

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

| |
|------------------------|
| Close the Loop Limited |
|------------------------|

ABN/ARBN

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| 91 095 718 317 |
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Financial year ended:

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|--------------|
| 30 June 2022 |
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Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://ctlgroup.com.au/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 1 July 2022 and has been approved by the board.

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

Date: 2 September 2022

Name of authorised officer authorising lodgement: Marc Lichtenstein

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

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

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

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

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

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

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

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

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out: (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. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://ctfgroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement OR <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 director or senior executive or putting someone forward 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

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

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|--|--|---|--|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND 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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|---|--|--|---|
| 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, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | <input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: https://ctlgroupp.com.au/corporate-governance/ and, where applicable, the information referred to in paragraph (b) at: https://ctlgroupp.com.au/corporate-governance/ and the length of service of each director at: https://ctlgroupp.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input type="checkbox"/> | <input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

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|---|--|---|--|
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: https://ctigroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | <input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://ctigroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | <input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://ctigroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://ctigroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|--|---|--|
| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.2 | <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><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 4.3 | <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | <p><input checked="" type="checkbox"/></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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|---|---|--|--|
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://ctlgroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://ctlgroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://ctlgroup.com.au/corporate-governance/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|---|--|
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://ctlgroupp.com.au/corporate-governance/ and the information referred to in paragraphs (4) and (5) at: https://ctlgroupp.com.au/corporate-governance/ <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: <i>[insert location]</i></p> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: https://ctlgroupp.com.au/corporate-governance/</p> | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|---|---|--|
| 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 governance, risk management and internal control processes.</p> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: https://ctlgroup.com.au/corporate-governance/ </p> <p><i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: https://ctlgroup.com.au/corporate-governance/ </p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at: https://ctlgroup.com.au/corporate-governance/ </p> <p>and, if we do, how we manage or intend to manage those risks at: https://ctlgroup.com.au/corporate-governance/ </p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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|--|--|--|--|
| 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> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>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> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>https://ctlgroupp.com.au/corporate-governance/</p> <p>.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>https://ctlgroupp.com.au/corporate-governance/</p> <p>.....</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Close the Loop Limited
ACN 095 718 317
(Company)

CORPORATE GOVERNANCE STATEMENT

The Statement has been approved by the Board and is current as at 1 July 2022.

| Corporate Governance Council recommendation | | Does the Company comply? | Explanation of compliance / non-compliance |
|---|--|--------------------------|---|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | Yes | <p>The business of the Company is managed under the direction of the board of directors of the Company (Board), which is responsible for the Company's corporate governance. The Board meets on a regular basis and is required to discuss pertinent business developments, investment decisions and issues, and review the operations and performance of the Company.</p> <p>The responsibilities of the Board include:</p> <ul style="list-style-type: none"> providing leadership and setting the strategic direction, objectives and goals of the Company; appointing and when necessary replacing the Chair, deputy Chair and chief executive officer (CEO); overseeing and evaluating management's implementation of the Company's strategic direction, objectives and goals, and its performance generally; the prudential control of the Company's finances and operations, including monitoring its financial performance and approving its budgets and major capital expenditure; overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit; overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities; identifying and managing significant business risks in accordance with the Company's risk management and internal compliance and control systems; approving the Company's remuneration framework; and supervising compliance with the Company's governance practices and monitoring their effectiveness. <p>Further details about the responsibilities of the Board are set out in the Company's Board Charter, a summary of which is disclosed in the Company's Prospectus lodged in October 2021 (Prospectus) and a copy of which is available on the Company's website at www.ctlgroup.com.au/investors.</p> <p>The Board has delegated to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in the Board Charter. The CEO has authority to sub-delegate to the senior management team.</p> |

| Corporate Governance Council recommendation | | Does the Company comply? | Explanation of compliance / non-compliance |
|---|--|--------------------------|---|
| 1.2 | <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | Yes | <p>Prior to appointing a person, or putting forward to security holders a candidate for election, screening checks are undertaken as to the person's experience, education, criminal history and bankruptcy history.</p> <p>When presenting a director for election or re-election, the Company has provided shareholders with details of the director's skills and experience, independence and current term served by the director in office and whether the Board supports the election or re-election.</p> |
| 1.3 | <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | Yes | <p>The Company has entered into a director appointment agreement with each non-executive director and a service agreement with each senior executive (including the executive directors).</p> |
| 1.4 | <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | Yes | <p>The company secretary of the Company (Secretary) is accountable directly to the Board, through the chairperson of the Company (Chair), on all matters to do with the proper functioning of the Board including ensuring Board compliance with procedures and other governance requirements.</p> <p>Each director has access to the Secretary and vice versa.</p> |
| 1.5 | <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p> | In part | <p>The Company has a Diversity Policy, a copy of which is available on the Company's website at www.cllgroup.com.au/investors.</p> <p>Close the Loop strives to ensure it maintains as diverse a workforce as recruitment and availability allows. In respect of paragraph (b), at the time of this statement, the Company will not be of a structure that enables fixed quotas to be appointed to the Board and senior management, but efforts are continuously made to ensure discrimination is eradicated in all employment and recruitment decision-making.</p> <p>The board, after taking into account its current relatively small size, number of employees and the industry in which it operates, has established basic objectives for achieving gender diversity. These objectives are:</p> <p>potential candidates for vacant positions must include at least one female candidate; and</p> <p>during the board selection process, the professional consultant or board committee assisting the board must provide at least one credible and suitably experienced female candidate.</p> <p>There were no women on the board during the 2022 financial year.</p> <p>The proportion of women in the senior executive team of the company as at 30 June 2022 was 21% and 37% across the entire organisation. A senior executive is defined as a person that manages the day to day operations of a business unit and or executive directors.</p> <p>The company is not a "relevant employer" under the Workplace Gender Equality Act.</p> |

| Corporate Governance Council recommendation | | Does the Company comply? | Explanation of compliance / non-compliance |
|---|--|--------------------------|---|
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | Yes | <p>The Company's Board Charter and Nomination and Remuneration Committee Charter provides for:</p> <p>the Chair and Nomination and Remuneration Committee to oversee the implementation of policies and systems for evaluation of the performance of the Board, Board committees and directors individually, using both measurable and qualitative indicators; and before each annual general meeting:</p> <ul style="list-style-type: none"> o the Chair to assess the performance of any director standing for re-election; and o the Board (excluding the Chair) and the Nomination and Remuneration Committee to conduct the review of the Chair. <p>The Nomination and Remuneration Committee will make recommendations to the Board regarding the process for evaluating performance of the Board, its committees and the directors.</p> <p>At the conclusion of each financial year the process to evaluate the performance of the Board, its committees and individual directors takes place prior to the release of the Company's Annual Report. The has been completed for the 2022 financial year.</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | Yes | <p>The Company's Board Charter provides for the Board to oversee and evaluate management's performance. The Nomination & Remuneration Committee is delegated the responsibility to implement an evaluation process for the performance of the Board, its committees, Directors and senior executives.</p> <p>The Committee has responsibility for fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executives and the general external pay environment.</p> <p>In addition, the Committee is responsible for reviewing and approving the design and total proposed payments from any executive incentive plan.</p> <p>All senior executives of the company are subject to an annual performance review. Each year during the budgeting process, the CEO sets senior executive key performance targets which are aligned to the performance targets set by the Board. These targets are aligned to the overall business goals and the Company's requirements. In the case of the CEO, these targets are negotiated between the Nomination and Remuneration Committee and signed off by the Board. Remuneration incentives are dependent on the outcome of these evaluations.</p> <p>The Board and Nomination and Remuneration Committee ensure that an evaluation of the senior management team is undertaken annually.</p> <p>Further information regarding executive compensation can be found in the Remuneration Report in the Annual Report.</p> |

| Corporate Governance Council recommendation | Does the Company comply? | Explanation of compliance / non-compliance |
|--|---|--|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol 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: (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 <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>In part</p> <p>The Company has a Nomination and Remuneration Committee, whose charter is available on the Company's website at www.ctlgrou.com.au/investors.</p> <p>The members of the Nomination and Remuneration Committee comprise Greg Toll (independent Non-Executive Director), who is also chair of the Committee, Grant Carman (independent Non-Executive director), Joe Foster (Executive Director) and Marc Lichtenstein (Executive Director).</p> <p>The committee therefore has 4 members, although there is no clear majority of independent directors.</p> <p>The Board believes that the composition of the Nomination and Remuneration Committee is appropriate given the context of the merger.</p> <p>Both independent directors are on the Committee. In addition, the Board believes having representation from both the Close the Loop and O F Packaging businesses is important to the functioning of the Nomination and Remuneration Committee in the integration period post-merger.</p> <p>The Board believes that non-compliance with this recommendation does not adversely affect Close the Loop. However, the Board will consider increasing the proportion of the independent directors (and/or reducing the number of Executive Directors) on the Nomination and Remuneration Committee as the business develops further.</p> <p>Details of the number of times that the Committee has met during the reporting period is included in the Company's Annual Report.</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p> | <p>No</p> <p>The Board has not, at this time, adopted a board skills matrix. However, the Company will seek to have directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business. In addition, the Board Charter provides that the Chair is responsible for overseeing that membership of the Board is skilled and appropriate for the Company's needs. The Nomination and Remuneration Committee is responsible for identifying candidates with appropriate skills, experience and expertise.</p> |
| 2.3 | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p>Yes</p> <p>The Board considers that, each of Greg Toll and Grant Carman are independent directors.</p> <p>The interests of these independent directors are disclosed in the Annual Report. As noted in the Annual Report, the Board does not consider that either of their respective interests compromises their independence in any way, due a lack of materiality.</p> <p>The length of service of each of the Board members is set out as follows:</p> <p>Greg Toll was appointed to the Board on 23 November 2017, while Marc Lichtenstein was appointed to the Board on 4 October 2021.</p> <p>Joe Foster, Lawrence Jaffe, Darren Brits and Grant Carman were appointed to the Board subject to and with effect from completion of the merger between Close the Loop and O F Packaging which was on 30 November 2021.</p> |

| Corporate Governance Council recommendation | | Does the Company comply? | Explanation of compliance / non-compliance |
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| 2.4 | A majority of the board of a listed entity should be independent directors. | No | Currently, two of the Board's six Directors are independent. Due to the need for the executive directors (who are not independent) to drive the Company's post-merger integration, the Board believes it is not appropriate to achieve a majority of independent directors at this time. The Board believes that it does not justify the increased costs associated with a larger number of directors at this stage and that non-compliance with this recommendation will not adversely affect the Company. However, the Board will consider increasing the proportion of the independent directors as the business develops further. |
| 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. | Yes | The Chair, Greg Toll, is an independent non-executive director of the Company and is not the CEO of the Company. |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | Yes | The Company's Board Charter provides that directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them. The Nomination & Remuneration Committee is responsible for the abovementioned initial and ongoing educational programs. |
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | Yes | The Company has a Code of Conduct, Whistleblower Policy and Anti-Bribery and Corruption Policy which encourages a culture of respect. Summaries of these were disclosed in the Company's Prospectus and copies are available on the Company's website at www.ctlgroup.com.au/investors . |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | Yes | The Company has a Code of Conduct that complies with Recommendation 3.2. A summary of the Code of Conduct was disclosed in the Company's Prospectus and a copy of the Code of Conduct is available on the Company's website at www.ctlgroup.com.au/investors . |
| 3.3 | A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | Yes | The Company has a Whistleblower Policy that complies with Recommendation 3.3. A summary of the Whistleblower Policy was disclosed in the Company's Prospectus and a copy of the Whistleblower policy is available on the Company's website at www.ctlgroup.com.au/investors . |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | Yes | The Company has an Anti-Bribery and Corruption Policy that complies with Recommendation 3.4. A summary of the Anti-Bribery and Corruption Policy was disclosed in the Company's Prospectus and a copy of the Anti-Bribery and Corruption Policy is available on the Company's website at www.ctlgroup.com.au/investors . |

| Corporate Governance Council recommendation | | Does the Company comply? | Explanation of compliance / non-compliance |
|---|--|--------------------------|---|
| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 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> | In part | <p>The Company has an Audit and Risk Committee, whose charter is available on the Company's website at www.ctlgrou.com.au/investors.</p> <p>The Board's composition is such that there are only two independent Directors, making it impossible to satisfy this Recommendation 4.1. Currently, the Company's Audit and Risk Committee comprises of the 2 independent non-executive directors, being Grant Carman (who is chair of the Committee) and Greg Toll, and one executive director, Lawrence Jaffe.</p> <p>The members of the Audit and Risk Committee are disclosed in the Annual Report and on the Company's website at www.ctlgrou.com.au/investors. The relevant qualifications and experience of the members of the Audit and Risk Management Committee are disclosed in the Annual Report and on the Company's website at www.ctlgrou.com.au/investors. The Board believes that there is no justification for the increased costs associated with a larger number of directors at this stage and that non-compliance with this recommendation will not adversely affect the Company.</p> <p>Details of the number of times that the Committee has met during the reporting period is included in the Company's Annual Report.</p> |
| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | Yes | Before approving the Company's financial statements for a financial period, the Board receives 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. |
| 4.3 | A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor. | Yes | As described in the Company's Continuous Disclosure and Communication Policy, the Company provides half yearly and yearly financial reports and an annual report in accordance with the Corporations Act, ASX Listing Rules and applicable accounting standards. It seeks to give balanced and understandable information about the Company and its proposals in its reports to shareholders. |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | Yes | <p>The Company has a Continuous Disclosure and Communication Policy that complies with Recommendation 5.1.</p> <p>A summary of the Continuous Disclosure and Communication Policy was disclosed in the Prospectus and a copy of the Continuous Disclosure and Communication Policy is available on the Company's website at www.ctlgrou.com.au/investors.</p> |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | Yes | The Company does provide its Board with copies of all material market announcements promptly after they have been made. |

| Corporate Governance Council recommendation | | Does the Company comply? | Explanation of compliance / non-compliance |
|---|---|--------------------------|---|
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | Yes | The Company does upload new and substantive investor or analyst presentations on the ASX Market Announcements Platform ahead of the presentation. |
| 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. | Yes | Information about the Company and its governance is provided via the Company's website at www.ctfgroup.com.au/investors . |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | Yes | The Company's Continuous Disclosure and Communication Policy describes the Board's policy for ensuring shareholders and potential investors of the Company receive or obtain access to information publicly released. The Company's primary portals are its website, Annual Report, Annual General Meeting (AGM), Half-Yearly Report and notices to the ASX. The Secretary oversees and coordinates the distribution of all information by the Company to the ASX, shareholders, the media and the public. All shareholders have the opportunity to attend the AGM and ask questions of the Board. |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | Yes | The Company holds an AGM of shareholders in November each year. The date, time and venue of the AGM will be notified to the ASX when the notice of the AGM is circulated to shareholders and lodged with the ASX each year. The Board will choose a date, format and time considered convenient to the greatest number of its shareholders. A notice of meeting will be accompanied by explanatory notes on the items of business and together they will seek to clearly and accurately explain the nature of the business of the meeting. Shareholders are encouraged to attend the meeting, or if unable to attend, to vote on the motions proposed by appointing a proxy. The proxy form included with the Notice of Meeting will seek to explain clearly how the proxy form is to be completed and submitted. The Company will consider the use of technological solutions for encouraging shareholder participation at general meetings of the Company, where practicable. |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | Yes | Under the Corporations Act, a resolution put to vote at a meeting of a listed entity must be decided by a poll. The Company allows for the Chairperson, at least 5 members or members with 5% of the votes to demand a poll. The Company will ensure that all resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Yes | The Company provides its security holders with an electronic communication option. |

| Corporate Governance Council recommendation | | Does the Company comply? | Explanation of compliance / non-compliance |
|--|--|--------------------------|---|
| 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> | Yes | <p>The Company's Audit and Risk Committee comprises of 2 independent non-executive directors, being Greg Toll and Grant Carman, and one executive director, Lawrence Jaffe. Grant Carman (an independent director) chairs the Audit and Risk Committee.</p> <p>A copy of the Audit and Risk Committee Charter is available on the Company's website at www.ctigroup.com.au/investors.</p> <p>The members of the Audit and Risk Committee are disclosed in the Annual Report and on the Company's website at www.ctigroup.com.au/investors.</p> <p>Details of the number of times that the Committee has met during the reporting period is included in the Company's Annual Report.</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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | Yes | <p>The Audit and Risk Management Committee is responsible for reviewing at least annually the Company's implementation of the risk management policy and framework and the Board's risk appetite statement.</p> <p>The Company also has a risk register that is reviewed by the Board on an annual basis. The most recent review was conducted by the Board in August 2022.</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 governance, risk management and internal control processes.</p> | Yes | <p>The Company does not have an internal audit function.</p> <p>The Company's Audit and Risk Management Committee is responsible for assisting the Board in overseeing the effectiveness of the Company's system of risk management and internal controls, and to review the Company's risk management program.</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p> | Yes | <p>The Prospectus disclosed the extent of the Company's material exposure to environmental and social sustainability risks and how it manages or intends to manage those risks.</p> |

| Corporate Governance Council recommendation | Does the Company comply? | Explanation of compliance / non-compliance |
|---|--------------------------|---|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | |
| <p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol 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: (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 <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> | In part | <p>The Company has a Nomination and Remuneration Committee, whose charter is available on the Company's website at www.ctigroup.com.au/investors.</p> <p>The members of the Nomination and Remuneration Committee comprise Greg Toll (independent Non-Executive Director), who is also chair of the Committee, Grant Carman (independent Non-Executive director), Joe Foster (Executive Director) and Marc Lichtenstein (Executive Director).</p> <p>The committee therefore has 4 members, although there is no clear majority of independent directors.</p> <p>The Board believes that the composition of the Nomination and Remuneration Committee is appropriate given the context of the Merger and size of the Company.</p> <p>Both independent directors are on the Committee. In addition, the Board believes having representation from both the Close the Loop and O F Packaging businesses is important to the functioning of the Nomination and Remuneration Committee in the integration period post-Merger.</p> <p>The Board believes that non-compliance with this recommendation does not adversely affect Close the Loop. However, the Board will consider increasing the proportion of the independent directors (and/or reducing the number of executive directors) on the Nomination and Remuneration Committee as the business develops further.</p> <p>Details of the number of times that the Committee has met during the reporting period is included in the Company's Annual Report.</p> |
| <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> | Yes | <p>The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board regarding the remuneration of executive and non-executive directors and other senior executives.</p> <p>The remuneration payable to the directors (and senior executives) is disclosed in the Annual Report.</p> |
| <p>8.3 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> | Yes | <p>The Company will has two incentive plans in place (an Employee Share Plan and an Employee Share Option Plan). Summaries of the rules of both plans were disclosed in the Prospectus.</p> <p>The Company also has a Securities Trading Policy which complies with Recommendation 8.3, a summary of which was disclosed in the Prospectus and a copy of which is available on the Company's website at www.ctigroup.com.au/investors.</p> |