



**COSOL LIMITED**  
**ACN 635 371 363**  
**(Company)**

**CORPORATE GOVERNANCE STATEMENT**

This Corporate Governance Statement sets out the Company's current compliance with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**). The Principles and Recommendations are not mandatory, and this Corporate Governance Statement discloses the extent to which the Company has followed the Principles and Recommendations and explains reasons where a Recommendation has not been followed.

This Corporate Governance Statement is current as at 24 August 2022 and has been approved by the Board of Directors of the Company.

The Company has adopted a Corporate Governance Plan which documents the Company's corporate governance practices, and contains in full all of the charters and policies referred to in this Corporate Governance Statement. A copy of the Company's Corporate Governance Plan is available from the Company's website at <https://cosol.global/app/uploads/2021/04/COS-Corporate-Governance-Plan.pdf>.

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>	
<b>Recommendation 1.1</b> A listed entity should have and disclose a board charter setting out:  (a) the respective roles and responsibilities of its Board and management; and  (a) those matters expressly reserved to the Board and those delegated to management.	The Company has adopted a Board Charter which sets out the specific roles and responsibilities of the Board, the Chairman and executive management, and includes a description of those matters expressly reserved to the Board and those delegated to executive management.  The Board Charter sets out the requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, and details of the Board's performance review.

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	The Company's Board Charter is contained in the Company's Corporate Governance Plan, which is available on the Company's website.
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holds a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision to whether or not to elect or re-elect a director.</p>	<p>(a) The Company's Nomination and Remuneration Committee Charter (contained in the Company's Corporate Governance Plan, which is available on the Company's website) contains guidelines for the appointment and selection of the Board and senior executives and requires the Nomination and Remuneration Committee to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) The Company's Nomination and Remuneration Committee Charter requires all material information relevant to a decision on whether or not to elect or re-elect a Director to be provided to security holders in each annual shareholders' meeting containing the resolution to elect or re-elect a Director.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company's Nomination and Remuneration Committee Charter requires the Nomination and Remuneration Committee to ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has written agreements with each of its Directors and the Senior Executives.</p>
<p><b>Recommendation 1.4</b></p> <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>	<p>The Board Charter outlines the roles and responsibility of the Company Secretary. The Board Charter outlines how the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p>	<p>(a) The Company's Diversity Policy (contained in the Company's Corporate Governance Plan, which is available on the Company's website) 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</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION												
<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>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) 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&amp;P / ASC 300 Index of the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have</p>	<p>from all available talent. The Company believes diversity includes, but is not limited to, gender, age, ethnicity and cultural background.</p> <p>(b) The Company's Diversity Policy is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(c) The Company has not yet set measurable objectives for achieving gender diversity. The Company's personnel comprise the four Directors, and it engages consultants and contractors to assist with financial reporting, governance and administrative activities. The Company will consider setting measurable objectives for achieving gender diversity as it continues to review and develop the operating businesses.</p> <p>As at 31 July 2021, the gender composition of the Company and its operating subsidiaries, COSOL Australia Pty Ltd and AddOns Inc, was as follows.</p> <table border="1" data-bbox="1041 746 1700 1005"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td><b>Board</b></td> <td>100%</td> <td>0%</td> </tr> <tr> <td><b>Executive Management</b></td> <td>60%</td> <td>40%</td> </tr> <tr> <td><b>Group</b></td> <td>70%</td> <td>30%</td> </tr> </tbody> </table> <p>Executive Management comprises the Chief Executive Officer of COSOL Australia Pty Ltd and all executive management personnel who report to the CEO.</p>		Male	Female	<b>Board</b>	100%	0%	<b>Executive Management</b>	60%	40%	<b>Group</b>	70%	30%
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not less than 30% of its direction of each gender within a specified period.	
<p><b>Recommendation 1.6</b></p> <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>	<p>(a) The Company's Nomination and Remuneration Committee is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Nomination and Remuneration Committee Charter.</p> <p>(b) The Company's Nomination and Remuneration Committee Charter requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. With the exception of the Managing Director, the Company has not undertaken performance evaluations of the Board or its Committees during the period.</p>
<p><b>Recommendation 1.7</b></p> <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>(a) The Company's Nomination and Remuneration Committee is responsible for evaluating the performance and the remuneration of the Company's senior executives on an annual basis. Senior executives are those persons as designated by the Board, and currently comprise the CEO and the CFO (which role is currently temporarily filled by an external contractor) of COSOL Australia Pty Ltd. The process for this is set out in the Nomination and Remuneration Committee Charter.</p> <p>(b) The Company's Nomination and Remuneration Committee Charter requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company undertaken performance evaluations of the CEO and CFO of COSOL Australia Pty Ltd during the reporting period.</p>

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<b>Principle 2: Structure the Board to be effective and add value</b>	
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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 of those meetings; or</li> </ul> <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 responsibilities effectively.</p>	<p>(a) The Company has a Nomination and Remuneration Committee. The Company's Nomination and Remuneration Committee Charter provides for the creation of a Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Strautins and Johnston), one of whom is considered to be independent and chairs the Committee. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company considers this structure to be appropriate and effective at this time, and notes that the current Committee comprises only non-executive Directors who each possess the skills, experience, commitment and independent judgement to enact and conduct rigorous and transparent processes for performance evaluations and appointments of Directors while representing the best interests of the Company and all of its security holders.</p> <p>The Company's Nomination and Remuneration Committee Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The members of the Committee and their meeting attendance record are disclosed in the Company's Annual Report for the financial year ending 30 June 2022.</p> <p>(b) The Company has a Nomination and Remuneration Committee, and the processes it employs are detailed in the Nomination and Remuneration Committee Charter.</p>

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<p><b>Recommendation 2.2</b></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>	<p>The Company's Nomination and Remuneration Committee Charter requires the Committee to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve). The composition of the Board is to be reviewed regularly against the Company's Board skills matrix to ensure the Board has the appropriate mix of skills and expertise to discharge its obligations effectively and to facilitate successful strategic direction for the Company.</p> <p>The Company has not disclosed a Board skills matrix but the Board is confident that its members together possess the mix of experience, skills and competencies across the following areas required for the Board to function effectively and successfully. The Directors possess sector experience &amp; knowledge; skills and experience in accounting &amp; finance, law, CEO &amp; senior management, developing &amp; implementing risk management systems, and strategy development &amp; implementation; and competencies in managing large organisations, financial literacy, strategic planning, managing senior executives, communication and interpersonal relations, collaboration, effective decision making, sound judgement, and integrity.</p> <p>The Company's Board Charter requires the disclosure of each Board member's qualifications and expertise. Details of the relevant qualifications, experiences and skills of each Director and senior executive are disclosed in the Company's Annual Report for the financial year ending 30 June 2022 and on the Company's website.</p>
<p><b>Recommendation 2.3</b></p> <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, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest,</p>	<p>(a) The Company's Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers Messrs Pestell and Strautins to be independent Directors, and this is disclosed in the Company's Annual Report for the financial year ended 30 June 2022.</p> <p>(b) Messrs Lewis, Johnston and Buckley have an interest and position of the type described in Box 2.3 of ASX Principle 2.3 and hence have been classified as Non-Independent Directors. Ben Buckley is employed in an executive capacity and Messrs Lewis and Johnston both have a substantial shareholding of 16.43% and 16.43% respectively. The Board is of the opinion that Messrs Lewis, Johnston and Buckley interest and positions held do not compromise the independence of these directors and the Board is</p>

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<p>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>comfortable that these directors have the capacity to bring an independent judgment to bear on issues put before the Board and act in the best interests of the entity and its security holders generally.</p> <p>(c) The length of service of each Director is disclosed in the Company's Annual Report for the financial year ended 30 June 2022.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Company's Board Charter requires that, where practical, at least 50% of the Board will be independent.</p> <p>The Board currently comprises four directors, of whom two are considered to be independent. The Board considers that this is adequate for ensuring that decisions of the Board reflect the best interests of the Company and all of its security holders, and are not biased towards the interests of any person or group.</p>
<p><b>Recommendation 2.5</b></p> <p>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>	<p>The Chairman of the Company is not an independent Director and is not the CEO/Managing Director.</p>
<p><b>Recommendation 2.6</b></p> <p>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.</p>	<p>The Company's Board Charter requires that there be an induction program for new Directors, and the Nominations and Remuneration Committee is responsible for the approval and renewal of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations, and accounting standards relevant to the Company.</p>

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<b>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</b>	
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	<p>The Company is committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.</p> <p>The Company's values are set out in its Corporate Code of Conduct outlined in the Corporate Governance Plan.</p> <p>All employees are given appropriate training on the Company's values and senior executives will continually reference such values.</p>
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	<p>The Company has a Corporate Code of Conduct applicable to its Directors, officers and employees, and it is disclosed in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>Any material breaches of the Code of Conduct are reported by the Company Secretary to the Board.</p>
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches reported under that policy.</p>	<p>The Company has a Whistleblower Protection Policy. Under the Company's Whistleblower Protection Policy, any material breaches of the Whistleblower Protection Policy are to be reported to the persons supervisor or manager or the Managing Director of the Board.</p> <p>A copy of the Whistleblower Protection Policy is available on the Company's website.</p>

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<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <p>(a) have and disclosed an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.</p>	<p>The Company has a Anti-Bribery and Anti-Corruption Policy. Under the Company's Anti-Bribery and Anti-Corruption Policy, any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Chief Financial Officer or the Company Secretary of the Board.</p> <p>A copy of the Anti-Bribery and Anti-Corruption Policy is available on the Company's website.</p>
<b>Principle 4: Safeguard the integrity of corporate reports</b>	
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the</p>	<p>(a) The Company has an Audit Committee. The Company's Audit and Risk Committees Charter provides for the creation of an Audit Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Johnston and Pestell), one of whom is considered to be independent, and is chaired by a Director not considered to be independent. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company notes that the current Committee comprises only non-executive Directors who each possess the skills, experience and independent judgement to oversee the corporate reporting process, and who have accounting and legal expertise and an in-depth understanding of the sector in which the Company operates to be able to effectively discharge the Committee's mandate. The Committee is chaired by the Director who possesses an extensive accounting and financial background.</p> <p>The Company's Audit and Risk Committees Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The members of the Committee, and their qualifications, experience and meeting attendance record are disclosed in the Company's Annual Report for the financial year ended 30 June 2022.</p>

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<p>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>(b) The Company has an Audit Committee, and the processes it employs are detailed in the Audit and Risk Committees Charter.</p>
<p><b>Recommendation 4.2</b></p> <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 Company's Audit and Risk Committees Charter requires the Managing Director and CFO to provide a declaration on these terms.</p>
<p><b>Recommendation 4.3</b></p> <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>As outlined in the Audit and Risk Committees Charter, the role of the Audit Committee includes the verification and integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>

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<b>Principle 5: Make timely and balanced disclosure</b>	
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>The Company's Continuous Disclosure Policy is designed to ensure the Company's compliance with ASX Listing Rules disclosure, and is disclosed in full in the Company's Corporate Governance Plan, which is available on the Company's website</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>Under the Company's Continuous Disclosure Policy, all members of the Board will receive material market announcements promptly after they have been made.</p>
<p><b>Recommendation 5.3</b></p> <p>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.</p>	<p>Under the Company's Continuous Disclosure Policy, all substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.</p>

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<b>Principle 6: Respect the rights of security holders</b>	
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Information about the Company and its governance (including its Corporate Governance Plan) can be found on the Company's website at <a href="https://cosol.global/corporate-governance/">https://cosol.global/corporate-governance/</a>.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company has a Shareholder Communications Policy which promotes and facilitates effective two-way communication with investors, based on transparency, and in line with sound corporate governance principles. The Policy outlines a range of ways in which information is communicated to shareholders, and is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>The Company's Shareholder Communication Policy encourages security holders to receive communications from (eg notices of meeting and financial reports), and to send communications to, the Company and its share registry by way of email. The Company maintains a website (<a href="https://www.cosol.global">https://www.cosol.global</a>) from which financial reports, notices of meeting, ASX announcements, and other Company documents are freely available. Further, shareholders are encouraged to participate at meetings of the Company's security holders. Shareholders are welcome, and are encouraged to participate, at all general meetings and annual general meetings of the Company.</p>
<p><b>Recommendation 6.4</b></p> <p>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.</p>	<p>All substantive resolutions of security holder meetings will be decided by a poll rather than a show of hands.</p>

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<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Company's Shareholder Communications Policy provides that security holders can register through the Company's share registry to receive notifications from the Company electronically. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>
<b>Principle 7: Recognise and manage risk</b>	
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent Directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the members of the committee; and</p> <p style="margin-left: 20px;">(v) 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>(a) The Company has a Risk Committee. The Company's Audit and Risk Committees Charter provides for the creation of a Risk Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Pestell and Strautins), both of whom are considered to be independent, and is chaired by an independent Director. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company notes that the current Committee comprises only independent non-executive Directors who each possess the skills, technical knowledge and industry understanding to effectively assess the adequacy of the Company's processes for managing risk and reviewing any incidents regarding the Company's internal controls. The Committee is chaired by the Director who possesses an extensive legal and risk management background.</p> <p>The Company's Audit and Risk Committees Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The members of the Committee, and their qualifications, experience and meeting attendance record are disclosed in the Company's Annual Report for the financial year ending 30 June 2022.</p> <p>(b) The Company has a Risk Committee, and the processes it employs are detailed in the Audit and Risk Committees Charter.</p>

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<p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	
<p><b>Recommendation 7.2</b></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 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>(a) The Company's Audit and Risk Committees Charter requires the Risk Committee to at least annually satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>(b) The Company commenced a review of its risk management framework during the year.</p>
<p><b>Recommendation 7.3</b></p> <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>(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a formal internal audit function but it has processes for evaluating and continually improving the effectiveness of risk management and financial control processes.</p> <p>(b) The Audit and Risk Committees Charter provides for the Audit Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of the internal audit procedures that are in place pursuant to the Audit and Risk Committees Charter.</p>

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<p><b>Recommendation 7.4</b></p> <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>The Audit and Risk Committees Charter requires the Risk Committee to assist management to determine whether the Company has any potential or apparent material exposure to economic, environmental and social sustainability risks and, if it does, put in place management systems, practices and procedures to manage those risks.</p> <p>The Company has disclosed whether it has any material exposure to economic, environmental and social sustainability risks, and how it manages those risks, in its Annual Report for the financial year ended 30 June 2022.</p>
<b>Principle 8: Remunerate fairly and responsibly</b>	
<p><b>Recommendation 8.1</b></p> <p>A listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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;</li> </ul> <p>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</p>	<p>(a) The Company has a Nomination and Remuneration Committee. The Company's Nomination and Remuneration Committee Charter provides for the creation of a Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Strautins and Johnston), one of whom is considered to be independent and chairs the Committee. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company notes that the current Committee comprises only non-executive Directors who each possess the skills, experience and independent judgement to ensure a formal and transparent process for developing and reviewing the Company's remuneration framework and determining the remuneration packages of Directors and senior executives so as to align the relationship between remuneration and performance to create value for security holders.</p> <p>The Company's Nomination and Remuneration Committee Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The members of the Committee and their meeting attendance record are disclosed in the Company's Annual Report for the financial year ending 30 June 2022.</p> <p>(b) The Company has a Nomination and Remuneration Committee, and the processes it employs are detailed in the Nomination and Remuneration Committee Charter.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
<p>executives and ensuring that such remuneration is appropriate and not excessive.</p>	
<p><b>Recommendation 8.2</b></p> <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>The Company's Nomination and Remuneration Committee Charter requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, and summaries of these are disclosed in the remuneration report in the Company's Annual Report for the financial year ended 30 June 2022.</p>
<p><b>Recommendation 8.3</b></p> <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>The Company's policy is that participants of any equity-based remuneration scheme are discouraged from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in such a scheme. A summary of this policy is disclosed in the remuneration report in the Company's Annual Report for the financial year ended 30 June 2022.</p>
<p><b>Additional recommendations that apply only in certain cases</b></p>	
<p><b>Recommendation 9.1</b></p> <p>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.</p>	<p>The Company is an Australian incorporated entity operating in Australia. All Board or security holder meetings will be conducted, and all key corporate documents will be written, in English.</p> <p>Should the Company eventually have a non-English speaking Director, the Company will translate all key corporate documents for the benefit of the Director. In addition, the Company can arrange for a translator to be present for all Board and security holder meetings.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
<p><b>Recommendation 9.2</b></p> <p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>The Company is an Australian incorporated entity. In any event, all security holder meetings will be held at a reasonable place and time for shareholders.</p>
<p><b>Recommendation 9.3</b></p> <p>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.</p>	<p>The Company is an Australian incorporated entity and the Company's auditor has offices based in Australia. The Company's auditor will attend the Company's Annual General Meeting and will be available to answer questions from Shareholders in respect of the Company's audit.</p>