th Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | Yes    | <p>The names of the Directors, their independence, qualifications and experience are stated in the Group's Annual Report along with the term of office held by each.</p> <p>Having regard to the indicators of independence set out in Principle 2.3 of the ASX Recommendations, the Board considers an independent Director to be a non-executive Director who is not a member of the Group's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent exercise of their judgment. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. The Board currently consists of four members of which one is considered to meet the independence guidelines set out in the ASX recommendations.</p> <p>The Board considers that Mr Andrew Henderson is an Independent Director for the purpose of the ASX Recommendations as he is free from any interest, position, association or relationship that could materially interfere with or reasonably be perceived to materially interfere with, the independent exercise of their judgement. According to the ASX's recommendations, neither Mr Michael Norster (Non-Executive Director), Mr Prashant Chandra, nor Mr Nicholas Smedley (Non-Executive Director) is considered as Independent Director by virtue of (i) their recent or current executive roles in the Group or (ii) their involvement in advising the Group on its strategic direction and fund raising.</p> |
| <p><b>Recommendation 2.4</b><br/>A majority of the board of a listed entity should be independent directors.</p>  | No     | <p>The Board currently does not consist of a majority of independent directors due to its size.</p>   |



| RECOMMENDATIONS (4th EDITION)  | COMPLY | EXPLANATION   |
|--|--------|---|
| <b>Recommendation 2.5</b><br>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.   | Yes    | The Chair of the Board, Mr Henderson is considered an independent director.   |
| <b>Recommendation 2.6</b><br>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | Yes    | <p>New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.</p> <p>A new director induction program is in place and Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.</p> |
| <b>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</b><br><i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i>  |        |   |
| <b>Recommendation 3.1</b><br>A listed entity should articulate and disclose its values.  | Yes    | <p>The Company's Code of Conduct addresses matters relevant to the Group's legal and ethical obligations to its stakeholders. The policy outlines its requirements with respect to:</p> <ul style="list-style-type: none"> <li>• relationships;</li> <li>• compliance with laws and ethics;</li> <li>• conflicts of interest;</li> <li>• confidentiality; and</li> <li>• use of group assets.</li> </ul>  |
| <b>Recommendation 3.2</b><br>A listed entity should:<br><br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br><br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.                                    | Yes    | The Company's corporate code of conduct applies to the company's directors, senior executives and employees.  |



| RECOMMENDATIONS (4th EDITION)   | COMPLY    | EXPLANATION  |
|---|-----------|--|
| <b>Recommendation 3.3</b><br>A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a whistleblower policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>   | Yes       | The Company's whistleblower policy is available on the company's website. The company's whistleblower policy applies to the company's directors, senior executives and employees.  |
| <b>Recommendation 3.4</b><br>A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</li> </ul>   | Yes       | The Company's corporate code of conduct applies to the company's directors, senior executives and employees.   |
| <b>Principle 4: Safeguard the integrity of corporate reports</b><br><i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i>  |           |  |
| <b>Recommendation 4.1</b><br>The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which: <ul style="list-style-type: none"> <li>• has at least three members, all of whom are non- executive directors and a majority of whom are independent directors; and</li> <li>• is chaired by an independent director, who is not the chair of the board,</li> </ul> </li> </ul> | Partially | <p>The Board has established an Audit and Risk Committee, which operates under a Charter approved by the Board. The Audit and Risk Committee comprises all Board members (other than the Managing Director). The Board has determined that the most appropriate director to Chair the Audit and Risk Committee is Mr. Norster, who is not an Independent Director.</p> <p>As members of the Board act on Board Committees, the size and the current composition of the Group's Board preclude the Group from complying with all ASX recommendations relating to Board committee composition.</p> |



| RECOMMENDATIONS (4th EDITION)  | COMPLY    | EXPLANATION   |
|--|-----------|---|
| <b>Principle 4: Safeguard the integrity of corporate reports</b>   |           |   |
| <i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i>   |           |   |
| <p>and disclose:</p> <ul style="list-style-type: none"> <li>(i) the charter of the committee;</li> <li>(ii) the relevant qualifications and experience of the members of the committee; and</li> <li>(iii) 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</li> </ul> <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> | Partially | <p>It is the Board's responsibility to ensure that an effective internal control framework exists within the Group. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Committee.</p> <p>The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.</p> <p>The members of the Audit Committee during the year are set out in this statement and in the Directors' Report.</p> <p>For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to the Directors' report.</p> |
| <p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, 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       | <p>The CEO and CFO have provided the Board with 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>  |





| RECOMMENDATIONS (4th EDITION)  | COMPLY | EXPLANATION  |
|--|--------|--|
| <b>Recommendation 4.3</b><br>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.  | Yes    | The company has adopted a continuous disclosure policy which is available on the company's website.  |
| <b>Principle 5: Make timely and balanced disclosure</b><br><i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i> |        |  |
| <b>Recommendation 5.1</b><br>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.  | Yes    | <p>The Group's Disclosure Policy has been adopted with a view to ensuring that the Group complies with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. The policy highlights the requirements for immediate notification, the procedure for disclosing material information, the persons responsible for disclosing information and for ensuring compliance generally by the Group with its disclosure obligations.</p> <p>The Chief Executive Officer and the Company Secretary are responsible for communicating with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirement in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.</p> <p>The company has adopted a continuous disclosure policy which is available on the company's website.</p> |
| <b>Recommendation 5.2</b><br>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.   | Yes    | The company has setup each board member under the ASX Online platform to receive copies of all announcements after they have been made.  |
| <b>Recommendation 5.3</b><br>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.                             | Yes    | The company has adopted a continuous disclosure policy which is available on the company's website.  |



| RECOMMENDATIONS (4th EDITION)  | COMPLY | EXPLANATION  |
|--|--------|--|
| <b>Principle 6: Respect the rights of security holders</b><br><i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.</i> |        |  |
| <b>Recommendation 6.1</b><br>A listed entity should provide information about itself and its governance to investors via its website.  | Yes    | Information about the company and its governance is available in the corporate governance plan which can be found on the company's website.  |
| <b>Recommendation 6.2</b><br>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.  | Yes    | <p>The Group is committed to providing current and relevant information to its shareholders.</p> <p>The Board aims to ensure that Shareholders are informed of all major developments. The shareholder Communication Policy outlines the processes and responsibilities for reports issued to shareholders, ASX announcements, annual general meetings and the maintenance of group specific information on the AD1's website.</p>   |
| <b>Recommendation 6.3</b><br>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.  | Yes    | <p>The Group respects the rights of its shareholders and to facilitate the effective exercise of those rights the Group is committed to:</p> <ul style="list-style-type: none"> <li>▪ communicating effectively with shareholders through releases to the market via ASX, the AD1 website, information mailed to shareholders and the general meetings of the Group;</li> <li>▪ giving shareholders ready access to clear and understandable information about the Group; and</li> <li>▪ making it easy for shareholders to participate in general meetings of the Group.</li> </ul> |
| <b>Recommendation 6.4</b><br>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.   | Yes    | Starting from the 2020 AGM, the Company's standard practice at the AGM is for all resolutions to be decided by a poll rather than by a show of hands, in the interests of representing the views of as many shareholders as possible.  |



| RECOMMENDATIONS (4th EDITION)   | COMPLY    | EXPLANATION  |
|---|-----------|--|
| <b>Recommendation 6.5</b><br>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       | Shareholders may elect to, and are encouraged to, receive communications from the Group and its securities registry electronically.  |
| <b>Principle 7: Recognise and manage risk</b><br><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i>   |           |  |
| <b>Recommendation 7.1</b><br>The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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</li> </ul> </li> </ul> </li> <li>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</li> </ul> | Partially | The Audit and Risk Management Policy outlines the composition of the Audit & Risk Committee, its responsibilities (in respect of the financial management, reporting, audit and the risk management systems of the Group), authorities, meeting requirements and reporting procedures.<br><br>The Board is committed to the identification, assessment and management of risk throughout the Group's business activities.<br><br>The Audit & Risk Committee operates pursuant to a charter which provides for risk oversight and management within the Group. This is periodically reviewed and updated. Management reports risks identified to the Committee on a periodic basis. |



| RECOMMENDATIONS (4th EDITION)  | COMPLY    | EXPLANATION  |
|--|-----------|--|
| <b>Recommendation 7.2</b><br>The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul> | Partially | <p>The Group's Risk Management Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.</p> <p>Management reports risks identified to the Board through regular operations reports, and via direct and timely communication to the Board where and when applicable. During the reporting period, Management has reported to the Board as to the effectiveness of the Group's management of its material business risks. The Group does not have an internal audit function.</p> |
| <b>Recommendation 7.3</b><br>A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(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.</li> </ul>     | No        | <p>Due to the size and nature of the existing board and the magnitude of the company's operations, the company does not currently have an internal audit function. The Board considers the mixture of board members' qualifications and the employment of external audit to be sufficient to maintain an effective risk management and internal control processes.</p>   |
| <b>Recommendation 7.4</b><br>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.   | Partially | <p>The Group faces risks inherent to its business, including economic risks, which may materially impact the Group's ability to create or preserve value for security holders over the short-, medium- or long-term. The Group has in place policies and procedures, including a risk management framework (as described in the Group's Risk Management Policy), which is developed and updated to help manage these risks. The Board does not consider that the Group currently has any material exposure to environmental or social sustainability risks.</p>  |



| RECOMMENDATIONS (4th EDITION)  | COMPLY           | EXPLANATION  |
|--|------------------|--|
| <p><b>Principle 8: Remunerate fairly and responsibly</b><br/> <i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</i></p>  |                  |  |
| <p><b>Recommendation 8.1</b><br/> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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</li> </ul> <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>Partially</p> | <p>The Remuneration Policy outlines the composition of the Nomination &amp; Remuneration Committee (consisting of the full Board of Directors), its responsibilities (in respect of the structure and composition of the Board and the remuneration policies of the Group), authorities, meeting requirements and reporting procedures.</p> <p>The Nomination and Remuneration Committee comprises of the full Board of the Group.</p> <p>The Group is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with "Best Practice" as well as supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components (if determined appropriate) and determined by their position and experience. Shares and/or Options may also be granted based on an individual's performance, with those granted to Directors subject to Shareholder approval.</p> |



| RECOMMENDATIONS (4th EDITION)  | COMPLY | EXPLANATION   |
|--|--------|---|
| <p><b>Recommendation 8.2</b><br/>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>  | Yes    | <p>Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance-based bonuses and do not participate in Equity Schemes of the Group without prior Shareholder approval.</p> <p>Key Management Personnel remuneration is disclosed in the Remuneration Report. Key Management Personnel or closely related parties of Key Management Personnel are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.</p> |
| <p><b>Recommendation 8.3</b><br/>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> | No     | <p>(a) The company does not 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.</p> <p>(b) A copy of the remuneration committee charter is available on the company's website.</p>   |

END