

TORO ENERGY LIMITED
ACN 117 127 590
('Company' or 'Toro')

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 30 September 2021 and has been approved by the Board of the Company on that date.

RECOMMENDATION	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p>Recommendation 1.1</p> <p>(a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the board, the Chair and management, and includes a description of those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter also sets out requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. 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> <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 Company has an agreed process for the selection, nomination and appointment of Directors guided by the Board. An integral part of this process requires that the Board ascertain the qualifications and experience that a potential candidate should possess prior to shortlisting candidates. Appropriate background checks are carried out on any potential candidates before a person is appointed by the Board or put forward as a candidate for election as a Director.</p> <p>Before each Annual General Meeting, the Board internally determines the suitability of candidates for re-election as Directors. Factors influencing this decision include the outcome of annual (or other) Board performance reviews and any other relevant matters. Sufficient background information including biographical detail, other directorships and status as independent or otherwise, is then provided in the Notice of Meeting for shareholders to inform them appropriately of potential candidates.</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>	Partially Comply	<p>The Company has written agreements in place with all Non- Executive Directors (which includes a signed consent to act) and key executives with the exception of the Executive Chairman who was appointed by the Board of Directors on 1 January 2017. Such agreements stipulate, amongst other items, in the case of Non- Executive</p>

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		Directors the time commitment envisaged, remuneration and term of appointment and confidentiality obligations. In the case of key executives additional items include the reporting structure applicable to the executive and their duties and responsibilities in the role as well as termination provisions and benefits.
<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>	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, 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>Recommendation 1.5</p> <p>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>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	Yes	<p>The Company has established a diversity policy which is available on the Company's website. The Company is cognisant of the positive impacts that diversity may bring to an organisation and as such the Company continues to assess all staff and Board appointments on their merits with consideration to diversity as a driver in decision making. The Managing Director and Chief Executive Officer or equivalent is responsible for monitoring Company progress on diversity and reports to the Nomination and Remuneration Committee or the Board directly on the effectiveness of diversity related initiatives.</p> <p>The Company has a measurable objective to achieve at least 25% female representation on the Board, in senior executive positions and the entire Group by 30 June 2022. The Board does not anticipate there will be a need to appoint any new Directors or senior executives in the imminent future due to the nature of the Company's existing and proposed activities. As a consequence, the opportunity for creating meaningful gender diversity is limited.</p> <p>At the end of the reporting period the Company's Board consisted of three personnel, each of whom are male. During the course of the current reporting period the Company had one female employee in a senior executive position of a total of five senior executive employees (including the Directors) (20%), and across the whole workforce it had four female employees of a total of nine (including the Directors) (44%).</p> <p>The Company is not a relevant employer under the Workplace Gender Equality Act. The Company is not in the S&P/ASX 300 index.</p>

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<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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>The Company conducts Board performance reviews annually. The results of each performance review will be documented and its achievements monitored by the Board on an ongoing basis. In relation to new appointments, induction procedures and materials outlining industry information, the Company's financial position, strategy and operations are made available to the incumbents.</p> <p>Performance evaluations for the Board and individual Directors, have been carried out during FY21.</p>
<p>Recommendation 1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>Recognising that the performance of key executives and management is integrally linked to the performance of the Company, a performance evaluation of key executives is conducted annually in accordance with the processes outlined in the Remuneration Report. Performance of key management is reviewed annually by the Board and Managing Director or equivalent and has been conducted for the reporting period.</p>
<p>Principle 2: Structure the Board to be effective and add value</p>		
<p>Recommendation 2.1 The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(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>	Yes	<p>The Board has not established a separate Nomination Committee, the functions of which are instead carried out by the Board. Given the current size and composition of the Board and scale of the Company's activities, the Board considers that there would be no efficiencies gained by establishing a separate Nomination Committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants are engaged to identify possible new candidates for the Board.</p> <p>The criteria for determining the identification and appointment of a suitable candidate for the Board include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board's duties and physical ability to undertake the Board's duties and responsibilities.</p> <p>The full Board will review the skills represented by the Directors on the Board and determine whether the composition and mix of those skills remain appropriate for the Company's strategy. The Company's Constitution and the <i>Corporations Act 2001</i> (Cth) contain terms and conditions relating to the appointment and termination of</p>

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		<p>Directors. All Directors, with the exception of the Managing Director, are subject to re-election by rotation every three years.</p> <p>Toro believes that the current composition of the Board means that it has the necessary skills and experience applicable to the operations of the Group and to ensure that Toro continues to operate soundly.</p> <p>Details of the expertise, experience and education of each Director are set out in the Director's Report contained in the Company's Annual Report.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>The mix of skills and diversity for which the Board is looking to achieve in membership of the Board is represented by the composition of its current Board. The Company considers that the members of the Board contribute the skills vital to the continued success of the Company and in the event there are additional skills required these are outsourced, where necessary to the Company advisors. The Board comprises Directors who possess the following skills and qualifications: leadership, strategic and analytical thinking, extensive corporate, legal and management including in the resources sector, accounting, financial and geological, feasibility studies and global experience.</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 or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position 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>Yes</p>	<p>The Board considers the independence of Directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations and has determined that it currently has no independent Directors as they each are either employed by and/or are Directors or employees of major shareholders of the Company.</p> <p>As at 30 September 2021 the length of service of the other currently serving directors is as follows:</p> <ul style="list-style-type: none"> • Mr Richard Homsany – 7 years 10 months • Mr Michel Marier – 6 years 9 months • Mr Richard Patricio – 7 years 10 months <p>The composition of the Board is reviewed periodically in view of the underlying scale, scope and complexity of the Company's operations. Changes are made where appropriate.</p>

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<p>Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.</p>	No	<p>The Board currently comprises a total of three Directors, none of whom are considered to be independent. In considering this recommendation, the Board considered its primary role in the protection and enhancement of long-term shareholder value. Accordingly, the Board considers that the current composition is appropriate for the Company and provides for sound, efficient and effective corporate governance having regard to the size and level of operations of the Company.</p>
<p>Recommendation 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.</p>	No	<p>During the reporting period the Company did not have an independent Chair.</p> <p>In considering this recommendation, the Board considered its primary role in the protection and enhancement of long-term shareholder value. Accordingly, the Board considers that the current composition is appropriate for the Company and provides for sound, efficient and effective corporate governance. Accordingly, Toro has elected not to follow the recommendation of the chair of the Board of a listed entity being an independent director. Mr Homsany, as chairman for over four years, is integral to the Company, bringing to the role a wealth of knowledge and experience, including corporate stewardship, governance and management.</p> <p>Given these factors, the Board considers that it would be counterproductive to the Company and shareholders to seek an independent chairman.</p> <p>With regards to the chair or the board of a listed entity and the chief executive officer (CEO) not being the same person, the Company currently does not have a CEO, Managing Director (or equivalent) but an analogous role is undertaken by Mr Richard Homsany, Chairman.</p>
<p>Recommendation 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.</p>	Yes	<p>The Board is responsible for implementing an induction program for new Directors to ensure they gain an understanding of the Company and that they effectively discharge their responsibilities.</p>

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Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
<p>Recommendation 3.1 A listed entity should articulate and disclose its values.</p>	Yes	<p>The Board acknowledges the need for continued maintenance of a professional standard of corporate practice and ethical conduct by all Directors, Officers, employees, contractors and consultants of the Company.</p> <p>Accordingly, the Company has in place a Corporate Code of Conduct to provide a framework for decisions and actions in relation to ethical conduct in employment and to build an ethical culture within the organisation. The Code of Conduct is available on the Corporate Governance section of the Company's website at www.toroenergy.com.au/corporate/corporate-governance/.</p>
<p>Recommendation 3.2 A listed entity should:</p> <p>(a) have and disclose a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	Yes	<p>The Company's Code of Conduct applies to the Company's directors, senior executives, employees and consultants.</p> <p>Any material breaches of the Code of Conduct are reported to the Board through the Chairman and/or the Company Secretary.</p>
<p>Recommendation 3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company's Whistleblower Policy is available on the Company's website. Any material breaches of the Whistleblower Policy are to be reported to the Board or a committee of the Board.</p>
<p>Recommendation 3.4 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 committee of the Board is informed of any material breaches of that policy.</p>	Yes	<p>The Company's Anti-Bribery and Anti-Corruption Policy is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.</p>

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Principle 4: Safeguard the integrity of corporate reports		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the Chair of the Board, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) 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>(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>	Yes	<p>The Board has not established a separate audit committee. The Board considers that the Company and the scope and nature of its activities are not currently of a size to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review and operation of the internal control systems. If the Company's activities increase in size, scope and nature, the formation of an audit committee will be reviewed by the Board and implemented if appropriate. The Company has the following processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>Selection of External Auditors</p> <p>In the event of a vacancy for the position of external auditor, the Company, through the Board, will conduct a selective formal tender process to select which audit firm will fill the vacancy.</p> <p>Potential audit firms selected will be evaluated in accordance with set criteria from time to time, including but not limited to skills and knowledge, quality of work, independence, value for money and ethical behaviour and fair dealing. Above all, candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period.</p> <p>Appointment of External Auditors</p> <p>The Board identifies and recommends an appropriate external audit firm and audit partner for appointment by the Board and/or the Company in general meeting of shareholders. The appointment is made in writing.</p> <p>Rotation of External Auditors</p> <p>The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to the Company's accounts for a period of no more than five consecutive years.</p>

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<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 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 isoperating effectively.</p>	Yes	<p>Prior to the conclusion of a financial period and prior to the approval of the financial statements by the Board, the Board receives from the Company's Managing Director (or equivalent) or Chairman and Chief Financial Officer (or equivalent) a declaration in writing that states:</p> <ul style="list-style-type: none"> (i) the financial statements of the Company for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards; (ii) the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and (iii) the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects. <p>Before approving the Company financial statements for the year ended 30 June 2021 the Board received an equivalent declaration to the above.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	<p>The Company has a process whereby relevant reports are generated by the financial officer or Company Secretary, reviewed by an Executive Director and approved by the Board before release onto the ASX platform.</p>
<p><i>Principle 5: Make timely and balanced disclosure</i></p>		
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	Yes	<p>The Company's Continuous Disclosure Policy is available on the Company's website.</p>
<p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	<p>Under the Company's Continuous Disclosure Policy all members of the Board will receive material market announcements promptly after they have been made.</p>
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	Yes	<p>Under the Company's Continuous Disclosure and its Shareholder Communication Policy the Company is required to release any or all presentation material containing price sensitive information with the ASX prior to the presentation commencing and place such information on the Company's website as soon as practicable on completion of the briefing.</p>

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Principle 6: <i>Respect the rights of security holders</i>		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance is available on the Company's website.
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Partially Comply	<p>Due to the size of the Company and its current stage of development the Company does not have a formal investor relations program.</p> <p>The Company's Shareholder Communication Policy which sets out the Company's commitment to communicating effectively with shareholders and giving them ready access to balanced and understandable information about the Company and its corporate strategies. Mechanisms employed include:</p> <ul style="list-style-type: none"> (i) announcements lodged with ASX; (ii) ASX Quarterly Activities and Cash Flow Reports; (iii) Half Yearly Report; (iv) presentations at the Annual General Meeting (AGM)/General Meetings; and (v) Annual Report. <p>In addition to ASX continuous disclosure requirements and various investor relation forums, the Company places importance on effective two way communications with shareholders. Accordingly, the Board encourages full participation of shareholders at the AGM to ensure a high level of accountability and understanding of the Company's strategy and goals.</p> <p>The Chair and Company Secretary respond to queries from shareholders provided the information requested is not material or price sensitive and is already publicly available. In general, the Company encourages two-way communications with its shareholders by way of face to face meetings, telephone conversations and in writing either by mail or email.</p>
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Board encourages full participation of shareholders at the AGM to ensure a high level of accountability and understanding of the Company's strategy and goals. Shareholders are invited to ask questions on resolutions put to shareholder votes at the Meeting and are also invited to ask questions of the Board and management about the Company's strategy and goals following conclusion of the formal business of the meeting. The Company's practice is to also invite the auditor to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

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<p>Recommendation 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.</p>	Yes	All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.
<p>Recommendation 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.</p>	Yes	<p>The Company welcomes electronic communication from its Shareholders via email at info@toroenergy.com.au. Email contact details are available on the Company's website.</p> <p>The Company communicates with its shareholders via its share registry Advanced Share Registry. Advanced Share Registry sends all new shareholders an introductory letter requesting information and preferences as to how the new shareholders would like to receive information from the Company.</p> <p>Advanced Share Registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Advanced Share Registry provides shareholders the option of receiving communications from and sending communications to it electronically, except in certain limited circumstances where there is an overriding requirement for the provision of a hard copy document or signature. Shareholders can register with the share registry to access their personal information and shareholdings via the internet.</p>

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Principle 7: Recognise and manage risk		
<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>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	Yes	<p>The Board has not established a separate Risk Committee. The Board considers, given the current size and composition of the Board, that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Risk Committee and is responsible for overseeing the Company's risk management and control framework. In this regard risk management discussions form part of the Board's discussions at Board meetings.</p> <p>Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director (or equivalent) having ultimate responsibility to the Board for the risk management and control framework.</p> <p>Arrangements put in place by the Board to monitor risk management include:</p> <ul style="list-style-type: none"> • Reporting to the Board in respect of operations and the financial position of the Company; • Budgetary expenditure controls; • Review of insurance requirements annually and as needed; and • Regular reporting on: <ul style="list-style-type: none"> ○ adherence to environmental policies and environmental risks ○ adherence to health and safety guidelines and policies; ○ compliance and/or litigation matters and associated risks. <p>Specifically, in managing risk, the Board and Management are to adhere to the following principles:</p> <ul style="list-style-type: none"> • When considering new strategies or projects, management is to analyse the major risks of those opportunities being secured or being lost, and will consider appropriate strategies for minimising those risks where they are identified. • The Company will, where thought prudent by the Managing Director (or equivalent) or the Board, take appropriate external advice to determine the best way to manage a particular risk. • Financial risk will be managed by the whole of the Board working closely with the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent), to ensure that the financial statements and other financial

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		<p>reporting are rigorously tested prior to submission for audit.</p> <ul style="list-style-type: none"> To complement risk management by the Company, appropriate insurances are to be in place, and advice taken from the Company's brokers or insurers where necessary, to cover the usual risks for businesses such as that of the Company, and where practicable, to cover any particular extraordinary risks which arise in the circumstances of the Company.
<p>Recommendation 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>	Yes	<p>The full Board in its capacity as the Risk Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces.</p> <p>The Board carried out these reviews during the reporting period.</p>
<p>Recommendation 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>	Yes	<p>The Company does not have an internal audit function. The Board considers the processes employed by the Board are sufficient for evaluating and continually improving the effectiveness of its risk management and internal control processes given the size and complexity of the current business.</p>
<p>Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company is not aware of any material exposure to environmental or social risks apart from those generally stated in the Directors Report of each annual report.</p>

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Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(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>	Yes	<p>The Board has not established a separate Remuneration Committee as the Board considers, given the current size and composition of the Board, and the size, scope and nature of the Company's activities, that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board act as the Remuneration Committee and as a whole is responsible for the remuneration arrangements for Directors and executives of the Company. If the Company's activities increase in size, scope and nature, the appointment of a remuneration committee will be reviewed by the Board and implemented if appropriate.</p> <p>The broad remuneration policy of the Company is to ensure that remuneration levels for executive Directors, secretaries and senior managers are set at competitive levels to attract and retain appropriately qualified and experienced personnel. Remuneration packages offered by the Company are also geared to attracting talented employees through a combination of fixed remuneration and where appropriate, long term incentives, calibrated and individually tailored to be competitive in the external market to offer good incentive to join and remain with the Company.</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.</p>	Yes	<p>The Board policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and will review their remuneration annually, based on market practice, duties and accountability and to ensure their remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. Independent external advice is sought where required.</p> <p>The Board is responsible for determining and reviewing compensation arrangements for Directors and the executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.</p> <p>Directors and senior executives are remunerated either by way of annual salary (ie. cash and superannuation components) or by consulting fees. Directors and senior executives may also, at the Board's discretion, receive incentive options subject to</p>

RECOMMENDATION	COMPLY	EXPLANATION
		<p>shareholder approval.</p> <p>Further information on the remuneration policies of the Company with regard to Directors and senior executives are contained within the Remuneration Report which forms part of the Directors' Report in the Company's Annual Report.</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>	Yes	<p>The Company has in place a Securities Incentive Plan (Incentive Plan), which was last approved by Shareholders at the 2020 AGM. A summary of the Incentive Plan was included in the Company's 2020 Notice of General Meeting, a copy of which is available on the ASX market announcements platform.</p> <p>Equity-based remuneration by way unlisted share options has been provided to Directors, employees and consultants from time to time following shareholder approval at the Company's AGM.</p>
<i>Additional recommendations that apply only in certain cases</i>		
<p>Recommendation 9.1</p> <p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	N/A	Not applicable.
<p>Recommendation 9.2</p> <p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	N/A	Not applicable.
<p>Recommendation 9.3</p> <p>A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	N/A	Not applicable.