



PYC Therapeutics

**ACN 098 391 961
(Company)**

Corporate Governance Statement – 30th June 2021

1.1 ASX Corporate Governance Council Principles and Recommendations

PYC Therapeutics Limited ("Company")("PYC") has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Board has adopted, and endorses the ASX Corporate Governance Principles and Recommendations (4th Edition) as amended from time to time ("Recommendations") and has adopted the Recommendations that are considered appropriate for the Company given its size and the scope of its proposed activities. Details of the Company's compliance with the Recommendations for the reporting period, in this case the 12-month period ending 30 June 2021 ("Reporting Period") are set out below.

The Company has elected to publish its Corporate Governance Statement on its website and will lodge annually an Appendix 4G which sets out a Key to Disclosures Corporate Governance Council Principles and Recommendations at the same time it lodges its Annual Report.

Where the Company's corporate governance practices follow the Recommendations, the Board has made appropriate statements reporting on the adoption of the Recommendations. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Board has elected not to follow specific Recommendations, the Board has explained its reasons for not following the Recommendations and disclosed what, if any, alternative practices the Company has adopted instead of those set out in the Recommendations.

This Corporate Governance Statement reports against the Recommendations and the practices detailed in this Corporate Governance Statement are current as at 22 September 2021. It has been approved by the Board and is available on PYC's website at <https://pyctx.com/investors-and-media/#filings>

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company has adopted a formal Board Charter which is on the Company's website (<https://pyctx.com/investors-and-media/#filings>). In broad terms, the Board is accountable to the shareholders and must ensure that the Company is properly managed to protect and enhance shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

1. Principle 1: Lay Solid Foundations for Management and Oversight

Board of directors

The primary responsibility of the Board and management is to preserve and increase the value of the Company for its shareholders, while respecting the legitimate interests and expectations of employees, customers, creditors, the communities in which the Company operates and other stakeholders.

The Board is responsible for corporate governance of the Company and establishing a company culture of high ethical, environmental, health and safety standards.

The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- a) set the strategic direction for the Company and monitor its implementation and ongoing development;
- b) monitor performance of the Company, the Board and management;
- c) appoint and manage performance of the Chief Executive Officer, Chief Financial Officer and Company Secretary and approve the Company's overall remuneration policy and oversee the senior management team in terms of performance evaluation, succession planning and remuneration;
- d) approve and monitor the business plan, annual work programs and budgets in accordance with the approved strategy and monitor the Company's overall financial position and capital requirements;
- e) authorise and monitor significant investment and strategic commitments;
- f) approve and monitor financial and other reporting to shareholders including the approval of the annual and half-yearly financial reports and quarterly reports;
- g) review and ratify the Company's policies and systems for health, safety and environmental management, risk management and internal control, codes of conduct and regulatory compliance;
- h) oversee the entity's process for making timely and balanced disclosure of all material information;
- i) appoint and remove the external auditors;
- j) evaluate the performance of the Board and identify and appoint new directors to the Board; and

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Delegation to Senior Management

Other than the matters specifically reserved for the Board, responsibility for the operation and administration of the Company has been delegated to the Chief Executive Officers in Australia and the US. Internal control processes are in place to allow management to operate within Board approved limits and the Chief Executive Officers cannot commit the Company to additional obligations or expenditure outside of those delegated authorities without Board approval.

Board Composition

The Constitution of the Company requires a minimum number of three Directors. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board includes the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Group and the ability to contribute to Board duties and responsibilities.

The background of each Director is set out in the Directors Report section of the Annual Report and on the Company's website.

Retirement, re-election and appointment of new Directors

The constitution of the Company notes that Directors cannot hold office for a period longer than three years without submitting themselves for re-election at the next AGM, one third of the Directors must retire by rotation at each AGM together with any new Directors appointed by the Board during the period since the last general meeting. Retiring Directors are eligible to stand for re-election.

If the Board decides to appoint a new member either to complement the existing members or fill a vacancy, it goes through the process of identifying a wide base of potential candidates with appropriate skills and with a view to meeting the objectives of its Diversity Policy. The Company ensures that all appointments to the Board are appropriately referenced checked in addition to individual criminal and bankruptcy checks. It also ensures that all relevant information is provided to security holders for the purpose of deciding on whether or not to elect or re-elect Directors.

The Company does not have a formal induction process, however, new Directors appointed to the Board are provided with written material incorporating Financial, Corporate and Operating information in relation to the Company. In addition, they are provided with a detailed appointment letter outlining the Company's expectations and setting out the requirements of the role as well identifying director interests and potential conflicts.

Role of the Company Secretary

The Company Secretary is appointed by and accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary acts on all Committees of the Board.

Each Director is able to communicate directly with the Company Secretary on all matters relating to the functioning of the Board.

Evaluation of Board Performance

The Company does not have a formal process for the evaluation of the effectiveness, processes and structure of the Board. The Chairman reviews the performance of Board Members throughout the year

Evaluation of Senior Executive Performance

The Board is responsible for evaluating the performance of senior executives. The Company considers that a formal process is not essential at this stage and that performance evaluation can be effectively assessed on an informal basis.

Diversity Policy

The Board has adopted a Diversity Policy as per Recommendation 1.5. The Company is committed to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

Gender Diversity

The Board has not at this time, implemented measurable objectives regarding the proportion of females to be employed or appointed to Board positions. The Board will consider the future implementation of gender-based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

The Board is reviewing its practices with a focus on ensuring the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant. Some of the measures to assess the success of the policy are set out below.

Measurable Objectives

Adoption and promotion of formal Diversity Policy	The Board has adopted a Diversity Policy and has posted it on the website
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees	The Company does, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices	The Company grants reward and promotion based solely on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implement requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability-based policies currently implemented by the Company.

The Board will consider the future implementation of gender-based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

Principle 2: Structure the Board to be Effective and to Add Value

Composition of the Board

Nomination committee

The Company does not currently have a separate nomination committee and as such has not complied with Recommendation 2.1. The duties and responsibilities typically delegated to such a committee are dealt with by the full Board. Given the size and nature of the Company's activities the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee.

The Company does not have a formal induction process, however, new Directors appointed to the Board are provided with written material incorporating Financial, Corporate and Operating information in relation to the Company. In addition, they are provided with a detailed appointment letter outlining the Company's expectations and setting out the requirements of the role as well identifying director interests and potential conflicts.

Composition

The Directors have been chosen for their particular expertise to provide the company with a competent and well-rounded decision-making body and which will assist the company and shareholders in meeting their objectives.

As at June 2021, the term in office held by each Director in office at the date of this report is as follows and details of the professional skills and expertise of each of the Directors are set out in the Directors' Report.

Name	Position	Term in Office	Independence
Mr Alan Tribe	Non-Executive Chairman	3 years	Not independent
Dr Rohan Hockings	Executive Director - CEO	3 years	Not independent
Mr Sahm Nasser	Executive Director - CEO US	10 months	Not independent
Dr Michael Rosenblatt	Non-executive Director	7 months	Independent
Mr Jason Haddock	Non-executive Director	6 months	Independent

The Directors meet frequently, both formally and informally, so that they maintain a thorough understanding of the Company's business and ensure that the Company's policies of corporate governance are adhered to.

Education

The Company encourages Directors to maintain their knowledge of the specific matters relating to the Company including: the nature of the business, current issues, corporate strategy. The Company makes its expectations clear concerning the performance of Directors and Directors are given access to and encouraged to participate in continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to company information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the consolidated entity's expense. The Director must consult with an advisor suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other board members.

Roles of Chairman and Chief Executive Officer

The role of Chairman and Chief Executive Officer are exercised by separate individuals, and accordingly the Company complies with Recommendation 2.5 of the Corporate Governance Council.

Skills and Experience

The skill sets currently on the Company's Board include technical, medicinal, financial, legal, managerial, corporate, and commercial.

The Board is presently comprised of five members, three of whom are Non-executive and two Executive Directors. At this stage of the Company's development the Board believes that there is an appropriate mix of skills, experience, expertise and diversity on the Board. In the coming years as the Company assesses development options additional expertise may be required and at that time further consideration will be given to ensuring the Board has an appropriate mix of skills and diversity.

Independence

Corporate Governance Council Recommendation 2.4 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. In accordance with this definition, the Company currently has two independent Directors.

The Board is of the view that, given the Company's size, the Board's current composition was the best structure for the Company's objectives during the period.

Principle 3: Instill a Culture of Acting Lawfully, Ethically and Responsibly

Values Statement

The Board acknowledges that conducting the Company's affairs with the evolving operating environment requires a unifying set of guiding principles that define how the Company wishes to conduct itself with the industry and communities within which it operates. Key values are set out below:

Respect – fair dealing with respect dignity and courtesy regardless of background lifestyle or position

Integrity – to act ethically, honestly, responsibly and diligently and within applicable laws

Sustainability, Health and Safety – commitment to environment protection and health and safety in the work place

Collaboration – working together build long term relationships with importance of clear open and continuous relationship with stakeholders.

Ethical Standards

The Company has a formal Code of Conduct as per Recommendation 3.2. This code outlines how Directors and employees of the Company and its related bodies corporate are to behave when conducting business. A full copy of this Code of Conduct is available on the Company's website.

The Company is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation.

All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Principle 4: Safeguard Integrity of Corporate Reports

Audit and Risk Management Committee

The Board has not created a separate audit and risk management committee as, in the opinion of the Directors, the scope and size of the Company's operations do not warrant it.

As such the Company is not in strict compliance of the Council's Recommendation 4.1 and 7.1

The Board as a whole are responsible for:

- reviewing internal control and recommending enhancements;
- monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- improving the quality of the accounting function, personnel and processes;
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner; and
- reviewing the performance of the external auditors on an annual basis.

Audit and Compliance Policy

The Board imposes policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues and the Board meets to consider audit matters prior to statutory reporting.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and international jurisdictions.

The Board assumes responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information. The Board maintains responsibility for a framework of internal control and ethical standards for the management of the consolidated entity.

The Board, consisting of members with financial expertise and detailed knowledge and experience of the life sciences business, advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The CEO and Company Secretary declare in writing to the Board that the Company's financial reports for each financial reporting period present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required each quarter, half year and annually.

The Company's auditor is required to be present, and be available to shareholders, at the Company's Annual General Meeting.

Principle 5: Make timely and balanced disclosure

Continuous Disclosure Policy

The Company has a formal Disclosure Policy, this policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and assists in ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Chief Executive Officers and the Company Secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all Directors, officers and employees of the Company coordinate disclosures through the CEO and the Company Secretary, including:

- a) Media releases;
- b) Analyst briefings and presentations; and
- c) The release of reports and operational results.

Principle 6: Respect the Rights of Security holders

Shareholder Communication

It is the policy of the Company to communicate effectively with its shareholders by giving them ready access to balanced and understandable information about the Company and making it easier for them to participate in general meetings.

The Board encourages full shareholder participation at the Annual General Meeting as it provides shareholders an opportunity to review the Company's annual performance. Shareholder attendance also ensures a high level of accountability and identification with the Company's strategy and goals.

The shareholders are responsible for voting on the appointment of Directors, approval of the maximum amount of Directors' fees and the granting of options and shares to Directors. Important issues are presented to the shareholders as single resolutions.

Information is communicated to shareholders through:

- the Annual Report which is distributed to all shareholders;
- Half-Yearly Reports, Quarterly Reports, and all Australian Securities Exchange announcements which are posted on the Company's website;
- the Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate; and
- compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules.

The Company's website provides information on recent announcements, financial information, project information and governance information. In addition, contact detail for the company and the company's media and investor services and share registry are all made available for security holders.

Principle 7: Recognise and Manage Risk

Risk Management

Recognise and Manage Risk

The Board has responsibility for the management of material business risks.

Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value.

Oversight of the risk management system

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is crucial for all Board members to be a part of the process, and as such the Board reviews all recommendations from management.

The Chief Executive Officer and Company Secretary have declared, in writing to the Board and in accordance with section 295A of the Corporations Act, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Company.

Internal control framework

The Company does not believe it is of a size that warrants an internal audit function. The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost-effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework appropriate for the Company's size and stage of development.

Economic, Environmental and Social Sustainability Risks

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

The Company's activities are conducted in a manner that minimises our environmental impact as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

Principle 8: Remunerate Fair and Responsibly

Remuneration committee:

The Company believes it is not of a size to justify having a Remuneration Committee at this point in time.

Remuneration policies:

The Board is responsible for determining and reviewing compensation arrangements for the Non-executive and Executive Directors, the CEO(s) and the executive team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high-quality board and executive team by remunerating Directors and senior executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive Directors' and senior executives' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

1. Retention and motivation of senior executives;
2. Attraction of quality management to the Company; and
3. Performance incentives which allow executives to share the rewards of the success of the Company.

Remuneration of the Non-executive Directors is determined by the Board with reference to comparable industry levels and, specifically for Directors' fees, within the maximum amount *approved by shareholders*. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-executive Directors.

For details on the amount of remuneration and all monetary and non-monetary components for all Directors refer to the Remuneration Report in the Directors' Report, contained in the Company's Annual Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the period.

Departures from Recommendations

The Company's compliance and departures from the Recommendations as at the date of this statement are set out on the following pages. This statement was approved by the Board on 22 September 2021.



PYC

Therapeutics

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (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	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chair 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, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is available on the Company's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <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 	YES	<ul style="list-style-type: none"> (a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director.

<p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>		<p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
<p>Recommendation 1.3</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>YES</p>	<p>The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is 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>Recommendation 1.4</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>YES</p>	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. 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>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> a) Have and disclose a diversity policy; 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; c) Disclose in relation to each reporting period: <ul style="list-style-type: none"> 1) The measurable objectives set for that period to achieve gender diversity 2) The entity's progress towards achieving those objectives and 3) Either: <ul style="list-style-type: none"> A) The respective proportions of men and women on the board, in senior executive positions and across 	<p>YES</p>	<p>A copy of the Diversity Policy is available to be viewed on the Company's website.</p> <p>Measurable objectives and gender analysis is disclosed in the Corporate Governance Statement.</p>

<p>the whole workforce (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 the Act.</p>	<p>The Company is not a relevant employer for the purpose of the Workplace Gender Equality Act.</p>
--	---

<p>Recommendation 1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>No</p>	<p>(a) The Board is responsible for evaluating the performance of the Board and individual Directors on an annual basis. It may do so with the aid of an independent advisor.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Reports. The Company considers that a formal process is not essential at this stage and that performance evaluation can be effectively assessed on an informal basis. No formal evaluation was conducted during the 2021 financial year.</p>
<p>Recommendation 1.7 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>No</p>	<p>(a) The Board is responsible for evaluating the performance of senior executives. The Company considers that a formal process is not essential at this stage and that performance evaluation can be effectively assessed on an informal basis.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of senior executives. Schedule 6 "Performance Evaluation" requires the Board to disclose whether or not performance evaluations were conducted during the</p>

relevant reporting period. No formal evaluation was conducted during the 2021 financial year.

Principle 2: Structure the Board to add value

Recommendation 2.1

The Board of a listed entity should:

- (i) have a nomination committee which:
- (ii) has at least three members, a majority of whom are independent Directors; and
- (iii) is chaired by an independent Director,
- (iv) and disclose:
- (v) the charter of the committee;
- (vi) the members of the committee; and
- (vii) 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

(a) 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.

YES

The Company does not currently have a separate nomination committee and hereby discloses this fact as required by recommendation 2.1. Given the size of the Company and the Board and the nature and scope of the Company's activities, the Board as a whole, currently fulfils the role of the Nomination Committee. The Board does not believe any marked efficiencies or enhancements would be achieved by the creation of a separate Nomination Committee. The Company has adopted a formal nomination committee charter which is available on its website.

Recommendation 2.2

A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

YES

Under the Board Charter, the Company is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this regularly against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

		<p>The Board Charter requires the disclosure of each Board member's qualifications and expertise.</p> <p>Full details as to each Director and senior executive's relevant skills and experience are available on the Company Website and disclosed in the Annual Report.</p>
<p>Recommendation 2.3</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 Recommendation (3rd Edition), 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>	YES	<p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports. As at 30 June 2021 two of the Directors were considered independent.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Director's interests, positions associations and relationships are provided in the Annual Reports.</p> <p>(c) The Board Charter requires the length of service of each Director to be disclosed. The length of service of each Director will be provided in the Annual Reports.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	NO	<p>The Board Charter requires that, where practical, the majority of the Board must be independent. As at 30 June 2021 and during the year a majority of the Board are not independent directors</p>
<p>Recommendation 2.5</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>	NO	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director. The present Chair Mr Alan Tribe is not independent due to his substantial shareholding in the</p>

		Company. Notwithstanding that the Company does not currently comply with Recommendations 2.4 and 2.5, given the stage of development of the Company and the current nature and scope of the Company's activities, the Company believes that the current composition of the Board is appropriate.
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	YES	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
Principle 3: Instill a Culture of Acting Lawfully, Ethically and Responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values</p>		These matters are disclosed in the Company's Corporate Governance statement, which is available on the Company's website.
<p>Recommendation 3.2</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) disclose that code or a summary of it.</p>	YES	<p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p> <p>(c)</p>
<p>Recommendation 3.3</p> <p>A listed entity should:</p>	YES	

<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 incidents reported under that policy</p>		<p>A copy of the Whistleblower Policy is available to be viewed on the Company's website.</p>
<p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>a) Have and disclose 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>No</p>	<p>The company did not have an anti – bribery and corruption policy in place for the full year relying on providing a safe mechanism pursuant to its Whistleblower Policy to enable and encourage the reporting of any actual, alleged, or perceived, instances of bribery or corruption by any individual. Subsequent to the end of the financial year a policy has been adopted.</p> <p>A copy of the Anti-bribery and Corruption Policy is available to be viewed on the Company's website.</p>
<p>Principle 4: Safeguard the Integrity of Corporate reports</p>		
<p>Recommendation 4.1</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>(i) the charter of the committee;</p>	<p>YES</p>	

<p>(ii) the relevant qualifications and experience of the members of the committee; and</p> <p>(iii) 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 financial 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 does not have a separate audit committee. The duties and responsibilities typically delegated to such a committee are carried out by the full Board.</p> <p>The processes the Board applies in performing this function include:-</p> <ul style="list-style-type: none"> • reviewing internal control and recommending enhancements; • monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions; • improving the quality of the accounting function, personnel and processes; • reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management; • liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner; and • reviewing the performance of the external auditors on an annual basis and nomination of auditors is at the discretion of the Board. <p>The Company has adopted a formal audit committee charter which is available on its website.</p>
<p>Recommendation 4.2</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 the financial records of the entity</p>	<p>YES</p>	<p>These obligations of a Company's CFO or CEO are set out in the Company's Corporate Governance Plan and the CEO and CFO</p>

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.		declaration is provided to the Board prior to the sign off of both the full year and half year financial statements.
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic report it releases to the market that is not audited or reviewed by an external auditor	YES	Disclosed in the Corporate Governance disclosures on the website
Principle 5: Make Timely and Balanced Disclosure		
Recommendation 5.1 A listed entity should:	YES	
(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and		(a) The Board Charter provides details of the Company's disclosure policy.
(b) disclose that policy or a summary of it.		(b) The Continuous Disclosure Policy is available on the Company website and is focussed on compliance with the Listing Rules and improving access to information for Investors.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made	YES	All announcements released to ASX are automatically emailed to the board through the ASX-Online platform
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation	YES	Refer Communication Policy on the company's website
Principle 6: Respect the Rights of Security Holders		
Recommendation 6.1	YES	

<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 can be found on the Company's website.</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>YES</p>	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website.</p>
<p>Recommendation 6.3</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>YES</p>	<p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material in that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p>
<p>Recommendation 6.4</p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands</p>	<p>YES</p>	<p>All resolutions at a meeting of shareholders are decided by a poll rather than a show of hands</p>
<p>Recommendation 6.5</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>YES</p>	<p>The Company's share registry gives security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>
<p>Principle 7: Recognise and Manage Risk</p>		
<p>Recommendation 7.1</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>(i) has at least three members, a majority of whom are independent Directors; and</p>	<p>YES</p>	

(ii) is chaired by an independent Director,

and disclose:

(iii) the charter of the committee;

(iv) the members of the committee; and

(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

(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.

b) The Company does not have a risk committee and hereby discloses that fact. Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

The Board has established a formal policy to effectively recognise and manage risk as required by Recommendation 7.1. The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value. The Risk Management policy is detailed in full on our website.

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is important for all Board members to be a part of the process, and as such the Board has not established a separate risk management committee. The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholder's needs and manage business risks.

		<p>The Chief Executive Officer has declared, in writing to the Board and in accordance with section 295A of the Corporations Act, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Company.</p> <p>The company has adopted a formal risk committee charter which is available on its website.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within 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>YES</p>	<p>(a) The Company's process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. This is contained in the Audit and Risk Charter.</p> <p>The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis. The Board meets on a regular basis to discuss the operating activities of the Company. As part of this, all risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than a formal annual review.</p>
<p>Recommendation 7.3</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 risk management and internal control processes.</p>	<p>YES</p>	<p>Due to the size of the Company, the Board does not consider it necessary at this time, to formally implement an internal audit function.</p> <p>The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost-effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:</p>

		<ul style="list-style-type: none"> • Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis approved by the Board. Monthly actual results are reported against these budgets. • Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, and levels of authority and due diligence requirements where businesses or assets are being acquired or divested.
<p>Recommendation 7.4</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>YES</p>	<p>The Company is of the view that its operations do not create a material exposure to economic, environmental or social sustainability risks</p>
<p>Principle 8: Remunerate Fairly and Responsibly</p>		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (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>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and</p>	<p>YES</p>	<p>The Company does not currently have a separate remuneration committee and hereby discloses this fact. The duties and responsibilities</p>

<p>composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>typically delegated to such a committee are considered to be the responsibility of the full board, given the size and nature of the Company's activities.</p>
<p>Recommendation 8.2</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 and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p>	<p>The Company has adopted a formal Remuneration committee charter which is available on its website.</p> <p>The Company's policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives are included in the Charter.</p>
<p>Recommendation 8.3</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>YES</p>	<p>The Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the 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. The Board must review and approve any equity-based remuneration schemes and any transactions which limit the economic risk of participating in the scheme. It is noted that a prohibition into entering such arrangements is provided for in the Corporations Act</p> <p>The Company's policy for trading in its securities is available on the company website</p>