

ZOONO[®]

2021 Corporate Governance Statement

APPROVED BY THE BOARD ON 26 AUGUST 2021

An abstract graphic composed of numerous thin, light blue lines that form a complex, flowing, and somewhat grid-like structure. The lines are arranged in a way that creates a sense of depth and movement, resembling a stylized, three-dimensional shape or a network of connections. The overall effect is a modern, technical, and dynamic visual element.

1. Introduction

Effective corporate governance is critical for the long-term success of Zoono Group Limited (**Zoono** or **Company**). The board of Zoono (**Board**) is committed to maintaining and enhancing a strong corporate governance framework for the Company and is responsible for the overall corporate governance of the Company.

The Board monitors the operational and financial position, and overall performance of Zoono, and oversees its business strategy, including approving its strategic goals. The Board is committed to maximising performance, generating shareholder value and financial returns, and sustaining the growth and success of the Company.

With these objectives in mind, the Board seeks to ensure that Zoono is properly managed and ensure the Company, its directors (**Directors**), officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing Zoono, including adopting relevant internal controls, risk management processes, and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of Zoono.

2. ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed and released its fourth edition of the corporate governance recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptions, but guidelines and under the ASX Listing Rules, Zoono is required to provide an annual corporate governance statement disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where Zoono does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it and must also disclose what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

The Company's current departures from the ASX Recommendations are included in Section 9 below.

The key aspects of the Company's corporate governance practices are summarised below. These charters and policies are available on its website at <https://zoono.com/investors/#corporategovernance>.

3. Board of Directors

During the period, the Board comprised three directors, two of whom (two thirds) are independent:

Mr. Paul Hyslop; Managing Director, appointed 26 April 2017, age 63

Mr. Don Clarke; Non-executive, independent director, appointed 26 April 2017, age 67

Ms. Elissa Hansen; Non-executive, independent director, appointed 9 October 2015, age 48

Further information on the Directors, including their period in office, qualifications, experience, special responsibilities, number of meetings attended and other listed company directorships can be found in the Annual Report and at <https://zono.com/investors/#boardofdirectors>.

Independence

During the period, the majority of the Board was independent, as recommended by ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board will continue to assess its composition and may look to appoint additional suitably qualified and experienced independent persons to the Board.

Director Appointment, election and re-election

The Company undertakes appropriate checks before appointing and/or putting forward any person as a candidate for election as a Director and provides security holders with all material information in its possession relevant to the election (or re-election) of each Director.

The Company has a written agreement with each Director setting out the terms of their appointment. The Company also has a written agreement with each senior executive setting out the terms of their appointment.

Under Zono's Constitution, with the exception of the Managing Director, Directors may not hold office without election beyond their third Annual General Meeting (AGM) following their election or most recent re-election. Any director appointed to fill a casual vacancy since the previous AGM, will submit themselves for election at the next AGM.

Role and Responsibilities of the Board

The Board's role is to act in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.

The Board Charter sets out the Board's role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management (principally the Managing Director).

The Managing Director is responsible for the day-to-day management of the Company, supported by the Company's senior executives. However, the ultimate responsibility for governance and strategy resides with the Board.

Structure and Composition of the Board

Zoono is committed to ensuring the composition of the Board includes Directors who bring the appropriate mix of skills, experience, expertise and diversity to Board decision making. It considers that having a diversity of skills background, knowledge and gender are important to effectively govern the Company.

The Board considers that its Directors and Senior Management have the necessary skills and experience to discharge their responsibilities.

Director skills/experience matrix during the period:

Skill/Experience	Board
Total Number of Directors	3
Financial Acumen Experience in financial accounting and reporting, corporate finance and internal financial controls	3
Commercial Capability Broad range of commercial skills and experience	3
Strategy Experience in developing and implementing a successful strategy over the long-term	3
FMCG Experience Experience working with fast moving consumer goods	2
Global Experience Experience in a global business exposed to a range of cultural, political and regulatory environments	2
Sales and Marketing Experience Sales and Marketing Experience	2
Corporate Governance and Compliance Committed to a high level of governance, business ethics and regulatory compliance	3
Investor Relations Understanding of investor relations and the steps required to develop long-term value for shareholders	3

In addition to the skills and experience set out above, the Board considers that each Director has the ability to:

- Act with honesty and integrity
- Focus on the material issues
- Think strategically and take an organisation-wide perspective
- Understand the external environment and deal with pressure from external sources
- Influence effectively at the board table
- Respect alternative viewpoints
- Hold management accountable

Board Performance Evaluation

Zoono is committed to transparency in determining Board membership and in assessing the performance of the Board, Board Committees and individual Directors.

The Board conducts regular evaluations of its performance, the performance of its Committees, the Chairman and individual Directors. This includes assessment, review and analysis of how the Board, Committees and Directors function, time spent considering matters and whether the Board and the Committees have complied with their respective Charters. In its evaluations, the balance of skills, experience, independence and knowledge are all taken into consideration as well as how the Board works together as a unit.

The most recent performance evaluation of the Board, Committees and individual Directors was undertaken in August 2021.

Professional Development

The Board reviews whether the Directors have the skills, knowledge and familiarity with the entity and its operating environment required to fulfil their role on the Board and its Committees effectively and, where gaps are identified, consider what training or development could be undertaken to fulfil those gaps.

It is noted that the independent Directors during the period were also required to undertake their own continuing professional development in connection with their respective professional backgrounds - Mr. Clarke (Legal Services Board of Victoria) and Ms. Hansen (Australian Institute of Company Directors (AICD) and the Governance Institute of Australia).

Remuneration

Despite the Company not having a formal Remuneration Committee at this time, the independent Directors oversee the fixing of remuneration for the Directors and the Managing Director and ensure such remuneration is appropriate and not excessive. While the Managing Director is directly responsible for setting the remuneration of other members of the senior management team, the independent Directors do provide advice to the Managing Director on these issues.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

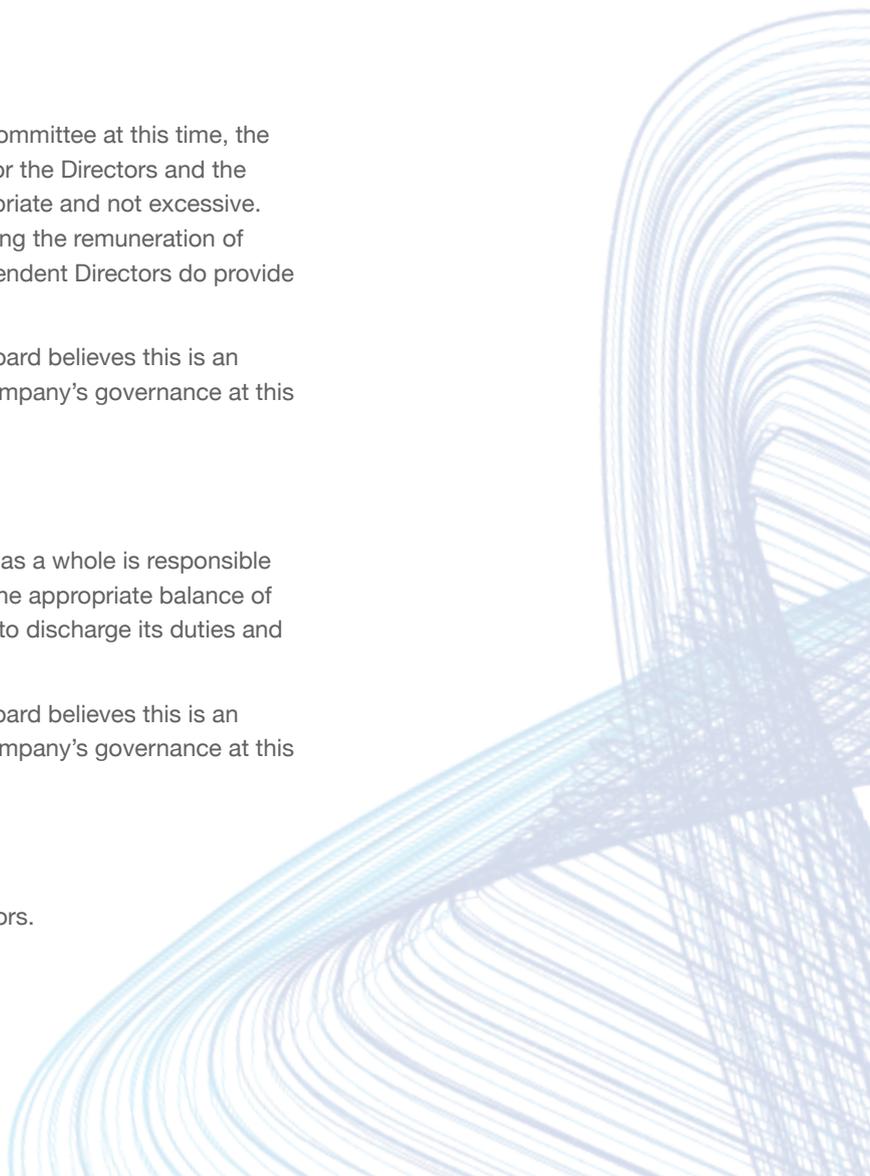
Nomination

Zoono does not have a nomination committee. The Board as a whole is responsible for Board succession issues and to ensure the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to discharge its duties and responsibilities effectively.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

Induction

The Board provides an induction program to all new Directors.



4. Board Committees

To assist the Board in discharging its duties efficiently and effectively, it has established an Audit and Risk Committee (and will establish a Remuneration Committee when appropriate for the Company). Each Committee operates within its Board approved Charter which sets out the roles, responsibilities, membership requirements and meeting procedures for each committee.

Each established committee will meet as required and no less than twice a year. Two Audit and Risk Committee meetings were held during the period.

Audit and Risk Committee

Zoono has established an Audit and Risk Committee. It had two members during the period, each of whom are independent. The Committee is chaired by an independent director who is not the chairman of the Board.

Members of the Audit and Risk Committee during the period were:

Mr. Don Clarke, independent Non-Executive Director, Chair

Ms. Elissa Hansen, independent Non-Executive Director

The Audit and Risk Committee Charter is available at <https://zoono.com/investors/#corporategovernance>.

The Board undertook a review of the Company's risk management framework during the period and will continue to review the Company's risk management framework at least annually.

Should the Company determine it has any material exposure to economic, environmental or social sustainability risks, it will disclose how it will manage those risks.

Remuneration Committee

The Board will establish a Remuneration Committee when appropriate for the Company and has adopted a Remuneration Committee Charter in anticipation of forming the committee. Given the size of the Company's management team, it believes this is appropriate at this time. A copy of the Remuneration Committee Charter is available at <https://zoono.com/investors/#corporategovernance>.

Further information on the remuneration of the Directors and senior executives is provided in the Remuneration Report found in the Company's Annual Report.

The Company did not grant options to employees this financial year. However, when options are granted to employees they are granted in accordance with the Employee Securities Plan Rules and the Offer to employees restricts dealings with employee securities except with prior written consent from the Board.

Company Secretary

Ms. Elissa Hansen was appointed on 12 August 2015 as the Company Secretary. She is accountable directly to the Board on all matters to do with the proper function of the Board.

The role of the Company Secretary is set out in more detail in the Board Charter.

5. Senior Executives

Senior executives manage the day-to-day tasks of the Company under the guidance and direction of the Managing Director. Zoono recognises the importance of its senior executives to the Company's growth and performance. Accordingly, the Company undertakes regular evaluations of its senior executives to review their effectiveness and performance on an ongoing basis.

The Managing Director reviews the performance of senior executives annually. These evaluations assess the completeness and effectiveness of each senior executive in meeting their KPIs, whether the executive has the appropriate mix of skills and experience to allow the Company to meet its corporate goals and whether the executive provides a safe, secure, productive, harmonious and inclusive environment for their employees to perform at their best.

A performance review of senior executives was undertaken by the Managing Director this year.

6. Diversity

Zoono is committed to diversity and inclusion in its workplace. When it is appropriate, it will adopt a formal diversity policy which will be made available on the Company's website. Given the size and development stage of the Company, the Board believes it is appropriate that a formal policy has not been adopted to date.

Proportions of men and women on the board and senior executives during the period was as follows:

Board:	66.7% male, 33.3% female
Senior Executives:	100% male

7. Values

Zoono's values include:

- Ensuring sound standards of corporate governance and compliance with all applicable laws;
- Being honest, transparent and accountable in all business dealings;
- Fostering innovation, enterprise and continuous learning within the organisation;
- Respecting and embracing diversity through openness, sharing, trust, teamwork and cooperation.

Ethical and Responsible Behaviour

Zoono is committed to acting ethically and responsibly, including acting with honesty and integrity. To support this, the Company has developed various policies that set out the values and expectations as to how the Company and its employees will work and behave.

Code of Conduct

Zoono's Code of Conduct represents a commitment by the Board and executives to uphold the highest standards of honesty, integrity and ethical and law-abiding behaviour and to foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers and employees.

Failure to comply with the Code is viewed as a serious matter which may lead to disciplinary action including dismissal and/or legal action.

A copy of the Code can be found at <https://zono.com/investors/#corporategovernance>.

Conflicts of Interest

Zono's Code of Conduct also includes guidelines in managing conflicts of interest.

In accordance with the requirements of the *Corporations Act 2001 (Cth)*, Directors who have a material personal interest in a matter must not be present whilst the matter is being considered. The other Directors, however, may allow such Director/s to participate and vote in relation to the issue if they are satisfied that the interest should not disqualify the Director/s from voting or being present.

Whistleblower

Zono's Whistleblower Policy sets out the types of disclosures that qualify for protection under the Whistleblower Protection Scheme, information about the protections available under the Scheme and how the Company will support whistleblowers and protect them from detriment. The policy is made available to all officers, employees and contractors and can be found at <https://zono.com/investors/#corporategovernance>.

Anti-bribery and Corruption

Compliance with Zono's Anti-bribery and Corruption Policy is foundational to the Company's values, reputation and standing in the wider community.

The Company prohibits bribery and corruption in all dealings in every country. Zono's Anti-bribery and Corruption Policy applies to all dealings whether they be with private organisations, individuals, domestic or foreign governments, or their representatives.

A copy of the Anti-bribery and Corruption Policy can be found at <https://zono.com/investors/#corporategovernance>. The Board must be notified of any material breaches to this policy.

Anti-corruption and Fraud

Zono has zero tolerance for unfair or unethical conduct in business. It believes acting fairly and ethically will protect the Company's assets and create value for our business partners, customers and shareholders.

The Company recognises that compliance with local and international bribery and anti-corruption laws is essential to protect its reputation and preserve its ability to continue to develop its business.

Zono has adopted a Fraud and Corruption Policy which reinforces the Board, senior management and employees' commitment to refraining from corrupt and fraudulent conduct and its responsibility for identifying fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities. A copy of the policy is available at <https://zono.com/investors/#corporategovernance>.

Dealing in Zoono Securities

Zoono has adopted a Share Trading Policy applicable to Directors, employees and associates which prohibits a person from trading or dealing in the Company's securities if they are privy to insider information. Further, a Director or their associates, may only deal in the Company's securities when they do not have any inside information and during a trading window.

A copy of the Policy is available at <https://zoono.com/investors/#corporategovernance>.

Internal Audit

The Company does not have an internal audit function. Due to its size and current activities, the Board does not believe that an internal audit function is warranted at this time. The Board evaluates and monitors internal control processes in order to continually improve the effectiveness of its risk management practices and will re-evaluate the Company's requirement for an internal audit function as the Company grows.

CEO and CFO Declaration

The Board received a declaration from both the CEO (Managing Director) and CFO, that, in their opinion, the financial records 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 Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively before the Board, approved the Company's financial statements for the 2021 financial period and will continue to ensure such declarations are received in the future.

Verification of Periodic reports

Zoono releases quarterly cashflow and activity reports that are not audited or reviewed by an external auditor. The Company has embedded processes to ensure the accuracy of these reports and to ensure they are balanced and provide investors with appropriate information to make informed investment decisions.



8. Market Disclosure and Shareholder Communications

Zoono believes effective communication with its shareholders, potential shareholders and other market participants is of utmost importance for any listed company and is committed to promoting the highest standards of disclosure to ensure a fully informed market.

Zoono has established a Shareholder Communication Policy to promote effective communication with shareholders and encourage effective participation at general meetings. Included in this is the requirement for the Company to provide information about itself and its governance to investors via its website. A copy of the Shareholder Communication Policy is available at <https://zoono.com/investors/#corporategovernance>.

Zoono has also provided shareholders with the opportunity to elect to receive communications from the Company electronically and can send communications to the Company and the share registry electronically.

Continuous Disclosure

Zoono has continuous disclosure obligations arising from legislation and the ASX Listing Rules. To safeguard the effective dissemination of information and to ensure the Directors and employees are aware of their obligations, the Company has adopted a written Market Disclosure Protocol to establish the procedure to ensure the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act 2001 (Cth).

A copy of the Protocol is available at <https://zoono.com/investors/#corporategovernance>.

The Board approves all material announcements prior to lodgment with ASX and receives copies of all material markets promptly after they have been made.

Any new investment and/or analyst presentations are lodged and released on ASX prior to any such presentation being made to any other party.

Investor relations

Zoono has an investor relations program that facilitates two-way communication with investors. The program is designed to allow investors and other financial market participants to gain greater understanding of Zoono's business, governance, financial performance and prospects.

Website

Information about Zoono Group Limited and its governance policies and practices is available on the Company's website at <https://zoono.com>.

Electronic Communication

Zoono gives its shareholders the option to send and receive all communications to the Company and its share registry electronically. Shareholders are encouraged to update their communication preferences and elect to receive all communication electronically with the share registry at <https://www.investorserve.com.au/>

Annual General Meeting

The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. The AGM provides the opportunity for shareholders to ask questions of and hear from the Board. Zoono encourages shareholder participation at its AGM as an opportunity to allow the Board to listen and respond to shareholder feedback.

The Company ensures that its external auditor attends all AGMs and is available to answer queries from shareholders relevant to the audit and any substantive resolutions are decided by a poll rather than a show of hands.

9. Compliance with Recommendation

Zoono has complied fully with 30 of the 35 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (relevant to the Company) during the period. Given the nature and scale of the Company, the Board believes its compliance with the Recommendations to be appropriate at this time.

The five Recommendations the Company did not comply with are:

- Recommendation 1.5. The Board continues to assess the need for developing a Diversity Policy with measurable objectives for gender diversity across the Company. However, at this stage in the Company's development, the Board believes that it would not add value to the Company. The Company currently engages the best person for each role and has gender diversity across the business with 60% male employees and 40% female;
- Recommendation 2.5. The Company does not have a Chairman at present. It is the Company's intention to appoint further Directors, as and when they may be warranted. Board meetings are currently chaired by one of the independent Directors. It is not proposed that will change (and, in particular, that the chief executive officer and chairman roles would be held by the same person);
- Recommendations 4.1 and 7.1. While Zoono has an Audit and Risk Committee chaired by an independent director, as there are only two non-executive and independent directors, the Committee has only two members (instead of the required three). However, despite the reduced number, the current Committee is confident that it has the skills, capacity and capability to independently verify and safeguard the integrity of the Company's financial statements and reporting, including the process for the appointment and removal of the external auditor and the rotation of the audit engagement partner and oversee the Company's risk management framework. The Company will re-assess the structure of this Committee following the appointment of one or more additional Directors (as and when that occurs in the future); and
- Recommendation 8.1. It is the Company's intention to establish a Remuneration Committee at the appropriate time. In the meantime, the independent Directors oversee the fixing of remuneration for the Directors and the Managing Director and ensures such remuneration is appropriate and not excessive.

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