

STAR COMBO PHARMA LIMITED

CORPORATE GOVERNANCE STATEMENT – 2023

Principle 1 – Lay Solid Foundations for Management and Oversight		
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.	See separate disclosures under Board Charter See separate disclosures under Board Charter
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	Appropriate background checks carried out for Chairman and NEDs. Relevant information is contained in the Explanatory Memorandum accompanying each Notice of Meeting where re-election of Directors is required.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Written agreements are in place with all directors and senior management.
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.	As per Board Charter.
1.5	A listed entity should: (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	See Diversity Policy as a separate disclosure on the Company website

	<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 Board has adopted the <i>Diversity Policy</i> that is a statement of commitment to cultural and gender diversity in the Company and of the benefits derived from workplace diversity. It is published on the Company’s website at https://investors.starcombo.com.au/Investors/</p> <p>The table below monitors the number and proportion of female personnel in each category and the total personnel numbers at 30 September 2023.</p> <p>Establishment, attainment and maintenance of specific objectives is contingent upon a number of variable and uncertain factors, in particular the rate of company growth, the diversification of job roles and the number and frequency of staff resignations. In a small company, minor changes in these factors can cause significant volatility in the proportion of gender representation.</p> <table border="1" data-bbox="1429 735 2098 1034"> <thead> <tr> <th></th> <th colspan="3">30 September 2023</th> </tr> <tr> <th></th> <th>Number of Females</th> <th>Total Staff Numbers</th> <th>% Female</th> </tr> </thead> <tbody> <tr> <td>Directors</td> <td>2</td> <td>5</td> <td>40%</td> </tr> <tr> <td>Management</td> <td>3</td> <td>7</td> <td>43%</td> </tr> <tr> <td>Other Staff</td> <td>10</td> <td>20</td> <td>50%</td> </tr> <tr> <td>Agency</td> <td>8</td> <td>26</td> <td>31%</td> </tr> <tr> <td>Total</td> <td>23</td> <td>58</td> <td>40%</td> </tr> </tbody> </table> <p>The Board considers the gender representation shown in the table is appropriate at this stage of the development of the company</p>		30 September 2023				Number of Females	Total Staff Numbers	% Female	Directors	2	5	40%	Management	3	7	43%	Other Staff	10	20	50%	Agency	8	26	31%	Total	23	58	40%
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1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<p>The Process is included in the Board Charter</p> <p>A review is conducted on an ongoing basis by the Chairman.</p>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<p>Process is under the control of the Chairman and the Managing Director.</p> <p>Performance Evaluations have not yet been conducted for the MD, the CEO and the CFO.</p>

PRINCIPAL 2 – STRUCTURE THE BOARD TO ADD VALUE		
2.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) Have a nomination committee which: <ul style="list-style-type: none"> (1) Has at least three members, a majority of whom are independent directors; and (2) Is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) The charter of the committee (4) The members of the committee: and (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a nomination committee, disclose that fact and the processes it employs to address the 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>Not applicable as this function is performed by all the Directors as appropriate.</p> <p>As per Board Charter.</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>The Board is committed to a diversity of attributes and skills and experience that is relevant to the organisation for the provision of effective governance and performance.</p> <p>The following table sets out the Board assessment of its collective skills and experience in categories relevant to the organisation. The Board target is to achieve a minimum of 55% in each nominated category and is consciously working to achieve this target.</p>																								
2.2 cont	<div style="text-align: center;"> <h3>Star Combo Limited - 2023 Director Skills Assessment</h3> <table border="1"> <caption>Star Combo Limited - 2023 Director Skills Assessment Data</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Strategy</td> <td>68%</td> </tr> <tr> <td>Risk Management</td> <td>62%</td> </tr> <tr> <td>Finance, Accounting, Capital Management</td> <td>70%</td> </tr> <tr> <td>Governance and Legal</td> <td>62%</td> </tr> <tr> <td>Policy Development</td> <td>68%</td> </tr> <tr> <td>Business Judgement</td> <td>72%</td> </tr> <tr> <td>Industry Experience and knowledge</td> <td>70%</td> </tr> <tr> <td>Human Resources</td> <td>64%</td> </tr> <tr> <td>Science and Technology</td> <td>70%</td> </tr> <tr> <td>Executive Leadership</td> <td>76%</td> </tr> <tr> <td>Business Growth and Development</td> <td>76%</td> </tr> </tbody> </table> </div>		Category	Percentage	Strategy	68%	Risk Management	62%	Finance, Accounting, Capital Management	70%	Governance and Legal	62%	Policy Development	68%	Business Judgement	72%	Industry Experience and knowledge	70%	Human Resources	64%	Science and Technology	70%	Executive Leadership	76%	Business Growth and Development	76%
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2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (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 	<p>Richard Alley, Not applicable</p> <p>Reflected in the Annual Directors' Report.</p>																								

2.4	A majority of the board of a listed entity should be independent directors	The board considers that one independent director as the independent chairman out of a board of five to be appropriate at this point in time.
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.	Richard Allely is the independent Chairman.
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.	Mr Richard Allely was appointed in February 2018 and his induction was part of the IPO process. Mr Star Zhang and Ms Su Zhang received their induction as part of the IPO process in 2018. Mr Jialong Ding and Ms. Wei Han were appointed in May 2020 following the Placement of 49m shares to Goldenmax. They received the Directors' Induction Pack at the time of their appointment.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
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.	Refer to the Code of Conduct included in the Corporate Governance policies listed on the company website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1	<p>The board of a listed entity should:</p> <p>(a) Have an audit committee which</p> <ol style="list-style-type: none"> (1) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) Is chaired by an independent director, who is not the chair of the board, And disclose (3) The charter of the committee; (4) The relevant qualifications and experience of the members of the committee; and (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>(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>The company does not have a separate audit committee and this function is performed by all the Directors as appropriate.</p> <p>The Board and shareholders changed the audit firm at the 2022 AGM. The new audit firm has met with the full Board on at least three occasions throughout the financial year reporting period. An Audit Partner rotation policy will be maintained being forward.</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>S295 Certificates are provided by the CFO and the CEO to the Board in advance of the Board approving the financial statements.</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The auditor attended the 2022 AGM and is invited to attend all AGM’s.</p>

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
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 the policy or a summary of it.	Refer to the Continuous Disclosure Policy included in the Corporate Governance policies listed on the company website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website	Refer to the Investors Section on the company website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors	Refer to the Shareholder Communication Policy included in the Corporate Governance policies listed on the company website.
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	Refer to the Shareholder Communication Policy included in the Corporate Governance policies listed on the company website.
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 Company Welcome Pack includes a preference for communication with shareholders to be conducted electronically.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
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>Due to the size the Board, the company does not have a separate risk management committee and this function is performed by all the Directors as appropriate.</p> <p>The Company has adopted a Risk Management Framework that is reviewed and approved by the Board annually. The resultant Risk Register and matrix is updated periodically by the Management Team.</p> <p>The Risk Register was last tabled at a Board Meeting in May 2023.</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 Board has an approved Risk Management Framework.</p> <p>The Risk Management Framework was last updated and approved by the Board in May 2023.</p>
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>The audit function relates to Quality Control with the senior manager reporting through to the CEO.</p> <p>The Board periodically reviews the Risk Register presented by the senior management.</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>Included in the Annual Directors’ Report.</p>

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
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>	Due to the size the Board, the company does not have a separate Remuneration Committee and this function is performed by all the Directors as appropriate.
	<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>	Company does not have a separate Remuneration Committee, see Board Charter
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.	See Annual Directors' Report
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>See Securities Trading Policy on the Company website</p> <p>The company's policies currently limited to Directors' and employee options have no economic risk for the participants.</p> <p>See Annual Directors' Report</p>