

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

CCP TECHNOLOGIES LIMITED

ABN / ARBN:

58 009 213 754

Financial year ended:

30 JUNE 2019

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.ccp-technologies.com/investor/corporate-governance/>

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

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

Date:



30 September 2019

Name of Director or Secretary authorising  
lodgement:

Phillip Hains – Company Secretary

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

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

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

<sup>2</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.

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

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

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</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.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so 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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so 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>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so 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>

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so 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.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at www.agenix.com	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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



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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so 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>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so 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>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so 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>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<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>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## **CCP TECHNOLOGIES LIMITED**

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICE - 2019**

#### **CCP Technologies Limited (“CCP” or “the Company”) Approach to Corporate Governance and Responsibility**

The CCP board of Directors is committed to the principles underpinning good corporate governance, applied in a manner which is most suited to CCP, and to best addressing the directors' accountability to security holders and other stakeholders. This is supported by a commitment to the highest standards of legislative compliance and financial and ethical behaviour.

The Company continues to address directors' accountability to stakeholders in a manner consistent with the Company's individual circumstances enhanced through the introduction of publicly available policies and procedures which are designed to foster a culture of transparency in the way CCP is directed and managed.

As a measure of its stated commitment to good corporate governance principles, the board will continue to:

- Review and continually improve its governance practices; and
- Monitor developments in good corporate governance.

#### **Report on Compliance with the ASX**

##### **Corporate Governance Principles and Recommendations 3rd Edition**

Currently, the ASX Listing Rules require listed companies to issue a statement disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition (“Recommendations”) which took effect for reporting periods commencing on 1 July 2014.

The Company has elected to publish its Statement of Corporate Governance Practices on its website and will lodge annually Appendix 4G which sets out a Key to Disclosures - Corporate Governance Council Principles and Recommendations. This will be lodged on the same date as the Annual Report of the Company.

Listed companies must identify the recommendations that have not been followed and provide reasons for the Company's decision. Where a recommendation has been followed for only part of the period the company must state the period during which it had been followed.

As detailed within this Statement of Corporate Governance Practices; CCP considers its governance practices comply with:

- each of the ASX Corporate Governance Principles (“Principles”); and
- the Recommendations, except for those detailed, and for the reasons outlined, in this Report.

For the reasons expressed within this statement, CCP has elected not to adopt Recommendations 1.5, 2.1, 2.2, 2.4, 6.2 and 7.1. CCP is a small company and accordingly the Directors consider that many of the corporate governance guidelines intended to apply to larger companies are not practical.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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This statement outlines the:

- principles and Recommendations identified by the ASX as underlying good corporate governance; and
- main corporate governance practices of CCP during the financial year, except where stated otherwise.

#### **Principle 1: Lay solid foundations for management and oversight.**

**Companies should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.**

#### **Recommendation 1.1:**

**The Company should disclose:**

- **the respective roles and responsibilities of the board and management; and**
- **those matters expressly reserved to the board and those delegated to management.**

#### **Formalisation of board and management functions**

The board has formalised its roles and responsibilities into a Charter. The board Charter clearly defines the matters that are reserved for the board and those that the board has delegated to management.

In summary the responsibilities of the CCP board include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- appointing, removing and managing the Chief Executive Officer;
- ratifying the appointment and where appropriate the removal of the Chief Financial Officer and/or Company Secretary;
- input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting; and
- corporate governance.

The board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the board and market fully informed about material risks;
- developing CCP's annual budget, recommending it to the board for approval and managing day to day operations within the budget;

## CCP Technologies Limited

### Statement of Corporate Governance Practices (continued)

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- managing day to day operations in accordance with standards for social and ethical practices which have been set by the board; and
- approval of capital expenditure and business transactions within predetermined limits set by the board.

#### Recommendation 1.2:

- **The Company should undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election as a director; and**
- **provide all material information in its possession relevant to enabling security holders to make an informed decision on whether or not to elect or re-elect a director.**

#### Director's appointment

CCP performs appropriate checks of any person to be appointed a director, either by the board or nominated by Security Holders. These checks are undertaken in accordance with the recommended procedures set out in Australian Standard AS 4811-2006 Employment Screening.

A nominated person is required to disclose to the board any information sought regarding their overall character and ability to fulfil his or her responsibilities as a Director.

Where a candidate is standing for election or re-election as a Director, the Company will provide information regarding their biographical details, relevant qualifications, experience and skills they bring to the board together with details of any other material directorships currently held. If standing for the first time the Company will also advise if there were any material adverse information revealed by the checks the Company has performed about the candidate together with any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company and its security holders generally; and a statement to the effect that if the board considers that the candidate will, if elected, qualify as an independent director. Where a candidate seeks election or re-election the board will issue a statement as to whether it supports the election or re-election of the candidate.

#### Procedure for selection and appointment of new directors

The process for appointing a director with CCP is that, when a vacancy exists, the board identifies candidates with the appropriate expertise and experience, using external consultants as appropriate. The most suitable candidate is appointed but must stand for election at the next annual general meeting following the appointment.

Consistent with current law there is no retirement age for directors fixed by the *Corporations Act 2001 (Cth)*, ASX Listing Rules, although a person of or over the age of seventy-two (72) years of age may not be appointed or re-appointed as a director except pursuant to a resolution of the Company in accordance with the Company's Constitution.

The process for re-election of a director is in accordance with the Company's Constitution, which requires that each year, at least one-third of the directors (excluding a managing director) retire from office at the Annual General Meeting. The retiring directors may be eligible for re-election.

**Recommendation 1.3:**

**Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.**

**Agreements with Directors and senior executives**

CCP ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the Company's expectations of them. Material terms of contracts of employment are included in the remuneration report which is published in the Annual Report.

**Recommendation 1.4:**

**The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.**

**Company Secretary**

The Company Secretary is accountable directly to the Board. The Company Secretary advises the board on all governance matters, ensures board policies and procedures are followed, dispatches timely board papers, accurately records the minutes of meetings and assists in the induction and professional development of directors. The appointment or removal of the Company Secretary is a matter for the board.

**Recommendation 1.5:**

**The Company should:**

- **have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the Company's diversity policy and its progress towards achieving them;**
- **disclose that policy or a summary of it; and**
- **disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or the relevant committee of the board in accordance with the Company's diversity policy and its progress towards achieving them and the respective proportions of men and women on the board, in senior executive positions and across the whole organisation.**

**Diversity**

The board recognises the benefits of achieving an appropriate mix of diversity on its board and throughout the Company as a means of enhancing the Company's performance and organisational capabilities. However, at this stage of development of the Company, the board has elected not to establish a formal diversity policy due to limited number of personnel employed by the Company and the nature of its current activities.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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#### **Measurement of diversity objectives**

CCP aims to achieve an appropriate mix of diversity on its board, in senior management and throughout the organisation. The CCP board has determined that no specific measurable objectives will be established until the number of employees and level of activities of the Company increases to a level sufficient to enable meaningful and achievable objectives to be developed.

#### **Women employees**

CCP has three directors, all of which are male. CCP has seven female employees as at the date of this report.

#### **Recommendation 1.6:**

##### **The Company should:**

- **have and disclose the process for periodically evaluating the performance of the board, its committees and individual directors; and**
- **disclose, in respect of each reporting period whether a performance evaluation was undertaken.**

#### **Board Performance Evaluation**

The board has adopted an on-going, self-evaluation process to measure its own performance, that of individual directors and the performance of its committee functions during the reporting period.

The Chairman meets periodically with the individual directors to discuss the performance of the board and the director. The Chairman's performance is also formally evaluated by the board. In addition, an evaluation is undertaken by the Chairman of the contribution of directors retiring by rotation prior to the board endorsing their candidature.

The review process involves consideration of all of the board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the overall management of the business.

A performance evaluation for the board, its committee functions and directors including the Chairman takes place during each annual reporting period in accordance with the process detailed within this statement.

The outcomes of the self-assessment program are used to enhance the effectiveness of individual directors and the board collectively.

#### **Principle 2: Structure the board to add value.**

**Companies should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.**

#### **Recommendation 2.1:**

**The board should have a nomination committee and structure that committee so that it:**

- **has at least three (3) members and consists of a majority of independent directors; and**
- **is chaired by an independent chair, who is not chair of the board;**



## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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and disclose:

- the nomination committee charter;
- the members of the committee;
- 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;

Alternatively, if there is no 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 effectively discharge its duties and responsibilities effectively.

#### **Establishment of nomination committee**

CCP has elected not to adopt Recommendation 2.1 as it considers that its existing selection and appointment practices, detailed within this Statement, are an efficient means of meeting the needs of the Company, particularly having regard to the fact that CCP is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

The CCP board currently consists of three (3) members. It is considered further division of the board for the purposes of establishing a formal committee structure would not achieve enhanced efficiency or enable the board to add greater value to this process.

The small size of the CCP board, and the nature of its business, means that CCP has the present capacity to consider directors competencies, selection and nomination practices in the context of duly constituted meetings of the board and as a part of its self-evaluation processes.

#### **Recommendation 2.2:**

**The board should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve.**

#### **Skills matrix**

CCP has identified the skills and competency of each board member.

CCP has elected not to adopt Recommendation 2.2 as it considers that its current practices of identifying skills and competency are an efficient means of meeting the needs of the Company, particularly having regard to the fact that CCP is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

#### **Recommendation 2.3:**

**The Company should disclose:**

- the names of the directors considered by the board to be independent directors.
- If a director has an interest, position, association or relationship which may influence or cast doubts about his or her independence, but the board is of the opinion that it does not compromise the independence of the director, the Company should disclose the nature of the interest, position, association or relationship in question and the explanation of why the board is of that opinion; and
- the length of service of each director.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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#### **Independence**

An CCP director will be considered independent where he or she is:

- independent of management, that is a non-executive director; and
- free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his or her unfettered and independent judgement.

Materiality is assessed on a case by case basis by reference to the director's individual circumstances rather than general materiality thresholds.

The CCP board has made its own assessment to determine the independence of each director on the board. It is the board's view that during the year that two current non-executive directors are independent, namely: Mr Leath Nicholson and Mr Anoosh Manzoori.

In view of the size of the Company and the nature of its activities, the board considers that the current mix of skills, experience, qualifications and experience on the board is consistent with the long term interests of the Company. The board will continue to monitor the requirements for independent directors in the context of the Company's communicated long term objectives.

The board has established criteria for assessing the independence of its directors.

#### **Recommendation 2.4:**

**The majority of the board should be independent directors.**

#### **Composition of the board**

The CCP board currently comprises two (2) non-executive directors and one (1) executive director. The non-executive directors are considered to be independent directors. The executive directors are not considered to be independent due to the substantial shareholdings in the Company.

The desirable composition of the board is based on the following factors:

- the Company's constitution provides for the number of directors to be not less than three (3) and not more than ten (10) as determined by directors from time to time;
- the board is cognisant that the position of Chairman should where possible be held by a non-executive director.
- Consistent with the Company's objective that the board should encompass a broad range of relevant expertise, the present board consists of directors with a collective of diverse skills, qualifications and experience as more fully detailed in the Directors Report.
- The board considers that the individual Directors make highly-skilled decisions in the best interests of CCP.

There is no shareholding requirement imposed upon directors under the Company's Constitution; however, all of the directors of CCP hold shares or options either directly or indirectly in the Company.

Details of all holdings by directors in the Company are included within the Directors' Report each year.

**Recommendation 2.5:**

**The chair should be an independent director.**

**Chairman**

The chairman is selected by the board.

The board has considered:

- whether it would be beneficial to appoint a lead independent director;
- other positions held by the existing chair and the other non-executive director and the available time of each director; and
- the skills and qualifications and experience of the existing directors and based on its overall assessment of these factors it has elected not to adopt Recommendation 2.5 to appoint an independent chair.

The current Chairman, Mr Leath Nicholson is an independent non-executive director.

The board will continue to assess the requirements of this recommendation in the context of the Company's individual circumstances and its communicated long-term objectives.

**Separation of roles of Chair and CEO**

During the year ended 30 June 2019 the roles of Chairman and CEO were undertaken separately by Mr Leath Nicholson and Mr Adam Gallagher, respectively.

**Recommendation 2.6:**

**An entity should have a program for the induction of new directors and provide appropriate professional development opportunities to all board members in order to develop and maintain the skills and knowledge needed to effectively perform their duties as a director.**

**Induction program**

Procedures for induction of new directors are in place to allow new directors to participate fully and actively in board decision making at the earliest opportunity.

All directors are offered an induction program appropriate to their experience upon appointment so as to familiarise them with matters relating to the business, strategy and any current issues under consideration by the board. This program consists of written background material on the Company, its products, services and operations, scheduled meetings with the Chairman and CEO of the Company.

**Director education**

The board encourages directors to continue their education by participating in applicable workshops and seminars and attending site visits and undertaking relevant external education.

The Company Secretary provided directors with on-going information on matters such as corporate governance, the Company's constitution and the law.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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#### **Board briefings and agendas**

Board agendas are structured throughout the year in order to ensure that each of the significant responsibilities of the board is addressed.

Prior to each meeting, Directors receive financial, operational and strategy reports from senior management who are available to discuss reports with the board.

#### **Access to information**

All directors have access to company records and information, and receive regular detailed financial and operational reports from senior management.

The Company Secretary is available to all Directors and may be consulted on on-going issues of corporate governance, the CCP constitution and the law. In addition, the Chairman and other non-executive Directors consult with each other and the Chief Financial Officer, and may confer and request additional information from any CCP employee or consultant. Management are available to discuss reports, and any issue arising, with the board as required.

#### **Term of office, skills, experience and expertise of each director**

The qualifications, experience and expertise of the directors, and the respective terms of office held by individual directors, are set out in the Directors Report contained within the CCP Annual Report.

#### **Independent professional advice**

CCP has in place a procedure whereby, after appropriate consultation, directors are entitled to seek independent professional advice, at the expense of CCP, to assist them to carry out their duties as directors. The policy of CCP provides that any such advice is made available to all directors.

#### **Principle 3: Promote ethical and responsible decision-making**

**The entity should act ethically and responsibly.**

##### **Recommendation 3.1:**

**The Company should:**

- **Establish a code of conduct for its directors, senior executives and employee; and**
- **disclose that code or a summary of it.**

#### **Code of conduct**

CCP is committed to the operation of its business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of the Company and the industry in which it operates.

The board has approved a *Code of Conduct* which applies to all directors, executives, management and employees without exception.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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The Code of Conduct is designed to ensure that:

- high standards of corporate and individual behaviour are observed by all CCP directors, executives, management and employees in the context of their respective roles and the performance of their duties with CCP.
- directors, executives, management and employees are aware of their responsibilities to CCP under the terms of their appointment or contract of employment; and
- all of the stakeholders of the Company can be guided by the stated values and policies of CCP.

In summary, the Code provides that all directors and senior executives must:

- act honestly, in good faith and in the best interests of the company;
- use due care, skill and diligence in fulfilling their duties;
- use the power of their position for a proper purpose, in the interest of the company;
- not make improper use of information acquired by virtue of their position;
- not allow personal interest, or those of associates, to conflict with the interest of the company;
- exercise independent judgement and actions;
- maintain the confidentiality of company information acquired by virtue of their position;
- not engage in conduct likely to bring discredit to the company; and
- comply at all times with both the spirit and the letter of the law, as well as, policies of the company.

#### **Principle 4: Safeguard integrity of financial reporting.**

**Entities should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.**

##### **Recommendation 4.1:**

**The board should have an audit committee and structure that committee so that it:**

- **has at least three (3) members and consists of a majority of independent directors; and**
- **is chaired by an independent chair, who is not chair of the board;**

**and disclose:**

- **the audit committee charter;**
- **the members of the committee and their experience and qualifications;**
- **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;**

**Alternatively, if there is no audit committee disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting,**

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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**including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.**

#### **Establishment of audit committee**

CCP has elected to adopt Recommendation 4.1 with the re-establishment of an audit committee from 6 December 2016. Prior to that date it considered that its existing practices, detailed within this Statement, were an efficient means of meeting the needs of the Company, particularly having regard to the fact that CCP is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

The CCP board currently consists of three (3) members one of which is executive director. CCP considers that having two independent non-executive directors appointed to the audit committee best suits the needs of the Company.

The board considers that the technical skills, qualifications and experience represented by the involvement of members Mr Leath Nicholson and Mr Anoosh Manzoori are most suited to the effective discharge of these responsibilities.

This approach, which is more suitable for the size of the company, results in the Company not meeting the strict interpretation of the recommendations set out in Principal 4.

The board, will, however, continue to monitor the requirements of this recommendation in the context of the Company's prevailing position and circumstances.

#### **Audit committee – terms of reference**

Notwithstanding, the CCP Audit Committee role and responsibilities, composition, structure and membership requirements are detailed in a formalised charter comprising the Audit Committee – Terms of Reference.

Reflecting the relative small size of the Company the Audit Committee is responsible for:

- review the annual and half year financial reporting carried out by CCP;
- review the accounting policies of CCP;
- review the scope and audit programmes of the internal and external auditors and any material issues arising from these audits;
- oversee the independence of external auditors and determining procedures for the rotation of audit partners; and
- the sufficiency of, and compliance with, ethical guidelines and company policies affecting corporate governance, financial reporting and corporate control together with compliance with laws and external regulations;
- identification of the full range of actual or potential risk exposures which are material to CCP; and
- the effectiveness of the group's risk management systems and strategies.

#### **Meetings**

The audit committee meetings are held as and when required to fulfil its obligations.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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#### **Reporting**

The committee members converse as and when required on matters relevant to the audit function.

#### **Engagement and rotation of external auditor**

The board is responsible for nominating the external auditor. If the board recommends a change in external auditor, the board's nomination of external auditors requires Security holder approval. The board approves the compensation of the external auditor.

The board meets with the external auditor throughout the year to review the adequacy of the existing external audit arrangements with particular emphasis on scope, quality and independence of the audit.

It has been determined by the board that the external auditor will not provide services to the Company where the auditor would:

- have a mutual or conflicting interest with the Company;
- be in a position where they audit their own work;
- function as management of the Company; or
- have their independence impaired or perceived to be impaired in any way.

Specifically, the external auditor will not normally provide the following types of services to the Company:

- bookkeeping or other services relating to the accounting records of the Group;
- financial information or information technology systems design or implementation;
- appraisal and valuation services, fairness opinions or contributions in kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions, including temporary staff assignments or human resource services, including recruitment of senior management;
- broker or dealer services, investment advisor, corporate finance or investment banking services; and
- legal and litigation support services.

Procedures are in place governing approval of any non-audit work before the commencement of any engagement.

The board has elected to adopt a policy which is consistent with the primary and secondary rotation obligations regarding auditors such that:

- the lead or review audit partner's responsibilities may not be performed by the same person for longer than five (5) consecutive years ("primary rotation obligation"); and
- the lead or review audit partner's responsibilities may not be performed by the same person for more than five (5) out of seven (7) consecutive years ("secondary rotation obligation").

In addition, the board requires a minimum of two (2) consecutive years "cooling off" period before an auditor undergoing rotation can return to playing a significant role in the audit of the Company.

Mr Michael Cutri of BDO Audit Pty Limited was the lead audit partner for CCP for the year ended 30 June 2019.

The lead signing and review External Audit Partner attend that part of board meetings pertaining to audit matters by standing invitation.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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#### **Number of meetings and names of attendees**

Due to the audit committee function being established during the financial year no separate meetings were held.

#### **Recommendation 4.2:**

**The board should, before it, approves the entity's financial statements receive from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) a declaration that the financial records of the entity have been properly maintained and such declaration be provided in accordance with Section 295A of the Corporations Act and the declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.**

#### **CEO and CFO assurance**

The Chief Executive Officer and the Chief Financial Officer of CCP report in writing to the board that:

- consolidated financial statements of CCP and its controlled entities for each half year and full financial year present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with accounting standards; and
- declarations provided in accordance with Section 295A of the Corporations Act are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The board has received assurance from the Chief Executive Officer and the Chief Financial Officer equivalent under Recommendation 4.2 in respect of each financial year. This assurance is provided in accordance with the process outlined in this Statement.

#### **Recommendation 4.3:**

**The Company should ensure that its external auditor attends its AGM and is available to answer questions from security holders pertaining to the audit.**

#### **External auditor attendance at AGM**

CCP ensures that the lead audit partner or his representative attends the AGM in order to be available to answer questions from security holders pertaining to the audit.

#### **Principle 5: Make timely and balanced disclosure**

**Entities 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.**

#### **Recommendation 5.1:**

**Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.**

The CCP board is committed to keeping its security holders, and the market, fully informed of major developments having an impact on the Company.

Comprehensive procedures are in place to identify matters that are likely to have a material effect on the price, or value of the CCP securities and to ensure those matters are notified to the ASX in accordance with ASX disclosure requirements.



## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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Senior management and the board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX.

The Company Secretary is responsible for all communications with the ASX.

#### **Principle 6: Respect the rights of security holders**

**The entity should respect the rights of security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.**

##### **Recommendation 6.1:**

**The Company should provide information about itself and its governance to investors via its website.**

#### **Security holder communication policy**

CCP recognises the rights of security holders to be informed of matters, in addition to those prescribed by law, which affect their investments in the Company.

CCP is committed to:

- dealing fairly, transparently and openly with both current and prospective security holders;
- the use of available channels and cost effective technologies to reach security holders who may be geographically dispersed and in order to communicate with all security holders; and
- facilitating participation in Security holder meetings and dealing promptly with Security holder enquiries.

CCP communicates information to security holders through:

- the annual report;
- disclosures to the ASX and ASIC;
- notices and explanatory memorandum of annual general meetings and general meetings;
- occasional letters from the Chief Executive Officer to inform security holders of key matters of interest; and
- the Company's websites on the internet at [ccp-technologies.com](http://ccp-technologies.com) and [ccp-network.com](http://ccp-network.com)

##### **Recommendation 6.2:**

**The Company should design and implement an investor relations program to facilitate effective two-way communication with investors.**

#### **Investor relations program**

As a small listed company, CCP currently does not have the resources for a dedicated investor relations employee or consultant. Security holders are given the opportunity to meet management immediately following general meetings. In addition, management will respond to meeting or information requests by security holders in a timely manner.

##### **Recommendation 6.3:**

**The Company should disclose the policies and processes it has in place to facilitate and encourage participation at meeting of security holders.**

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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#### **Participation at meetings of security holders**

The board encourages active participation by security holders at each Annual General Meeting, or other general meetings, to ensure a high level of accountability and understanding of CCP 's strategy, performance and goals.

Consistent with best practice, important issues are presented to security holders as single resolutions expressed in plain, unambiguous language. Proceedings are held in a locality, and at a readily accessible venue, conducive to maximising the number of security holders present, and able to participate, at the meeting. Security holders are provided with opportunities of asking the board questions regarding the management of the Company.

#### **Principle 7: Recognise and manage risk.**

**Companies should establish a sound risk management framework and periodically review the effectiveness of that framework.**

##### **Recommendation 7.1:**

**The board should have a risk committee and structure that committee so that it:**

- **has at least three (3) members and consists of a majority of independent directors;**
- **and**
- **is chaired by an independent chair, who is not chair of the board;**

**and disclose:**

- **the risk committee charter;**
- **the members of the committee;**
- **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;**

**Alternatively, if there is no risk committee or the committee does not satisfy the recommend structure, disclose that fact and the processes it employs for overseeing the entity's risk management framework.**

#### **Risk committee**

CCP has elected not to adopt Recommendation 7.1 as it considers that its existing practices, detailed within this Statement, are an efficient means of meeting the needs of the Company, particularly having regard to the fact that CCP is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

The CCP board currently consists of three (3) members. It is considered further division of the board for the purposes of establishing a formal audit committee structure would not achieve enhanced efficiency or enable the board to add greater value to this process.

The board considers that the technical skills, qualifications and experience represented by the involvement of all board members are most suited to the effective discharge of these responsibilities.

The board, will, however, continue to monitor the requirements of this recommendation in the context of the Company's prevailing position and circumstances.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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#### **Recommendation 7.2:**

##### **The board should:**

- **review the risk management framework at least annually to satisfy itself that it continues to be sound; and**
- **disclose, in relation to each reporting period, whether a review has taken place.**

#### **Oversight and management of material business risks**

##### **The board of CCP:**

- recognise that effective management of risk is an integral part of good management and vital to the continued growth and success of CCP;
- is responsible for the oversight of the Group's risk management and control framework including the development of risk profiles as part of the overall business and strategic planning process including budgeting, decision making (e.g. investment appraisal), monitoring and reporting, project management and internal controls; and
- has implemented a policy framework designed to ensure that the Group's risks are identified, analysed, evaluated, monitored, and communicated within the organisation on an ongoing basis, and that adequate controls are in place and functioning effectively.

The CCP risk management and control policy framework incorporates the maintenance of appropriate policies, procedures and guidelines which address the Company's unique operating environment and is utilised by the board as a means of identifying opportunities and avoiding or mitigating losses in the context of its business.

The Chief Executive Officer has ultimate responsibility for the control and management of operational risk and the implementation of avoidance or mitigation measures within the Group and may delegate control of these risks to the appropriate level of management at each location.

The Chief Executive Officer's approach to management of risk as part of key business processes includes consideration, identifying, managing and monitoring uncertainties and vulnerabilities that might impact on the achievement of our corporate goals and reputation.

#### **Recommendation 7.3:**

##### **The Company should disclose:**

- **if it has an internal audit function, how that function is structured and what role it performs; or**
- **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.**

#### **Internal audit function and review of risk management framework**

CCP is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition. As such it is not practical to have an internal audit function.

The board regularly monitors the operational and financial performance of the Company and the economic entity against budget and other key performance measures. The board also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with management, to mitigate those risks.

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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Management reports to the board on the effectiveness of the Company's management of its material business risks in respect of each financial year. This report was undertaken in accordance with the process outlined in this Statement.

#### **Recommendation 7.4:**

**The company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.**

CCP is cognisant that the business community should address matters of economic, environmental and social sustainability and the need to be transparent on these matters to enable investors to properly assess investment risk.

CCP is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition. Given its size the Company considers that it does not have exposure to economic, environmental or social sustainability risks.

#### **Principle 8: Remunerate fairly and responsibly.**

**An 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**

#### **Recommendation 8.1:**

**The board should establish a remuneration committee.**

**The remuneration committee should be structured so that it:**

- **has at least three (3) members and consists of a majority of independent directors; and**
- **is chaired by an independent chair, who is not chair of the board;**

**and disclose:**

- **the remuneration committee charter;**
- **the members of the committee;**
- **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;**

**Alternatively, if there is no remuneration committee or the committee does not satisfy the recommend structure, 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.**

#### **Establishment of remuneration committee**

The Company re-established a remuneration committee on 6 December 2016.

The committee consists of two (2) independent non-executive directors.

The committee is responsible for giving due consideration to the overall remuneration policies and strategies and strategies of the Company during the conduct of its regular committee

## **CCP Technologies Limited**

### **Statement of Corporate Governance Practices (continued)**

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meetings and by appropriate recourse to relevant market data and, where applicable, to external executive remuneration consultants.

#### **Recommendation 8.2:**

**An 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.**

#### **Executive director and non-executive director remuneration**

The aggregate remuneration of non-executive directors is approved by security holders.

Individual directors' remuneration is determined by the board within the approved aggregate total. In determining the appropriate level of director's fees, data from surveys undertaken of other public companies similar in size or market section to CCP is taken into account.

Non-executive directors of CCP are:

- not entitled to participate in performance based remuneration practices unless approved by security holders.
- currently remunerated by means of the payment of cash benefits in the form of directors' fees or alternatively by issue of securities in lieu of cash benefits provided it is approved by security holders.

CCP does not currently have in place a retirement benefit scheme or allowance for its non-executive directors, except for the payment of superannuation, where applicable, currently equal to nine and one half per cent (9.5%) as required by law.

A review of the compensation arrangements for the Chief Executive Officer and Senior Executives is conducted by the remuneration committee at duly constituted committee meetings. The review is performed annually and is based upon criteria including individual performance, market rates paid for similar positions and the results of the Company during the relevant period.

The broad remuneration policy objective of CCP is to ensure that the emoluments provided properly reflect the person's duties and responsibilities and is designed to attract, retain and motivate executives of the highest possible quality and standard to enable the organisation to succeed.

At the 2018 Annual General Meeting security holders approved the Employee Share Option Plan ("ESOP") which provides the board with the discretion to grant options to eligible Directors (subject to shareholder approval), executives and consultants for the purpose of acquiring options and shares pursuant to the plan rules.

The board ensures that the payment of equity based executive remuneration is made in accordance with thresholds established by the ESOP and exercises its discretion under the scheme in a manner consistent with the broad remuneration policy objectives of the Company.

CCP is committed to making timely disclosure of all relevant information relating to its remuneration practices and policies.

#### **Policy disclosure**

The Company's policies relating to the remuneration of Directors and Senior Executives and the level of their remuneration are detailed annually in the Directors' Report contained within the Annual Report and Notes to and forming part of the Financial Statements.

**CCP Technologies Limited**  
**Statement of Corporate Governance Practices (continued)**

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**Recommendation 8.3:**

**An entity which has 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.**

**Remuneration scheme**

The Company does not currently have an equity-based remuneration scheme. In the event that the board determines that it is in the best interests of security holders to introduce an equity-based remuneration scheme, the scheme will be designed to ensure that it does not limit the economic risk and that it meets requirements of Section 206J of the Corporations Act.