

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

WELLFULLY LIMITED

ABN/ARBN

056 482 636

Financial year ended:

30 JUNE 2021

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: www.wellfully.net

The Corporate Governance Statement is accurate and up to date as at 10 October 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 10 OCTOBER 2021

Name of authorised officer authorising lodgement: JEFFREY EDWARDS

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input type="checkbox"/> and we have disclosed a copy of our board charter at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	<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>(1) the measurable objectives set 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>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>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>Page 63 of the 2020 Annual Report</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>www.wellfully.net/corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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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 has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>Page 64 of the 2020 Annual Report</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>www.wellfully.net/corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>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><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at:</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at:</p> <p>Page 63 of the 2020 Annual Report [insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	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><input type="checkbox"/> and we have disclosed our board skills matrix at:</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<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, affiliation or relationship of the type described in Box 2.3 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><input type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <p>and the length of service of each director at:</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

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2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input type="checkbox"/> and we have disclosed our values at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (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.	<input type="checkbox"/> and we have disclosed our code of conduct at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: www.wellfully.net	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (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.	<input type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The 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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input type="checkbox"/> and we have disclosed information about us and our governance on our website at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Pages 67 and 68 of the 2020 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

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Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	<input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: <i>[insert location]</i>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
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.	<input type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: and, if we do, how we manage or intend to manage those risks at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ 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>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<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><input type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>	<p><input type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	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.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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Corporate Governance Statement

Approved by the Board as at 10 October 2021

Introduction

The Board of Wellfully Limited ACN 056 482 636 (**Wellfully, us, our, we**) is committed to high standards of corporate governance and supports the principles of good corporate governance and the best practice recommendations as published in the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition* (Feb 2019) (the "**Principles**" or "**Recommendations**"). ASX Listing Rule 4.10.3 requires us to disclose the extent to which we've followed the Principles during the reporting period being the financial year ended 30 June 2021 (**reporting period**) and, if we haven't, explain why.

This statement outlines our key corporate governance practices related to the Principles.

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

Our main corporate governance policies and practices as at the date of the 2021 Annual Report are outlined below. The information in this statement has been approved by the Board and is current as at 10 October 2021.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

- (a) the respective roles and responsibilities of its board and management; and*
- (b) those matters expressly reserved to the board and those delegated to management.*

Compliance during the reporting period: Partially

The Company does have a Board Charter that sets out the respective roles and responsibilities of its board and management and the matters expressly reserved to the board and those delegated to management. However, the new Board Charter was not disclosed on the Company's website during the reporting period.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that the newly adopted Board Charter will be disclosed on the Company's website following completion of that review.

Board responsibilities

Our Board is responsible for Wellfully's strategic direction and governance, and has reserved several responsibilities to it. These responsibilities are set out in the *Board Charter* and include:

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- a. appointing the Chair of the Board;
 - b. appointing the CEO, MD and Company Secretary;
 - c. appointing directors to the Board (subject to shareholder approval);
 - d. approving our purpose, values, strategic plan and annual budget;
 - e. overseeing management's implementation of the strategic plan and its performance against budgets;
 - f. approving the appointment of the CEO's or MD's direct reports ("**senior people**");
 - g. approving our key policies and procedures;
 - h. approving the remuneration framework;
 - i. approving financial statements and reporting documents;
 - j. approving dividends;
 - k. reviewing the performance and independence of the auditor; and
 - l. setting Wellfully's risk appetite and monitoring the effectiveness of our governance and risk management policies and procedures and the adequacy of our internal controls.

Delegation to management

Our Board delegates management of our operations to the CEO. This delegation must be exercised within the strategy and risk appetite set by our Board, per approved policies and processes and subject to our legal obligations and community expectations.

The CEO may further delegate authority granted to them and is accountable to the Board for all decisions made in accordance with that delegated authority.

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and

(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.

Compliance during the reporting period: Yes

During the reporting period, appropriate checks were undertaken prior to the appointment of directors and senior executives and the security holders were given all material information in our possession relevant to a decision on whether or not to elect or re-elect a director.

Director selection

Non-executive directors are appointed by the Board, following a recommendation from the Nomination and Remuneration Committee. This Committee has regard to the:

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- a. collective skills and experience required on the Board for us to succeed;
 - b. future composition and size of the Board, including the number of independent directors; and
 - c. background, experience, skills and personal attributes of the candidates, including having regard to diversity.

Background checks are undertaken before a person is appointed director.

Director appointment

When a director is considered for election (or re-election) we provide shareholders with all the material information we have so a shareholder can properly decide. This includes, for example, the person's qualifications and experience, other material directorships held, if they're independent, tenure on the Board (if for re-election), and a recommendation from the Board.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Compliance during the reporting period: Yes

Non-executive directors are appointed by way of a formal letter. The letter sets out the key terms and conditions of the appointment including the term, expectations and duties, time commitment, meeting requirements, committee membership/s, fees, conflict of interest matters, confidentiality, education and training, key policies and documents, indemnity and insurance arrangements, and rights to information.

At the time of their appointment, we entered into customary written agreements with the CEO, MD and senior people. More detail about these arrangements is in the Remuneration Report in the 2021 Annual Report.

Recommendation 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.

Compliance during the reporting period: Yes

Our Company Secretary is accountable directly to the Board through the Chair on all matters relating to the proper functioning of the Board. Details of the experience and qualifications of the Company Secretary are set out in the annual Directors' Report accompanying the 2021 Annual Report.

Recommendation 1.5

A listed entity should:

- (a) have and disclose a diversity policy;*

(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and

(c) disclose in relation to each reporting period:

(1) the measurable objectives set for that period to achieve gender diversity;

(2) the entity's progress towards achieving those objectives;

and

(3) either:

(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

(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.

Compliance during the reporting period: No

Given the Company's small size and stage of development, the Company did not consider it appropriate to establish a formal gender diversity policy during the reporting period. However, its recruitment is fundamentally driven by identifying the best candidate for all positions regardless of gender.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that a diversity policy will be disclosed on the Company's website following completion of that review, and that the Board will set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce.

Current statistics

- a. We currently don't have any female representation on our Board.
- b. Of our senior people, 42% are female.

Recommendation 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Compliance during the reporting period: Yes

- a. Our directors' performance is reviewed by the Chair on an ongoing basis. If a director's performance is unsatisfactory, that director will be asked to retire from the Board. The

Chair's performance is reviewed by two independent non-executive directors on an ongoing basis.

- b. Our Board conducts periodic formal evaluations of its performance, its Committees' performance and individual directors' performance.
- c. We have guidelines to identify the measurable and qualitative indicators of the directors' performance. Those guidelines include minimum requirements for attendance at all Board and Shareholder meetings.

A formal performance evaluation for the board, its committees and individual directors was not undertaken in the reporting period in accordance with that process.

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and

(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.

Compliance during the reporting period: Yes

Our Nomination and Remuneration Committee reviews and approves the annual performance objectives and measures for the CEO. The CEO sets and reviews same for our senior people.

The performance of our senior people is reviewed and evaluated at the end of each financial half year and full year. Performance is reviewed and evaluated against previously agreed objectives which are based on financial, non-financial and risk focused criteria.

A performance evaluation for our senior executives was not undertaken in the reporting period in accordance with that process.

Principle 2: Structure the Board to be effective and add value

As at the date of this documents, our Board comprised five Directors: four Non-Executive Directors and the Managing Director, Jeffrey Edwards.

The roles of Chairman and Managing Director are performed by different individuals.

The current committees of the Board are the Audit and Risk Committee, and the Nomination and Remuneration Committee.

The composition of the Board and its Committees (being the Audit and Risk Committee (**ARC**) and the Nomination and Remuneration Committee (**NRC**)) are:

Person	Board Status	ARC	NRC	Appointed
Antonio Varano	Non-Executive Chair	-	Chair	2018
Steven Schapera	Non-Executive Director	Member	Member	2017
Jeffrey Edwards	Managing Director, Executive Director	-	-	2004
Cameron Reynolds	Independent Non-Executive Director	Member	-	2019

Anthony Wright*	Independent Non-Executive Director	Chair	Member	2021
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Details of the background, experience, professional skills, expertise and location of each person are set out in the 2021 Annual Report and on our website.

The number of Board and Committee meetings held during the 2021 Financial Year and the number of meetings attended by each person is set out in the table below. E.g. "4/5" means that there were 5 meetings of which that person was at 4 of those meetings. The ARC and NRC were incorporated into the full Board meetings.

Person	Board
Antonio Varano	5/5
Steven Schapera	5/5
Jeffrey Edwards	5/5
Cameron Reynolds	5/5
Anthony Wright*	1/1

*Joined the Board in April 2021.

Recommendation 2.1

The board of a listed entity should:

(a) have a nomination committee which:

(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

(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.

Compliance during the reporting period: Yes

During the reporting period, the Board had not established an independent nomination committee, and this function was carried out by the full Board, and Board candidates were selected based on various factors including (without limitation) their relevant experience and achievements, compatibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.

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As of August 2021, a new Nomination and Remuneration Committee is in place, along with a new Committee Charter.

All current members of this committee are Non-Executive Directors.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that a nomination and remuneration committee charter will be disclosed on the Company's website following completion of that review.

Recommendation 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.

Compliance during the reporting period: No

During the reporting period, we did not 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.

Since its formation (following the end of the reporting period), the Nomination and Remuneration Committee assesses the collective skills, experience, diversity, independence and personal attributes the Board requires to effectively discharge its responsibilities. The Board skills matrix is set out below together with the number of directors who have the relevant skills, expertise or experience. Directors have self-assessed as having the relevant skill, expertise or experience at either the level of developing, developed or well-developed.

Required skills					
Health and wellness, and bio-tech sector knowledge and experience Specific experience, knowledge and expertise in these sectors	●	●	●	●	●
Business leadership Leadership skills gained whilst performing at a senior executive level	●	●	●	●	●
Capital and strategic transactions Experience in mergers and acquisitions, corporate finance, capital markets and capital management	●	●	●	●	●
External stakeholder management Experience in building and maintaining key relationships with industry, government or regulators	●	●	●	●	●
Financial management and audit Proficiency in financial accounting and reporting and/or audit	●	●	●	●	●
Governance Experience developing strategy, policies and framework to support high standards of corporate governance including experience as a non-executive director of an Australian listed entity or overseas	●	●	●	●	●
International retail and consumer knowledge and experience Specific experience, knowledge and expertise in international retail and consumer businesses or responsibility for operations outside of Australia	●	●	●	●	●
Marketing and distribution Experience in marketing and distribution and developing key customer relationships	●	●	●	●	●
People and talent management Experience in people matters including culture, performance management and succession and remuneration including incentive schemes	●	●	●	●	●

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Risk management Experience identifying, assessing and managing risks, setting and monitoring risk appetite and building risk culture	●	●	●	●	●
Technology Experience in technology strategies and innovation	●	●	●	●	●

● Well-developed ● Developed ● Developing

Our core growth strategy is to use our intellectual property, science and other resources to design, manufacture and distribute devices and products which better enables the application of ingredients and medicines to the human body. Our devices and products are intended to be sold internationally online, traditional retail and through industry collaborations. This is reflected in the development and recent launch of the Réduit and Swisswell brands.

Given our strategic focus and desire for growth, we identified the need to strengthen the following aspects of the skills/experience matrix when recruiting for directors in the last two years:

- a. health, beauty and wellness sector;
- b. device and brand development, manufacturing and distribution;
- c. global distribution and marketing;
- d. governance, risk and compliance; and
- e. capital markets.

On this basis, in the last two years, we've recruited Board and senior people:

Board

- **Antonio Varano** (New York) and **Steven Schapera** (London) have considerable global experience in the health, beauty, wellness and bio-tech sectors.
- **Cameron Reynolds** (Singapore) is an experienced leader in the bio-tech and healthcare sector, also with a wealth of knowledge in strategy, capital markets, fundraising, listed company governance and corporate finance.
- **Anthony Wright** (Melbourne) was appointed recently in 2021. He has deep experience in the fields of legal, risk, compliance, governance, mergers and acquisitions, strategy and corporate finance.

Executive

- **Paul Peros** (Lugano, Switzerland) as CEO – global leadership and operational experience in the health, beauty, wellness and bio-tech sectors.
- **Sergej Dolezil** (Croatia) as CFO – an experienced accountant, finance manager and auditor.

Our geographic and cultural spread is aligned with our ambition to create global brands.

The qualifications of the directors are set out in the 2021 Annual Report.

Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;*
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 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*
- (c) the length of service of each director.*

Compliance during the reporting period: No

During the reporting period, we did not disclose lengths of service and assessments of independence of each director.

We assess the independence of directors annually, at the time of their appointment, when they face election or re-election, or if there is a change to the director's interests, positions, associations or relationships that may impact upon their independence.

When considering if a director is independent, the Board considers the factors in "Box 2.3" in the Recommendations, including:

- a. is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- b. receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;
- c. is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- d. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- e. has close personal ties with any person who falls within any of the categories described above; or
- f. has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

The Board considers Cameron Reynolds and Anthony Wright to be independent Directors, including the Chairman.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Compliance during the reporting period: No

Apart from Jeffrey Edwards – who's the Managing Director – 2 out of 5 directors are independent, non-executive directors.

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.

Compliance during the reporting period: No

Antonio Verano is the Chair of the Board and is a non-executive director. He is not the CEO. However he has provided consultancy services to us during the reporting period.

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.

Compliance during the reporting period: Yes

During the reporting period, we did not have a formal program for inducting new directors.

Inducting new directors

The process to induct new directors entails the Chair, CEO, Company Secretary and other directors providing the incoming director with an overview of the company and what's expected.

We are developing a more formalised program for inducting new directors and officers. This will include an Induction Pack containing all relevant corporate governance documents, including significant policies, previous annual reports and minutes of previous Board and Committee meetings. Directors will also receive briefings on our business, including risk and compliance issues, from senior executives and updates on changes in the regulatory environment affecting us.

Professional development for directors

Each Director is encouraged to seek professional development opportunities to develop and maintain the necessary skills and knowledge and independent professional advice at our expense. The Chair is required to approve these expenses.

Principle 3: Act ethically and responsibly

Recommendation 3.1

A listed entity should articulate and disclose its values.

During the reporting period, we did not have a formal statement of values.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that a formal statement of values will be disclosed on the Company's website following completion of that review.

Recommendation 3.2

A listed entity should:

(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.

Compliance during the reporting period: No

During the reporting period, we did not disclose our Code of Conduct.

Our Code of Conduct is supported by detailed policies that deal with a range of ethical issues and include the following:

- Conflict of Interest Policy
- Continuous Disclosure Policy
- Share Trading Policy
- Shareholder Communication Policy
- Anti-Bribery and Corruption Policy
- Diversity and Inclusion Policy
- Whistleblower Policy
- Health & Safety Policy
- Sustainability Policy

The Board requires a report on compliance with the Code of Conduct on a regular basis.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our Code of Conduct will be disclosed on the Company's website following completion of that review.

Recommendation 3.3

A listed entity should:

(a) have and disclose a whistleblower policy; and

(b) ensure that the board or a committee of the board is informed of any material incidents of that policy.

Compliance during the reporting period: No

During the reporting period, we did not disclose our Whistleblower Policy.

We have a Whistleblower Policy, which is provided to all employees. The Board requires a report on any incidents (subject to anonymity requests) on a regular basis.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our Whistleblower Policy will be disclosed on the Company's website following completion of that review.

Recommendation 3.4

A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

Compliance during the reporting period: No

During the reporting period, we did not disclose our Anti-bribery and Corruption Policy.

From August 2021, we have an Anti-bribery and Corruption Policy, which is provided to all employees. The Board requires a report on any breaches on a regular basis.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our Anti-bribery and Corruption Policy will be disclosed on the Company's website following completion of that review.

Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1

The board of a listed entity should:

(a) have an audit committee which:

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(2) is chaired by an independent director, who is not the chair of the board,

and disclose:

(3) the charter of the committee;

(4) the relevant qualifications and experience of the members of the committee; and

(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

(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.

Compliance during the reporting period: No

The Board has established an Audit Committee. The charter for this committee was disclosed on our website during the reporting period.

However, during the reporting period, we did not disclose the number of times the committee met throughout the period and the individual attendances of the members at meetings.

The Chair of this committee is an Independent Non-Executive Director. This committee has 3 members, all of whom are non-executive directors and a majority of whom are independent directors.

The qualifications of the members are set out in the 2021 Annual Report.

Role and responsibilities

The primary role of this committee, now known as the Audit and Risk Committee Charter, is to oversee:

- a. the integrity of our financial and other public reporting;
- b. the adequacy and effectiveness of our internal control systems and risk management framework;
- c. the appointment, remuneration, qualifications, independence and performance of the auditor; and
- d. compliance with applicable legal and regulatory requirements.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our Audit and Risk Committee Charter will be disclosed on the Company's website following completion of that review.

Audit issues

The committee also has these responsibilities:

- a. evaluate the independence of the statutory auditor annually, including making an assessment if the statutory auditor is independent and that there are no conflicts of interest that could compromise the independence of the statutory auditor;
- b. review statutory audit plans and audit fees;
- c. discuss any issues relating to the conduct of the audit with the statutory auditor;
- d. review the findings of statutory audits to ensure that issues are being appropriately managed and rectified; and
- e. periodically consult the statutory auditor in the absence of management.

Our auditor provides an independent opinion that our financial statements represent a true and fair view of our financial position and performance and comply with relevant regulations.

The auditor receives copies of the agenda and papers for each committee meeting. The statutory auditors attend the committee meetings when the half year and full year financial statements are being considered. The statutory auditors also attend other meetings when relevant items are on the committee's agenda.

Any non-audit services to be provided by the auditor company to us require approval from the committee's Chair.

Recommendation 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.

Compliance during the reporting period: No

During the reporting period, the Company did not receive the requisite declaration from its CFO as the CFO has only been recently appointed.

Going forward, prior to the Board's approval of our half-year and full-year financial statements, the Audit and Risk Committee and the Board receive a declaration from the CEO, MD and CFO that in their opinion:

- a. the financial records have been property maintained in accordance with the law, specifically the *Corporations Act*,
- b. the financial statements comply with the appropriate accounting standards; and
- c. they give a true and fair view of our financial position and performance during the relevant period.

The CEO, MD and CFO also declare that their opinions are formed based on a sound system of risk management and internal controls that are operating effectively.

Recommendation 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 external auditor.

Compliance during the reporting period: No

During the reporting period, the Company did not 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.

Our Continuous Disclosure Policy and Shareholder Communications Policy guides our approach.

In summary, our process is:

- a. the CEO prepares a draft proposed report – the CEO may delegate this task but ultimately what is presented is from the CEO;
- b. the financial or other factual information in that report (e.g. sales metrics) must be verified by the CFO, Company Secretary and/or MD where relevant;
- c. once this is done, the draft proposed report is presented to the Audit and Risk Committee for consideration – it must be supported by the certification from the CEO, CFO and MD that it's true and correct, and include any key documentation relied upon to prepare the report;
- d. if necessary, the Audit and Risk Committee may obtain advice from the Company's lawyer and auditor about matters in the proposed report;
- e. the ARC Chair makes a recommendation to our Board relating to its suitability for public/ASX release;
- f. the Board authorises publication of the report to the ASX for further dissemination; and
- g. the Company Secretary lodges same with the ASX.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.

Compliance during the reporting period: No

During the reporting period, we did not disclose our Continuous Disclosure Policy.

We're committed to promoting investor confidence and the rights of all shareholders by complying with the disclosure obligations contained in the *Corporations Act* and the *ASX Listing Rules*. We aim to ensure that all market announcements are presented in a factual, clear and balanced way.

Our Audit and Risk Committee is responsible for managing compliance with our disclosure obligations and makes recommendations to our Board.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our Continuous Disclosure Policy will be disclosed on the Company's website following completion of that review.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material and market announcements promptly after they have been made.

Compliance during the reporting period: Yes

During the reporting period, all such announcements were provided to the directors.

Recommendation 5.3

A listed entity that gives a new and substantial investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Compliance during the reporting period: Yes

During the reporting period, all new and substantial investor or analyst presentations were released on the ASX Market Announcements Platform ahead of the presentation.

Principle 6: Respect the rights of security holders

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Compliance during the reporting period: No

During the reporting period, we did not disclose our suite of corporate governance policies.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our corporate governance policies will be disclosed on the Company's website following completion of that review.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

Compliance during the reporting period: Yes

During the reporting period, we did have an investor relations program that facilitated effective two-way communication with investors.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our Shareholder Communication Policy will be disclosed on the Company's website following completion of that review.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Compliance during the reporting period: Yes

We provide all shareholders with notices of general meetings. We endeavour to make the contents of the notices of meeting are clear and concise.

We encourage all shareholders to attend and participate in general meetings. Shareholders can ask questions of the Board, management or the auditor. Shareholders are also able to

submit written questions prior to the meeting. These questions are reviewed prior to the meeting and the Chair will address as many of these questions as possible, at the meeting.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than a show of hands.

Compliance during the reporting period: Yes

All substantive resolutions at securityholder meetings were decided by a poll rather than a show of hands.

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.

Compliance during the reporting period: Yes

Security holders are able to register to receive electronic communications in relation to the Company from the security registry. Contact details for the Company's security registry are available on the Company's website.

Principle 7: Recognise and manage risk

Our success hinges on our ability to take risks, but in a way that they are identified and managed according to our risk appetite and risk and governance frameworks.

As an organisation with a rich history of research and development, we're at the forefront of developing new technologies and methods which don't exist. Hence, what we do is inherently higher risk. We do our best to understand and manage those risks whilst also considering our shareholders' and society's expectations.

Our people and culture plays an important role recognising, managing and gaining a competitive advantage with risk taking.

Responsibility and accountability

Overall accountability for risk management lies with our Board. Our Audit and Risk Committee assists the Board in its oversight of risk management and assurance matters. Our Board reviews and approves the design of the risk management framework and sets the risk appetite. This process incorporates a review of key aspects of the strategy and assesses whether adjustments to the material risks, risk appetite and related tolerances (i.e. limits and capacity) need to be made as our operating environment and strategy evolves.

Some key areas of focus related to managing the risks associated with:

- a. the design and construction of our facilities in China and Switzerland;
- b. developing and launching the Réduit and Swisswell brands and products; and
- c. the COVID-19 pandemic impacting our people, customers, partners, operations, marketing and distribution.

Recommendation 7.1

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(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

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Compliance during the reporting period: No

The Board has established an Audit Committee. The charter for this committee was disclosed on our website during the reporting period.

During the reporting period, the Audit Committee was responsible for overseeing risk management.

However, during the reporting period, we did not disclose the number of times the committee met throughout the period and the individual attendances of the members at meetings

Recommendation 7.2

The board or a committee of the board should:

(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

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Compliance during the reporting period: No

We confirm that reviews of our risk management framework do occur at least annually. However, the most recent of such reviews occurred after the reporting period.

Recommendation 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(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.

Compliance during the reporting period: No

Given our size and limited resources, we don't have an internal audit function. Instead, we have in place other policies and systems to manage and control risk.

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.

Compliance during the reporting period: No

During the reporting period, we disclosed areas of material business risks at pages 67 and 68 of our 2020 Annual Report, whilst sustainability and environmental risks such as related to climate change are also being considered by the Board in the context of our comprehensive review of our corporate governance practices.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The board of a listed entity should:

(a) have a remuneration committee which:

(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

(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.

Compliance during the reporting period: No

The Board has established a Remuneration Committee. The charter for this committee was disclosed on our website during the reporting period.

However, during the reporting period, we did not disclose the number of times the committee met throughout the period and the individual attendances of the members at meetings.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that a remuneration committee charter will be disclosed on the Company's website following completion of that review.

Recommendation 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.

Compliance during the reporting period: Yes

During the reporting period, details of our governance relating to remuneration, including policies and practices for non-executive directors, executive directors and senior people were in our Remuneration Report in the 2020 Annual Report.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(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

(b) disclose that policy or a summary of it.

Our Share Trading Policy precludes our people from entering into a transaction or financial product (such as options, derivatives or other arrangements) that may operate to limit the economic risk of unvested holdings in our shares or entitlements under equity-based remuneration schemes.

During the reporting period, we did not disclose our Share Trading Policy.

The Company is currently undertaking a comprehensive review of its corporate governance practices. It is intended that our Share Trading Policy will be disclosed on the Company's website following completion of that review.