

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (4th Edition) issued by ASX Corporate Governance Council. As a listed entity the Company has been required to report any departures from the principles and recommendations in its annual report.

The Company's proposed departures from the principles and recommendations, as at the date of admission to the Official List, are set out in the table below.

Recommendation	Nature of Departure	Explanation for Departure
1.5(c)	Measurable objectives for achieving gender diversity have not been established or disclosed.	<p>The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees.</p> <p>The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.</p> <p>The Board is committed to developing a diverse workplace where appointments or advancements are made on a fair and equitable basis.</p>
1.6(b)	No performance evaluations undertaken for the Board, its committees and individual directors.	<p>To date formal performance evaluations have not been undertaken. Given the size and resources available to the Company, it is not proposed that performance evaluations will take place immediately from the date of admission of the Company to the Official List.</p> <p>As the Company's operations and employee number grow, the Board will reassess the Company's practices in relation to performance reviews.</p>
1.7(b)	No performance evaluations undertaken for senior executives.	<p>To date formal performance evaluations have been undertaken in respect of certain, but not all, senior executives. It is proposed that periodic performance evaluations will be implemented for all senior executives following the admission of the Company to the Official List.</p>

Recommendation	Nature of Departure	Explanation for Departure
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	<p>The Company does not currently have a skills or diversity matrix in relation to its Board members. The Board considers that such a matrix is not necessary given the current state of operations.</p> <p>The Company's Remuneration and Nomination Committee is responsible for regularly reviewing the size, composition and skills of the Board to ensure that the Board is able to discharge its responsibilities effectively and to identify any gaps in the skills or experience of the Board.</p> <p>The Board may adopt such a matrix in the future as the Company's operations evolve.</p>
2.4	A majority of the Board of a listed entity should be independent directors.	<p>A majority of the board are not independent directors. Three of the Board's six directors, being Donald McLay, Liza Carpene and Paul McKenzie considered independent.</p> <p>The Company does not consider Kenneth Hancock Gavin Ball to be independent because they are each substantial shareholder of the Company (either directly or through controlled entities). The Company does not consider Lu Shen to be independent because the Company employs him as Chief Executive Officer and Executive Director.</p> <p>The Company believes that the current structure of the Board is appropriate given the size and current operations of the Company and allows for the best utilisation of the experience and expertise of its members.</p> <p>Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>
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.	<p>Upon appointment, new directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.</p> <p>The Board will, when it considers the Company's operations to be of appropriate size and status, implement a formal induction process that complies with Recommendation 2.6.</p>