



Corporate Governance Statement

The Board of Directors of Delta Drone International Limited (**DLT or the Company**) ABN 17 618 678 701 is responsible for:

- the corporate governance of the Company; and
- guiding and monitoring the Company's business on behalf of its shareholders.

The Company and its Board continue to be fully committed to achieving and demonstrating the highest standards of accountability and transparency in their reporting and see the continued development of the Company's corporate governance policies and practices as fundamental to the Company's successful growth.

To the extent applicable, in light of the Company's operational size and complexity, the Board has adopted the *Corporate Governance Principles and Recommendations (Fourth Edition)* as published by ASX Corporate Governance Council (**Recommendations**). However, the Board also recognises that full adoption of the Recommendations may not be practical or provide the optimal result given the particular circumstances of the Company.

The Company's Charters and Policies are available from the Company's website at <https://www.dlfi.com.au/resource/corporate-governance/>

Any references to various Charters or Policies within the statement below, are references to those published on the Company's website. Information published on the Company's website includes a copy of this corporate governance statement.

This Corporate Governance Statement was approved by the Board of Directors and is current as at 31 March 2022.

Recommendation	Comply	Comment
<p>Principle 1: Lay solid foundations for management and oversight <i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.</i></p>		
<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p><u>The Board</u></p> <p>DLT's constitution ("Constitution") provides that the business of DLT will be managed by the Board, operating under the Board Charter. The key roles and responsibilities of the Board are set out in the Board Charter.</p> <p><u>Senior management</u></p> <p>The Board Charter also sets out the key roles and responsibilities of senior management, including those specifically delegated to the Chief Executive Officer. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit and risk, remuneration or nomination committees, preferring at this stage to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit and risk, remuneration and nomination Committees.</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>The process for the selection, appointment and re-appointment of Directors is set out in Company's Constitution, the Remuneration Committee Charter and the Nomination Committee Charter. The Company undertakes appropriate checks before appointing a Director or senior executive, or putting someone forward for election as a Director.</p> <p>Under the Nomination Committee Charter, shareholders are required to be provided with all material information in the Committee's possession relevant to a decision on whether or not to elect or re-elect a Director.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>The Nomination Committee Charter requires that each Board member and each senior executive must enter into a written agreement with the Company setting out the terms and conditions of their appointment. The Company has written agreements in place with each Director and senior executive setting out the terms of their appointment.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	<p>The Company Secretary is accountable to the Board through the Chairman and the decision to appoint or remove the company secretary must be made or approved by the Board.</p> <p>The Company Secretary provides guidance to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and other applicable laws. When requested by the Board, the Company Secretary will facilitate the flow of information of the Board,</p>

Recommendation	Comply	Comment
		<p>between the Board and senior executives.</p> <p>The role of the Company Secretary is outlined in the Board Charter.</p>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set out for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>Partial</p>	<p>The Company has a Diversity Policy which provides a framework for the Company to achieve:</p> <p>(a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;</p> <p>(b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;</p> <p>(c) an inclusive workplace where discrimination, harassment, vilification and victimisation cannot and will not be tolerated;</p> <p>(d) improved employment, talent management and career development opportunities for women;</p> <p>(e) enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent;</p> <p>(f) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and</p> <p>(g) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity,</p> <p>(Collectively, the Objectives).</p> <p>The Board is responsible for developing measurable objectives and strategies to meet the objectives of the Diversity Policy (Measurable Objectives) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below. The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.</p> <p>The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.</p> <p>The Company's diversity strategies include:</p> <p>(a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board;</p> <p>(b) reviewing succession plans to ensure an appropriate focus on diversity;</p> <p>(c) identifying specific factors to take account of in recruitment and</p>

Recommendation	Comply	Comment								
		<p>selection processes to encourage diversity;</p> <p>(d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development;</p> <p>(e) developing a culture which takes account of domestic responsibilities of employees; and</p> <p>(f) any other strategies the Board develops from time to time.</p> <p>The Board supports achieving gender diversity and has integrated it as part of its recruitment process across the Company. However, the Board has not yet established Measurable Objectives for achieving gender diversity due to the Company's level of operations.</p> <p>The proportion of women employees (not including contract or temporary staff), in senior executive positions and women on the Board as at the date of this Statement is as follows:</p> <table border="1" data-bbox="1144 651 2107 855"> <thead> <tr> <th></th> <th>Proportion of Women</th> </tr> </thead> <tbody> <tr> <td>Whole Organisation (Excluding NEDs)</td> <td>29.8%</td> </tr> <tr> <td>Snr Executive Positions</td> <td>Nil</td> </tr> <tr> <td>Non-Executive Directors</td> <td>Nil</td> </tr> </tbody> </table> <p>Senior Executive's are those executives noted as Key Management Personnel as disclosed within the Annual Report.</p> <p>The Company is not a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 and therefore no Gender Equality Indicators are to be disclosed.</p>		Proportion of Women	Whole Organisation (Excluding NEDs)	29.8%	Snr Executive Positions	Nil	Non-Executive Directors	Nil
	Proportion of Women									
Whole Organisation (Excluding NEDs)	29.8%									
Snr Executive Positions	Nil									
Non-Executive Directors	Nil									
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>The Company has established a Performance Evaluation Policy. The Company's Nomination Committee (or, in its absence, the Board) 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.</p> <p>The Company is required under its policies to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>A performance evaluation of the individual Directors was not conducted during the reporting period.</p>								

	Recommendation	Comply	Comment
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>The Company has established a Performance Evaluation Policy. The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the Company's senior executives on an annual basis.</p> <p>The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive director.</p> <p>The Company is required under its policies to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>A performance evaluation of the senior executives was not conducted during the reporting period.</p>

Recommendation	Comply	Comment
<p>Principle 2: Structure the Board to be effective and add value</p> <p><i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i></p>		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Yes</p>	<p>The Company does not have a Nomination Committee. The Board has adopted a Nomination Committee Charter, which provides for the creation of a Nomination Committee. The Nomination Committee (if it is considered it will benefit the Company), must be established with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent director.</p> <p>The Board considers that the Company will not currently benefit from the establishment of a Nomination Committee. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure 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:</p> <p>a) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and</p> <p>b) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>No</p>	<p>The Company has not developed a Board skills matrix setting out the mix of skills that the Board currently has and is looking to achieve in its membership.</p> <p>The Directors are satisfied that the composition and structure of the Board currently meets the needs of the Company's operations and a review will be undertaken should the nature of those operations change.</p>
<p>2.3 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 or relationship of the type described in box 2.3 but the board is of</p>	<p>Yes</p>	<p>The Board may determine that a director is independent notwithstanding the existence of an interest, position, association or relationship of the kind identified in the examples listed under Recommendation 2.3 of the ASX Principles and Recommendations.</p>

Recommendation	Comply	Comment
<p>the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>		<p>The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. DLT has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.</p> <p>The Board considers that Messrs Gorenstein and Donner are independent. Messrs Arazi and Singleton were also considered to be independent but they ceased their engagement with the Company during the reporting period.</p> <p>Messrs Attias and Clark are not considered to be independent due to their roles as executives within the Company.</p> <p>Messrs Viguie and Clerc are not considered to be independent due to their relationship with Delta Drone SA, which is a substantial holder and parent entity of DLT.</p> <p>The directors' length of service is as follows:</p> <p>Executive Directors</p> <p>Mr Eden Attias (appointed 13 June 2018) Mr Christopher Clark (appointed 3 December 2020)</p> <p>Independent Non-Executive Directors:</p> <p>Mr Stephen Gorenstein (appointed 17 October 2018) Mr Clive Donner (appointed 14 July 2021) Mr Dan Arazi (appointed 13 June 2018; ceased 21 June 2021) Mr Chris Singleton (appointed 1 January 2019; ceased 14 July 2021)</p> <p>Non-Independent Non-Executive Directors</p> <p>Mr Christian Viguie (appointed 8 April 2021) Mr Nicolas Clerc (appointed 8 April 2021)</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>No</p>	<p>DLT's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of six Directors, of whom only Messrs Gorenstein and Donner are considered to be independent. As such, independent Directors are not currently a majority of the Board.</p> <p>The Board does not currently consider an independent majority of the Board</p>

Recommendation	Comply	Comment
		to be necessary as Messrs Viguie and Clerc bring a wealth of experience within the drone services industry such that the executive team and the business operation can be effectively managed.
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Partial	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>Mr Eden Attias holds the position as Executive Chairman of DLT and is not considered to be independent.</p> <p>Mr Christopher Clark holds the position of Chief Executive Officer and is not considered to be independent.</p>
2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, 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. The Company Secretary is responsible for facilitating inductions and professional development.</p> <p>New Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.</p>

Recommendation	Comply	Comment
<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly <i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i></p>		
3.1	A listed entity should articulate and disclose its values.	<p>Yes</p> <p>The Company outlines its values within its Code of Conduct Policy which include:</p> <ul style="list-style-type: none"> a) to deliver maximum shareholder value through profitable growth and the development of stable and sustainable projects whilst acting lawfully, ethically and responsibly. b) to pursue operational and commercial excellence by using best practice approaches in our decision-making process focusing on continuous development, accountability and teamwork in all aspects of our business. A key attribute to this approach is maintaining responsible long-term management. c) to ensure our employees and business partners have the appropriate skills and resources to perform their work effectively and efficiently and that all stakeholders (including investors, customers, suppliers and regulators) are aware of the Company's values and our intention to uphold them.
3.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code 	<p>Yes</p> <p>The Corporate Code of Conduct applies to all Directors, senior executives and employees and is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity and to take into account legal obligations and the reasonable expectations of stakeholders.</p> <p>Material breaches of this Code of Conduct must be reported to the Board or a committee of the Board.</p>
3.3	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or committee of the board is informed of any material incidents reported under that policy. 	<p>Yes</p> <p>The Company has adopted a Whistleblower Policy which is available on the Company's website.</p> <p>The Policy includes that the Board will be informed of any material incidents reported under the Policy as appropriate.</p>
3.4	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy 	<p>Yes</p> <p>The Company has adopted an Anti-Bribery and Anti-Corruption Policy.</p> <p>The Policy includes that the Board will be informed of any material breaches of that Policy as appropriate.</p>

Recommendation	Comply	Comment
<p>Principle 4: Safeguard the integrity of corporate reports <i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i></p>		
<p>4.1 A Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board.</p> <p>and disclose</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Yes</p>	<p>The Company does not have an Audit Committee. The Board has adopted an Audit and Risk Committee Charter, which provides for the creation of an Audit and Risk Committee. The Audit and Risk Committee (if it is considered it will benefit the Company), must be established with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair.</p> <p>The Board considers that the Company will not currently benefit from the establishment of an Audit and Risk Committee. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit Committee under the Audit and Risk Committee Charter, including the following processes to 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>a) the Board devotes time at Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</p> <p>b) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Yes</p>	<p>The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO a declaration provided in accordance with Section 295A of the Corporations Act 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>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an</p>	<p>Yes</p>	<p>In reviewing the quarterly cashflow reports and prior to the lodgement with the ASX, the following process has been adopted:</p> <ul style="list-style-type: none"> cash transactions for the quarter are provided by the accountant to the

Recommendation	Comply	Comment
external auditor.		<p>Chief Financial Officer;</p> <ul style="list-style-type: none"> • cash transactions are matched against the bank statements; and • consolidated quarterly figures are compiled and verified by the CFO and CEO. <p>A declaration is then provided by the CEO and CFO to the Board noting compliance with section 286 of the Corporations Act 2001, the appropriate accounting standards and with Listing Rule 19.11A.</p>

Recommendation	Comply	Comment
<p>Principle 5: Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities</i></p>		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<p>Yes</p> <p>The Company has in place a Continuous Disclosure Policy which outlines the policy surrounding information disclosure and the relevant procedures. The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.</p> <p>The Company Secretary is responsible for overseeing and co-ordinating disclosure of information to the relevant stock exchanges and shareholders; and providing guidance to Directors and employees on disclosure requirements and procedures.</p> <p>Under the terms of the Continuous Disclosure Policy, the Managing Director is primarily responsible for making decisions about what information will be disclosed to the ASX. Approval is sought from the Board on all significant matters. Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX.</p> <p>Information is posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<p>Yes</p> <p>All material market announcements are circulated to and reviewed by all members of the Board. The Board receives a copy of all material market announcements promptly after they have been made.</p> <p>All announcements are clearly noted as to the authorising officer and in general, all announcements are authorised for release by the Board.</p>
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	<p>Yes</p> <p>The Company's Continuous Disclosure Policy provides that any new and substantive investor or analyst presentation will be released on the ASX market announcements platform ahead of the presentation.</p>

Recommendation	Comply	Comment	
<p>Principle 6: Respect the rights of security holders <i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively</i></p>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company's full corporate governance practices and policies are set out on the on the Company's website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs and to facilitate two-way communication with investors.
			<p>The Company's Shareholder Communications Strategy sets out that information is communicated and the manner by which it is communicated to shareholders, namely through:</p> <ul style="list-style-type: none"> (a) the Annual Report delivered by post or via email (if requested by the shareholder) and which is also released to ASX and placed on the Company's website; (b) the half yearly report which is released to ASX and also placed on the Company's website; (c) the quarterly reports which are released to ASX and also placed on the Company's website; (d) disclosures and announcements made to the ASX, copies of which are placed on the Company's website; (e) notices and explanatory statements of Annual General Meetings (AGM) and General Meetings (GM), copies of which are released to ASX and placed on the Company's website; (f) the Chairman of the Board's address and the Managing Director's address made at the AGMs and the GMs, copies of which are released to ASX and placed on the Company's website; (g) the Company's website on which the Company posts all announcements which it makes to the ASX as well as materials distributed at investor or analyst presentations; and (h) the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

Recommendation		Comply	Comment
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	Shareholders are encouraged to attend and participate in general meetings. Accordingly, meetings are held during normal business hours using appropriate technology to facilitate the meeting and at a location considered to be most convenient for the greatest possible number of shareholders to attend.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	The Company's Shareholder Communication Strategy provides that all substantive resolutions at shareholder meetings will be decided by a poll rather than a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company's register is maintained by a professional security registry, Automic Pty Ltd (Automic). Shareholders are able to communicate with the Company and Automic via email and can register to receive communications and shareholder materials from the Company via its security registry electronically.

Recommendation	Comply	Comment
<p>Principle 7: Recognise and manage risk <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p>		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a), disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Yes</p>	<p>The Company does not have a Risk Committee. The Board has adopted an Audit and Risk Committee Charter, which provides for the creation of an Audit and Risk Committee.</p> <p>The Audit and Risk Committee (if it is considered it will benefit the Company), must be established with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent director. The Board considers that the Company will not currently benefit from the establishment of an Audit and Risk Committee.</p> <p>In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter and the Risk Management Policy, including the following processes to oversee the entity's risk management framework:</p> <ol style="list-style-type: none"> a) the Board devotes time at its Board meetings to fulfill the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
<p>7.2 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>Yes</p>	<p>The Company has identified key risks within the business. In the ordinary course of business, management monitors and manages those risks. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back to the Board quarterly.</p> <p>Key operational and financial risks are presented to and reviewed by the Board at regular intervals.</p>
<p>7.3 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>Yes</p>	<p>The Company does not have an internal audit function. Management, in conjunction with the Board, oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.</p> <p>The Board, in conjunction with the CEO and CFO discusses risk management and control procedures on a regular basis.</p>

	Recommendation	Comply	Comment
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	<p>The Company has a policy of disclosing any material exposures within its annual report and how it would manage those risks.</p> <p>The Company does not have any material exposure to economic, environmental or social risks.</p>

Recommendation	Comply	Comment
<p>Principle 8: Remunerate fairly and responsibly</p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</i></p>		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Yes</p>	<p>The Company does not have a Remuneration Committee. The Board has adopted Remuneration Committee Charter, which provides for the creation of an Remuneration Committee. The Remuneration Committee (if it is considered it will benefit the Company), must be established with at least three members, a majority being independent non-executive Directors, and which must be chaired by an independent director who will be appointed by the Board.</p> <p>The Board considers that the Company will not currently benefit from the establishment of a Remuneration Committee. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter, including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>a) the Board devotes time at appropriate Board meetings to assess the level and composition of remuneration for Directors and senior executives;</p> <p>b) items that are usually required to be discussed by a remuneration committee are marked as separate agenda items at Board meetings when required; and</p> <p>c) the Board may seek external advice and benchmarking to inform their decisions.</p>
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Yes</p>	<p>The Company discloses in the Remuneration Report contained within its Annual Report details of its remuneration policies and practices and the remuneration paid to non-executive directors, executive directors and other key management personnel.</p> <p>The maximum aggregate annual remuneration payable to non-executive directors is set by shareholders in general meeting in accordance with the Company's Constitution.</p>

Recommendation		Comply	Comment
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company's Securities Trading Policy prohibits Directors and other key management personnel from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities.</p>