

# MMJ Group Holdings Limited and its controlled entities

## Corporate Governance

The Board recognises the importance of establishing a comprehensive system of control and accountability as the basis for the administration of corporate governance.

To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council ("**Recommendations**").

The Board has adopted the following suite of corporate governance policies and procedures which are contained with MMJ Group Holdings Limited's ("the Company") **Corporate Governance Plan**, a copy of which is available on the Company's website at <https://www.mmjgh.com.au/corporate-governance/>.

- Board Charter
- Corporate Code of Conduct
- Audit and Risk Committee Charter
- Remuneration Policy
- Nomination Policy
- Performance Evaluation Procedures
- Continuous Disclosure Policy
- Risk Management Policy
- Trading Policy
- Diversity Policy
- Shareholder Communications Strategy

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 Company is pleased to report that its practices are largely consistent with the Recommendations of the ASX Corporate Governance Council and sets out below its adoption and departures from the Recommendations for the year ended 30 June 2020 in the Corporate Governance Statement is accurate and up to date as at 28 August 2020 and was approved by the Board of the Company.

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

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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b><i>Principle 1: Lay solid foundations for management and oversight</i></b>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>a) the respective roles and responsibilities of the board and management; and</li> <li>b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	YES	<p>The Company has adopted a Board Charter which complies with the guidelines prescribed by the ASX Corporate Governance Council.</p> <p>A copy of the Company's Board Charter is available on the Company's website.</p> <p>The Company has a Board of four non-executive directors and two employees, namely the company secretary/chief financial officer and an office manager. Due to the lack of complexity in the Company's operations no director acts as chief executive officer. In accordance with Board policy the company secretary/chief financial officer is primarily and directly responsible to the directors for the general and overall management of the Company.</p> <p>The company secretary/chief financial officer is responsible to the Board for the implementation of the strategy and management of the Company. He manages the Company's operations in accordance with the strategy, business plans and policies approved by the Board to achieve agreed goals. He acts as public officer for taxation matters and is responsible for the Company's continuous disclosure requirements of the ASX.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	YES	<ul style="list-style-type: none"> <li>(a) The functions of the Nomination Committee are performed by the full Board and is responsible for the selection and appointment of members of the Board. The Company's Nomination Charter requires the Nomination Committee to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director.</li> <li>(b) During the financial year, the shareholders of the Company re-elected Mr Peter Wall as a Director of the Company at the Annual General Meeting held on 28 November 2019. All material information relevant to the decision on whether or not to re-elect Mr Peter Wall, including information relating to his qualifications, experience, length of service and role within the Board, was provided to security holders via the Notice of Meeting and Annual Report prior to that meeting.</li> </ul> <p>Mr Michael Curtis was appointed as a Non-Executive Director on 8 January 2019 by the Board. Mr Michael Curtis was elected by shareholders at the General Meeting on 28 November 2019. All material information relevant to the decision on whether or not to confirm the appointment of Mr Michael Curtis, including information relating to his qualifications, experience, length of service</p>

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		and role within the Board, were provided to security holders via the Notice of Meeting prior to that meeting.
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	Each Director and senior executive of the Company is party to a written agreement with the Company which sets out the terms and conditions of that Director's or senior executive's appointment.
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	YES	<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>A copy of the Company's Board Charter is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to:</p> <p style="margin-left: 20px;">(i) set measurable objectives for achieving gender diversity; and</p> <p style="margin-left: 20px;">(ii) assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p style="margin-left: 40px;">(ii) the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them; and either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (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 2012, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	NO	<p>(a) The Company has adopted a Diversity Policy, however, given the current size of the Company, the Board has determined that the benefits of the initiatives recommended by the ASX Corporate Governance Council in this regard are disproportionate to the costs involved in the implementation of such strategies.</p> <p>A copy of the Company's Diversity Policy is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>Accordingly, the Board has elected to adopt a tiered approach to the implementation of its Diversity Policy which is relative to the size of the Company and its workforce.</p> <p>The Company is not a relevant employer under the Workplace Gender equality Act as it employs less than 100 persons.</p> <p>The Company's policy provides:</p> <ul style="list-style-type: none"> <li>• Where the Company employs 100 or more employees, the Board undertakes to adopt practices in line with the Recommendations of the ASX Corporate Governance Council, including compliance with the requirement for the Company to set and report against measurable objectives for achieving gender diversity.</li> <li>• Whilst the Company's workforce remains below this threshold, the Board will continue to drive the Company's diversity strategies on an informal basis and will apply the initiatives contained in its Diversity Policy to the extent that the Board considers relevant and necessary.</li> </ul> <p>(b) The Diversity Policy is available on the Company's website.</p> <p style="margin-left: 20px;">i. As the Company did not employ 100 or more employees during the financial year, the Company did not establish a</p>

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		<p>set of measurable gender diversity objectives.</p> <p>ii. As at 30 June 2020, the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out below. The Company defines senior executives as those employees whose direct report is to the Board.</p> <ul style="list-style-type: none"> <li>- 100% of the Company's board were male;</li> <li>- 100% of the Company's senior executives were male (excluding members of the board);</li> <li>- 50% of the Company's entire workforce of 2 people are female.</li> </ul>
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Board is responsible for evaluating the performance of the Board and individual Directors on an annual basis.</p> <p>The process for this is set out in the Company's Performance Evaluation Procedures policy is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>(b) During the 2020 financial year, the Company carried out informal performance evaluations on a regular ongoing basis.</p>
<p><b>Recommendation 1.7</b></p> <p>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>	YES	<p>(a) The Board is responsible for evaluating the performance of senior executives on an annual basis in accordance with the Company's Performance Evaluation Procedures policy which is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>(b) During the 2020 financial year, the Company undertook performance evaluations of its senior executive.</p>
<p><b>Principle 2: Structure the board to add value</b></p>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the</li> </ul>	YES	<p>(a) The Board has determined that the function of the nomination committee is most efficiently carried out with full board participation and accordingly, the Company has elected not to establish a separate nomination committee at this stage.</p> <p>As a result, the duties that would ordinarily be assigned to the nomination committee under the Nomination Charter are carried out by the full board.</p> <p>A copy of the Nomination Policy is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>(b) The Board devotes time at annual Board meetings to discuss Board succession issues</p>

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<p>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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>which includes all members of the Board are to be involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>
<p><b>Recommendation 2.2</b></p> <p>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.</p>	<p>YES</p>	<p>The Board is comprised of directors with a broad range of technical, commercial, financial and other skills, experience and knowledge relevant to overseeing the business of the Group.</p> <p>The composition of the Board is reviewed on at least an annual basis with reference to the Company's Board skills matrix which is used as a tool to assess the appropriate balance of skills, experience, independence and knowledge necessary for the Board to discharge its duties and responsibilities effectively.</p> <p>A copy of the Company's Board skills matrix for the 2020 financial year is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p>

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<p><b>Recommendation 2.3</b></p> <p><b>A listed entity should disclose:</b></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>	<p>YES</p>	<p>(a) During the 2020 financial year, the independent directors of the Company were:</p> <ul style="list-style-type: none"> <li>- Mr Winton Willesee;</li> <li>- Mr Douglas Halley.</li> <li>- Mr Peter Wall</li> </ul> <p>Mr Michael Curtis is not considered to be independent following appointment of Embark Ventures Inc as asset manager of the Company.</p> <p>The Board determined in June 2020 that Mr Wall would be considered an independent director. The Board formed the view that the legal fees paid to Steinepreis Paganin which is a legal adviser to the Company (Mr Wall is a partner of Steinepreis Paganin) were no longer considered material under the Company's independence policy in the context of relationship discussed in Box 2.3</p> <p>The Board of MMJ have determined, and its security holders have approved, that it is in the best interests of the Company and security holders to include Performance based remuneration in the remuneration structure for non-executive directors and Company Personnel and that this does not impact the independence of Directors.</p> <p>Inclusion of performance-based remuneration is considered highly appropriate and consistent with alignment of Directors' interests with those of its shareholders. The Company also endorses those recipients and Company Personnel (and their nominees) holding ordinary shares in the Company.</p> <p>The Conflict of Interest Policy contains adequate restrictions (such as Trading Policy that contains trading and portfolio management restrictions) to ensure that neither the awarding, disposal nor ongoing value of any equity interest are of sufficient magnitude to jeopardise or influence their exercise of independent thought, nor impair their business judgment.</p> <p>(b) The directors who held office during the 2020 financial year have served continuously since their respective dates of appointment, unless noted otherwise:</p> <ul style="list-style-type: none"> <li>- Mr Peter Wall was appointed on 14 August 2014 to current;</li> <li>- Mr Winton Willesee was appointed on 21 October 2014 to current;</li> <li>- Mr Douglas Halley was appointed on 16 March 2018 to current; and</li> <li>- Mr Michael Curtis was appointed on 8 January 2019 to current.</li> </ul>
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<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	NO	<p>The Board is comprised of four board members, three of which are considered independent under the ASX Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition).</p> <p>The Board believes that all Directors exercise and bring to bear an unfettered and independent judgement towards their duties.</p> <p>In accordance with the Corporations Act 2001, any member of the Board who has an interest that could conflict with those of the Company must inform the Board. Where the Board considers that a significant conflict exists, the Board will exercise its discretion as to whether the Director concerned should remain in the meeting but be required to refrain both from participating in the relevant discussion and voting on any matter relating to the conflict, or whether the Director concerned should remove themselves from the meeting while the matter is considered.</p> <p>From 1 June 2020 The Company has a majority of independent Directors.</p> <p>The Board believes that its current composition is appropriate to deliver on the Company's stated objectives.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	NO	<p>The Chairman of the Board, Mr Peter Wall is an independent Non-Executive Director. Mr Wall was considered to be independent from 1 June 2020. (refer discussion in 2.3 above).</p> <p>The Chairman of the Board does not hold the role of CEO of the Company.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	YES	<p>The Company has in place a program for the induction of new directors which is tailored to each new Director depending on their personal requirements, background skills, qualifications and experience and includes the provision of a formal letter of appointment and an induction pack containing sufficient information to allow the new Director to gain an understanding of the business of the Company and the roles, duties and responsibilities of Directors and the executive team.</p> <p>All Directors are encouraged to undergo continual professional development and, subject to prior approval by the Chairman, all Directors have access to numerous resources and professional development training to address any skills gaps.</p>
<p><b><i>Principle 3: Act ethically and responsibly</i></b></p>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	YES	<p>(a) The Company has a Corporate Code of Conduct that applies to its Directors, employees and contractors.</p> <p>(b) The Company's Corporate Code of Conduct is set out with the Company's Corporate</p>

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		Governance Plan which is available on the Company's website.
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors 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, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the 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>	YES	<p>(a) The Company's Audit and Risk Committee is comprised of:</p> <ul style="list-style-type: none"> <li>- Mr Doug Halley (Committee Chairman);</li> <li>- Mr Winton Willesee (Non-Executive Director); and</li> <li>- Mr Peter Wall (Non-Executive Director).</li> </ul> <p>The Audit and Risk Committee Charter is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>The relevant qualifications and experience of the members of the committee are set out in the Directors' Report section of its 2020 Annual Report.</p> <p>Details of the number of times the Committee met during the reporting period and the individual attendances of each of the members is set out in the Directors' Report section of this Annual Report.</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that 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>	YES	<p>Prior to the execution of the financial statements of the Company, the Company's Chief Financial Officer/Company Secretary provided the Board with written assurances that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control which is operating effectively in all material aspects in relation to the Company's financial reporting risks.</p>
<p><b>Recommendation 4.3</b></p> <p>A 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>	YES	<p>At the Company's 2019 Annual General Meeting held on 28 November 2019, the Company's auditor, Jarrad Prue of BDO Audit (WA) Pty Ltd attended and made himself available to answer questions from security holders relevant to the audit.</p>



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<b>Principle 5: Make timely and balanced disclosure</b>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Company has adopted a Continuous Disclosure Policy which details the processes and procedures which have been adopted by the Company to ensure that it complies with its continuous disclosure obligations as required under the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Continuous Disclosure Policy is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p>
<b>Principle 6: Respect the rights of security holders</b>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>YES</p>	<p>Shareholders can access information about the Company and its governance (including its Constitution and adopted governance policies) from the Company's website on the "Corporate Governance" page.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>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.</p> <p>A copy of the Company's Shareholder Communications Strategy policy is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>YES</p>	<p>Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution, and receipt of annual and interim financial statements. Shareholders are encouraged to participate at all General Meetings and Annual General Meetings of the Company by written statement contained in every Notice of Meeting sent to shareholders prior to each meeting.</p> <p>The Company accommodates shareholders who are unable to attend shareholder meetings in person by accepting votes by proxy.</p> <p>At each Annual General Meeting, shareholders are invited by the Chairman to ask questions of the Company's external auditor and the Board.</p> <p>Shareholders are also given an opportunity to ask questions on each resolution before it is put to the meeting.</p> <p>The Company's meetings are generally held in Sydney where its registered office is based and in the state (New South Wales) where the largest number of shareholders are based. Shareholders who live outside of Sydney are encouraged to email questions to the Company Secretary ahead of the meeting if they are unable to attend.</p>

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		Any material presented to shareholders at the meeting is released to the ASX immediately prior to the commencement of the meeting for the benefit of those shareholders who are unable to attend in person. The Company also announces to the ASX the outcome of each meeting immediately following its conclusion.
<b>Recommendation 6.4</b> 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	Shareholders have the option of electing to receive all shareholder communications by e-mail and can update their communication preferences with the Company's registrar at any time.
<b>Principle 7: Recognise and manage risk</b>		
<b>Recommendation 7.1</b> The board of a listed entity should: <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>(a) The Company's Audit and Risk Committee is comprised of:</p> <ul style="list-style-type: none"> <li>- Mr Doug Halley (Committee Chairman);</li> <li>- Mr Winton Willesee (Non-Executive Director); and</li> <li>- Mr Peter Wall (Non-Executive Director)</li> </ul> <p>The Audit and Risk Committee Charter is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p> <p>The relevant qualifications and experience of the members of the committee are set out in the Directors' Report section of its 2020 Annual Report.</p> <p>Details of the number of times the Committee met during the reporting period and the individual attendances of each of the members is set out in the Directors' Report section of the 2020 Annual Report.</p>
<b>Recommendation 7.2</b> The board or a committee of the board should: <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>The Company's Risk Management Policy deals with the management and oversight of material business risks and provides the guiding principles for management in the identification of risks across the organisation.</p> <p>During the 2020 financial year, the Company completed a group wide risk review. The Board also reviews risk and the application of the risk framework on an ongoing basis within its regular board meetings and in consultation with management. The Board felt that given the nature and scale of the Company that process was the most appropriate and most robust means of monitoring and managing risk for the Company.</p>

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<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>YES</p>	<p>(a) Due to the size and nature of the Company's operations, the Company does not consider it necessary to establish a formal internal audit function at this stage.</p> <p>(b) The Audit and Risk Committee is responsible for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>YES</p>	<p>The Company has a material exposure to the economic risk arising from the regulation of cannabis and hemp product consumption in Canada, Europe and Australia.</p> <p>The Company's Risk Management Policy details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (where appropriate).</p>
<p><b><i>Principle 8: Remunerate fairly and responsibly</i></b></p>		
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent director, and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the members of the committee; and</p> <p style="margin-left: 20px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(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>(a) Due to the size and nature of the Company's operations, the Company does not consider it necessary to establish a remuneration committee at this stage.</p> <p>(b) The Board has determined that the roles and responsibilities of a remuneration committee were most efficiently carried out with full Board participation. The remuneration policy is set out with the Company's Corporate Governance Plan which is available on the Company's website.</p>
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives</p>	<p>YES</p>	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Non-Executive and senior employees. This disclosure is set out in the Remuneration Report section of its 2020 Annual Report.</p>

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<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Company's Remuneration Policy details that The Board is responsible for granting permission, on a case by case basis, for scheme participants to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>(b) The Company's policy in this regard is set out in the Company's Remuneration Policy set out with the Company's Corporate Governance Plan which is available on the Company's website</p>
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