



ACN 121 184 316

Corporate Governance Statement

OVERVIEW

The Board of Directors (**Board**) of Buddy Technologies Limited (**the Company**) is responsible for the overall corporate governance of the Company, and is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the Australian Securities Exchange (ASX) Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations (3rd Edition)* (**the Principles and Recommendations**).

In line with the above, the Board has set out the way forward for the Company in its implementation of the Principles and Recommendations. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the Principles and Recommendations. Where the Company has not adhered to the Principles and Recommendations it has stated that fact in this Corporate Governance Statement. This statement is current as at 30 September 2020 and has been approved by the Board.

The Company's corporate governance policies are as follows and are all available on the Company's website at www.buddy.com

- Board Charter
- Corporate Code of Conduct
- Audit and Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Performance Evaluation
- Continuous Disclosure
- Risk Management
- Trading Policy
- Diversity Policy
- Shareholders Communications Strategy



Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
<u>Recommendation 1.1</u> 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.	Yes	Board Charter, Code of Conduct and Website	<p>The Company has adopted a Board Charter, which discloses the specific responsibilities of the Board.</p> <p>The Board is responsible for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. The Board may delegate some powers and functions to the CEO for the day-to-day management of the Company. Powers and functions not delegated remain with the Board. The key responsibilities and functions of the Board include the following:</p> <ul style="list-style-type: none"> • appointment of the CEO and other senior executives and the determination of their terms and conditions including remuneration and termination; • driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance; • reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance; • approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures; • approving and monitoring the budget and the adequacy and integrity of financial and other reporting; • approving the annual, half yearly and quarterly accounts; • approving significant changes to the organisational structure; • approving the issue of any shares, options, equity instruments or other securities in the Company;



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			<ul style="list-style-type: none"> ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making; recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and meeting with the external auditor, at their request, without management being present. <p>The Board's role and the Company's corporate governance practices are periodically reviewed and improved as required.</p> <p>Full details of the roles and responsibilities of the Board and the company secretary of the Company (Company Secretary) are contained in the Board Charter.</p>
<u>Recommendation 1.2</u> A listed entity should: <ul style="list-style-type: none"> (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. 	Yes	Director Selection Procedure and Website	<p>Directors of the Company (Directors) are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. The Company's current directors have relevant experience across operations and the Information Technology sector. In addition, Directors have the relevant blend of personal experience in:</p> <ul style="list-style-type: none"> Accounting and financial management; and Director-level business experience. <p>In respect of any future Directors, the Company will continue to conduct specific and appropriate checks of candidates prior to their appointment or nomination for election by shareholders. However the</p>



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			<p>Company does not propose to conduct these checks prior to nominating an existing Director for re-election by shareholders at a general meeting on the basis that it is not considered necessary in the Company's circumstances.</p> <p>Currently, the Company includes in its notice of meetings a brief biography which sets out relevant qualifications and professional experience, of each Director who stands for election or re-election, for consideration by shareholders.</p>
<u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Kept at registered office	<p>The Company seeks to engage or employ its Directors and other senior management under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.</p> <p>The Company's CEO and Executive Director are employed pursuant to written agreements with the Company and each non-executive Director is engaged under a letter of appointment.</p>
<u>Recommendation 1.4</u> 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.	Yes	Board Charter And Website	<p>The Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.</p> <p>Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter and in the Annual Report.</p>



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<p><u>Recommendation 1.5</u> A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <ol style="list-style-type: none"> 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 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>Yes – 1.5(a), 1.5(b) and 1.5(c)(1).</p> <p>No – 1.5(c)</p>	<p>Diversity Policy and Website</p>	<p>The Board has adopted a Diversity Policy which is available on the Company's website www.buddy.com</p> <p>The Company is committed to workplace diversity and recognises the benefits arising from employee and board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.</p> <p>The Board is responsible for developing objectives and strategies, if any, to meet the objectives of the Diversity Policy and will report at least annually on the progress against and achievement of these objectives. The Board may also set measurable objectives for achieving gender diversity. The Board is responsible for implementing, monitoring and reporting on any measurable objectives it has set.</p> <p>Given the size of the Company, no measurable objectives or strategies have been set by the Board at this stage.</p> <p>However, it is Company practice to recruit from a diverse pool of candidates for all positions, including senior management and the Board.</p> <p>As at the date of this report, the Company has the following proportion of women appointed:</p> <ul style="list-style-type: none"> to the Board – 25% to senior management (senior executives and extended leadership) – 21% to the organisation as a whole – 25%



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<u>Recommendation 1.6</u> A listed entity should: <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. 	Yes	Nomination Committee Charter and Schedule 6 Performance Evaluation	<p>It is the policy of the Board to conduct evaluation of its performance through its Board Charter with delegated responsibilities to the Remuneration and Nomination Committee consisting of Non-executive Directors. An evaluation guide is included as Schedule 6 of the Company's Corporate Governance Plan.</p> <p>There was no formal performance evaluation undertaken during the reporting period. However, a general review of the Board, its committees and the Company's Directors occurs on an on-going and informal basis to ensure that structures suitable to the Company's status as a listed entity are in place.</p>
<u>Recommendation 1.7</u> A listed entity should: <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. 	Yes	Nomination Committee Charter and Schedule 6 Performance Evaluation	<p>The Remuneration and Nomination Committee is responsible for evaluating the performance of senior executives, in accordance with Schedule 6 Disclosure – Performance Evaluation of the Company's Corporate Governance Plan.</p> <p>The Board led by the Chairman evaluates the performance of the CEO and Executive Director, and the Board led by the CEO and Executive Director evaluates the performance of other senior executives.</p> <p>During the reporting period, on-going and informal evaluations of senior executives were conducted.</p>
Principle 2: Structure the board to add value			
<u>Recommendation 2.1</u> The board of a listed entity should: <ul style="list-style-type: none"> (a) have a nomination committee which: <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, 	Yes – 2.1(a)(2), (3), (4), (5) No – 2.1(a)(1)	Nomination Committee Charter and Website	<p>The Remuneration and Nomination Committee consists of two Non-executive Directors who are each independent, and is chaired by an independent Director.</p> <p>The Board has adopted a Nomination Committee Charter as contained in the Company's Corporate Governance Plan which is available on its website at www.buddy.com.</p>



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<p>and disclose:</p> <ol 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 <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>Details of the members of the Committee and the meetings held are included in the Company's Annual Report.</p>
<p><u>Recommendation 2.2</u></p> <p>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>	No		<p>The Board does not have, and has not disclosed, a skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. Owing to the size of the Company and its operations, the Board does not consider the need to have a skills matrix as it considers the Board to have the appropriate skills for the operations and governance of the Company. Should the Company's operations expand or change, the Board will re-consider the needs for a skills matrix.</p>
<p><u>Recommendation 2.3</u></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p>	Yes		<p>The Company has three Directors who satisfy the criteria for independence as outlined in Box 2.3 of the Principles & Recommendations.</p>



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<p>(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</p> <p>(c) the length of service of each director.</p>			<p>The Board currently comprises the following members:</p> <p>(a) Mr Richard Borenstein (appointed 17 December 2015) is Non-Executive Chairman of the Company and has held office since the Company was reinstated onto the ASX on 30 December 2015. The Board considers Mr Borenstein to be independent and is not involved in the day-to-day management of the Company.</p> <p>(b) Mr David McLauchlan (appointed 17 December 2015) is CEO of the Company and has held office since the Company was reinstated onto the ASX on 30 December 2015. The Board does not consider Mr McLauchlan to be independent as he is a substantial shareholder of the Company and is an executive of the Company.</p> <p>(c) Mr John van Ruth (appointed 11 February 2016) is Non-Executive Director. The Board considers Mr van Ruth to be independent and is not involved in the day-to-day management of the Company.</p> <p>(d) Ms Rosey Batt (appointed 30 Nov 2018) is a Non-Executive Director. The Board considers Ms Batt to be independent and is not involved in the day-to-day management of the Company.</p>
<p><u>Recommendation 2.4</u> A majority of the board of a listed entity should be independent directors.</p>	Yes		As detailed in 2.3 above, a majority of the Board are independent directors.
<p><u>Recommendation 2.5</u> 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.</p>	Yes		<p>The roles of Chairman and CEO are performed by different persons.</p> <p>The Chairman of the Company is Mr Richard Borenstein and is independent and satisfies the definition of independence for the purposes of Principle and Recommendation 2.3.</p>



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<u>Recommendation 2.6</u> 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.	No		<p>The Company does not currently have a formal induction program for new Directors nor does it have a professional development program for existing Directors. The Board does not consider it necessary to have a formal induction program given the current size and scope of operations. However, the Board intends to review the requirement for, and benefits of, a formal induction program and professional development program as the Company grows and evolves.</p> <p>All Directors are generally experienced in various facets of professional development, albeit not all in the same area. Some of the current Directors have experience in other listed companies. The Board seeks to ensure that all of its members understand the Company's operations. Directors also attend, either through the Company or for their own professional development requirements, seminars, industry conferences, technical reading and research, to maintain and develop their knowledge.</p>
Principle 3: Act ethically and responsibly			
<u>Recommendation 3.1</u> 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.	Yes	Code of Conduct and Website	<p>The Company has adopted a Code of Conduct that outlines how the Company expects its Directors and employees of the Company to behave and conduct business in the workplace on a range of issues. The Company is committed to the highest level of integrity and ethical standards in all business practices.</p> <p>The purpose of the Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.</p>



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			<p>The Code of Conduct sets out the Company's expectations of its Directors and employees with respect to a range of issues including personal and professional behaviour, conflicts of interest, public and media comment, use of Company resources, security of information, intellectual property and copyright, discrimination and harassment, corrupt conduct, occupational health and safety, fair dealing and insider trading.</p> <p>A breach of the Code is subject to disciplinary action which may include punishment under legislation and/or termination of employment. The Code of Conduct is available on the Company's website at www.buddy.com.</p>
Principle 4: Safeguard integrity in corporate reporting			
<u>Recommendation 4.1</u> The board of a listed entity should: (a) have an audit committee which: <ol style="list-style-type: none"> has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and is chaired by an independent director, who is not the chair of the board, and disclose: <ol style="list-style-type: none"> the charter of the committee; the relevant qualifications and experience of the members of the committee; and 	Yes – 4.1(a)(2),(3), (4), (5) No – 4.1(a)(1)	Audit and Risk Committee Charter and Website	<p>The Audit and Risk Committee consists of two non-executive directors, both of whom are independent. It has been deemed of adequate membership size based on the size of the Company but will review in line with the Company's growth and operational activities. The Chair of the committee is Mr John van Ruth, an independent and non-executive director who has experience from a career in the accounting profession and is an experienced company director and CFO.</p> <p>The Board has charged the CEO, with support from the CFO and Company Secretary, with preparing the annual and half yearly reports. These reports are independently audited. The CEO, with support from the CFO and Company Secretary, also prepares the Company's quarterly financial and operational reports.</p>



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<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>All Company reports are reviewed by the Board and the Audit and Risk Committee before they are finalised, and Directors are given the opportunity to question and consider the information contained in the reports.</p> <p>The Audit and Risk Committee Charter provides recommendations in relation to the initial appointment of the external auditor and the appointment of a new external auditor should a vacancy arise. Any appointment of a new external auditor made by the Board must be ratified by shareholders at the next annual general meeting of the Company.</p> <p>Proposed external auditors must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. In addition, the successful candidate for external auditor must have arrangements in place for the rotation of the lead audit engagement partner on a regular basis. Other than these mandatory criteria, the Board may select an external auditor based on other criteria relevant to the Company such as references, cost and any other matters deemed relevant by the Board.</p> <p>Details of the members of the Committee and the meetings held are included in the Company's Report.</p> <p>A formal Audit and Risk Committee Charter has been adopted, a copy of which is contained in the Company's Corporate Governance Plan which is available on its website at www.buddy.com</p>



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<u>Recommendation 4.2</u> 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	Kept with Board papers	The CEO and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
<u>Recommendation 4.3</u> 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.	Yes	Shareholders Communication Strategy	In accordance with the Company's Shareholder Communication Strategy, the external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the conduct of the audit and the preparation and content of the auditor's report.
Principle 5: Make timely and balanced disclosure			
<u>Recommendation 5.1</u> A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	Yes	Continuous Disclosure Policy	<p>The Company listed on the ASX and is a "disclosing entity" pursuant to section 111AR of the Corporations Act 2001 and, as such, is required to comply with the continuous disclosure requirements of Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act.</p> <p>The Company has adopted a Continuous Disclosure Policy as detailed in Schedule 7 of the Company's Corporate Governance Plan, which is available from the Company's website. The purpose of this Continuous Disclosure Policy is to ensure the Company complies with continuous</p>



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			<p>disclosure requirements arising from legislation and the Listing Rules of the ASX. The Policy sets out the procedure for:</p> <ul style="list-style-type: none">• protecting confidential information from unauthorised disclosure;• identifying material price sensitive information and reporting it to the Company Secretary for review;• ensuring the Company achieves best practice in complying with its continuous disclosure obligations under legislation and the Listing Rules; and• ensuring the Company and individual officers do not contravene legislation or the Listing Rules. <p>The Company has obligations under the Corporations Act 2001 and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (e.g. the Annual Report).</p> <p>The Company recognises that the maintenance of confidentiality is also of paramount importance to the Company both to protect its trade secrets and to prevent any false market for the Company's shares from developing.</p> <p>All relevant information provided to ASX in compliance with the continuous disclosure requirements of legislation and the Listing Rules is promptly posted on the Company's website www.buddy.com</p>



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Principle 6: Respect the rights of security holders			
<u>Recommendation 6.1</u> A listed entity should provide information about itself and its governance to investors via its website.	Yes	Shareholders Communication Strategy	Information on the Company, its operations and its Corporate Governance, including copies of its various corporate governance policies and charters, is available on the Company's website www.buddy.com
<u>Recommendation 6.2</u> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholders Communication Strategy	<p>The Company has a Shareholder Communications Strategy that promotes effective communication with shareholders and encourages presentation of information to shareholders in a clear, concise and effective manner. The Board aims to ensure that Shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to Shareholders through the annual report, half yearly report, quarterly reports, disclosures and announcements made to the ASX, the annual general meeting and general meetings and through the Company's website. In addition there are regular CEO presentations that are streamed live across the internet with Q&A.</p> <p>The Shareholder Communications Strategy is contained in the Company's Corporate Governance Plan which is available on its website at www.buddy.com</p>
<u>Recommendation 6.3</u> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholders Communication Strategy	In accordance with the Company's Shareholder Communications Strategy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation, which will be reviewed regularly to encourage the highest level of shareholder participation.



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			The Company considers general meetings to be an effective means to communicate with shareholders and encourages shareholders to attend general meetings. In preparing for general meetings, the Company will draft the notice of meetings and related explanatory information so that they provide all of the information that is relevant to the shareholders in making decisions on matters to be voted on by them at the meeting. Information will be presented in a clear, concise and effective manner.
<u>Recommendation 6.4</u> A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholders Communication Strategy	<p>The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.</p> <p>In accordance with the Shareholder Communications Strategy, shareholders can register with the Company's Share Registry (Link Market Services Limited) to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the annual, half yearly and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p>
Principle 7: Recognise and manage risk			
<u>Recommendation 7.1</u> The board of a listed entity should: <ol style="list-style-type: none"> have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: 	Yes – 7.1(a)(2), (3), (4), (5) No – 7.1(a)(1)		<p>The Board has established an Audit and Risk Committee. Refer to 4.1 above for details and composition of the Committee.</p> <p>The Company's Risk Management Policy is contained in the Company's Corporate Governance Plan available on the Company's website at www.buddy.com, which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to management.</p>



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<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>The Board will delegate to the CEO responsibility for implementing the risk management system who will submit particular matters to the Board for its approval or review. The CEO is required to report to the Board on the management of risk.</p> <p>The Board and the audit and risk committee monitors risk through various arrangements including:</p> <ul style="list-style-type: none"> • regular Board meetings; • share price monitoring; • market monitoring; and • regular review of financial position and operations. <p>The Board will regularly review assessments of the effectiveness of risk management and internal compliance and control.</p> <p>Details of the members of the Committee and the meetings held are included in the Company's Report.</p> <p>A formal Audit and Risk Committee Charter has been adopted, a copy of which is contained in the Company's Corporate Governance Plan which is available on its website at www.buddy.com</p>
<p><u>Recommendation 7.2</u></p> <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>	Yes		<p>The Risk committee has completed a risk review in conjunction with the regulatory disclosures required by the 2020 Annual Report. The risk committee has responsibility for the monitoring of risk management, it has reported to the Board on several occasions and has worked alongside the external auditors in the identification of risks and risk mitigation. The Board believes that the Group is currently effectively communicating its significant and material risks to the Board to justify the implementation of a more formal system of identifying, assessing, monitoring and managing risk in the Company.</p>



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			The Company will continually review risk as its operations grow and evolve.
<u>Recommendation 7.3</u> A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	Yes – 7.3(b) No – 7.3(a)		<p>The Company does not currently have an internal audit function. This function is undertaken by the full Board and the Audit and Risk Committee.</p> <p>The Company has adopted procedures which are set out in its Risk Management Policy as follows:</p> <ul style="list-style-type: none"> (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks; (b) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and (c) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control. <p>To this end, comprehensive practices are in place that are directed towards achieving the following objectives:</p> <ul style="list-style-type: none"> (a) compliance with applicable laws and regulations; (b) preparation of reliable published financial information; and (c) implementation of risk transfer strategies where appropriate, eg insurance. <p>Management is charged with evaluating and considering improvements to the Company's risk management and internal control processes on an ongoing basis.</p>



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			<p>The Board considers that an internal audit function is not currently necessary given the current size and scope of the Company's operations. As the Company's operations grow and evolve, the Board will reconsider the appropriateness of creating an internal audit function.</p>
<p><u>Recommendation 7.4</u> 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>	Yes		<p>Buddy has two core businesses – its Commercial Business and Consumer Business. Buddy Ohm and Buddy Managed Services are the company's core Commercial offerings that empower its customers to fully leverage digital technologies and their impact in a strategic and sustainable way. Buddy Ohm is a resource monitoring and analytics solution that provides energy monitoring, reporting and auditing services for commercial and industrial customers. Buddy Managed Services team licenses Buddy's technology platforms to customers for integration into their own products.</p> <p>Buddy's Consumer Business trades under the LIFX brand, which was acquired in 2019 and whose results have been included for accounting purposes from 1 April 2019. LIFX has established a leading market position as a provider of smart lighting solutions. The company's suite of Wi-Fi enabled lights are currently used in nearly one million homes, viewed as second only to lighting giant, Philips Hue. LIFX products are sold in over 100 countries worldwide, directly and via distribution and sales partnerships with leading retailers and ecommerce platforms including Amazon, Google, Apple Stores, JB Hi-Fi, Bunnings, Officeworks, MediaMarkt, Saturn and Best Buy (in both the US and Canada).</p>



Principle / Recommendation	Compliance	Reference	Commentary
			<p>Buddy Ohm and Buddy Managed Services users represent a wide variety of industries, including airlines, agriculture, automotive, consumer electronics, robotics, software development, telecommunications, and transportation. Buddy is headquartered in Seattle, Washington, with offices in Adelaide, Australia.</p> <p>It is subject to various economic, environmental and social sustainability risks, which may be materially impact the Company's ability to operate and to generate value for shareholders which has been encompassed in a Risk Matrix. These include:</p> <ul style="list-style-type: none"> (a) Cash Reserves – Funding will be in the form of operating cashflows from existing businesses and equity/debt funding as when required for acquisitions. Any impact on availability of cashflow will impact operations. (b) Future Capital Requirements – Future funding will be required by the Company to develop various projects and or acquisitions. There can be no assurance that such funding will be available on satisfactory terms or at all, be it via operational cashflows, debt or equity funding. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, which may adversely affect the business and financial condition of the Company and its performance.



Principle / Recommendation	Compliance	Reference	Commentary
			<p>(c) Market Conditions – Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook, introduction of tax reform or other new legislation, interest rates and inflation rates, changes in investor sentiment toward particular market sections, the demand for, and supply of, capital, and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.</p> <p>(d) Competition and new technologies – The Company will be participating in a highly competitive market both domestic and global, however there are few, if any, specific competitors who have a dominant market share and dictate the structure or practices in the market. The fact that there are no dominant competitors makes market entry and penetration easier but not without the need to ensure that the Company can position and differentiate itself to gain market share. There is no certainty that the Company will be successful in this market, that revenue growth will be stimulated or that the Company will operate profitably in the short term, or at all.</p> <p>(e) Hacker attacks - Hackers could render the Platform unavailable or cause customers' personal information to be compromised. Although Buddy has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the Platform could lead to a loss of revenue for the Company while compromised customers' information could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.</p>



Principle / Recommendation	Compliance	Reference	Commentary
			<p>(g) Protection of intellectual property rights - If the Company fails to protect the intellectual property rights of Buddy adequately, competitors may gain access to its technology which may harm its business. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Platform may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property. In addition, unauthorised use of the "Buddy" brand in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities</p> <p>(h) Dependence on the Internet - The successful continuation of the Platform will depend to some extent on the continued acceptance of the Internet as a communications and commerce platform for individuals, devices and enterprises. The Internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of service. If for any reason the Internet does not remain a widespread communications medium and commercial platform, the demand for the Company's products would be significantly reduced, which would harm its business</p> <p>The Company has adopted the Risk Management Policy and other procedures to identify, mitigate and manage these risks and other risks identified going forward. These policies are updated from time to time as the Board considers appropriate in the circumstances for the management of the Company's risk profile.</p>



Principle / Recommendation	Compliance	Reference	Commentary
Principle 8: Remunerate fairly and responsibly			
<u>Recommendation 8.1</u> The board of a listed entity should: (a) have a remuneration committee which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: the charter of the committee; the members of the committee; and 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 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.	Yes – 8.1(a)(2), (3), (4), (5) No – 8.1(a)(1)		The Board's Remuneration and Nomination Committee consists of two non-executive directors, both of whom are independent. The Board has adopted a Remuneration Committee Charter, as contained in the Company's Corporate Governance Plan which is available on its website at www.buddy.com Details of the members of the Committee and the meetings held are included in the Company's Annual Report.
<u>Recommendation 8.2</u> 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.	Yes		The Company's policies and procedures regarding the remuneration of Executive and Non-Executive Directors and other Key Management Personnel is detailed in the Remuneration Report which is contained within the Company's Annual Report.



Principle / Recommendation	Compliance	Reference	Commentary
<u>Recommendation 8.3</u> A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	Yes		The Company has an employee incentive performance rights plan which was approved at a general meeting of shareholders in March 2019. A policy is in place in accordance with this recommendation which is included in the employee incentive performance rights plan, which includes a statement on the Company's policy on prohibiting participants in the Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.

Buddy Technologies Limited
Level 3, 12 Pirie Street
Adelaide, SA 5000
AUSTRALIA

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

BUDDY TECHNOLOGIES LTD

ABN / ARBN:

21 121 184 316

Financial year ended:

30 JUNE 2020

Our corporate governance statement² for the above period above can be found at:³

☐ These pages of our annual report:

☒ This URL on our website: <https://buddy.com/asx-announcements/>

The Corporate Governance Statement is accurate and up to date as at 30 September 2020 and has been approved by the board.

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

Date:

30 September 2020

Name of Director or Secretary authorising lodgement:

Ben Secrett
Company Secretary

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

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

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

² "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.

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

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

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/	<input type="checkbox"/> an explanation why that is so 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 person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's Annual Report for the period	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so 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 provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Company's Annual Report for the reporting period</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
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 that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/	<input type="checkbox"/> an explanation why that is so 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.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at https://buddy.com	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> in the Company's Corporate Governance Plan available at https://buddy.com/asx-announcements/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Company's Annual Report for the reporting period</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Company's Annual Report for the reporting period</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement 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>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>