

Annexure B

ASX Corporate Governance Council Principles and Recommendations

Verification Worksheet

Name of entity	Financial year ended
ZEUS RESOURCES LIMITED	30 JUNE 2020

Recommendation		The entity complied for the full period	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	The Company has established and disclosed the functions reserved to the board and those delegated to senior executives.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
1.2	The Company undertakes appropriate checks before appointing a person for election as a director and provides securityholders with all material information relevant to a decision on electing a director.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
1.3	The Company has a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
1.4	The Company secretary of the listed Company is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
1.5	A listed entity should: <ul style="list-style-type: none"> a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them; b) disclose that policy or a summary of it; and disclose as at the end of each reporting period 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.	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
1.6	The Company should:	Yes	No

	<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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1.7	<p>The Company 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	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>2.1 The board should establish a nomination committee which:</p> <ul style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director <p>and disclose</p> <ul style="list-style-type: none"> the charter of the committee; the members of the committee; and the number of times the committee meet throughout the reporting period. <p>If a listed entity does not have a nomination committee, it should disclose the fact and processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2.2	<p>A listed entity should disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve its membership.</p>	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2.3	<p>The Company has disclosed the names of the directors considered to be independent, interests, positions and associations that might cause doubts as to the</p>	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>

	independence of a director and the length of service of each director.		
2.4	The majority of the board are independent Directors.	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2.5	The chair is an independent director and is not exercising the role of chief executive officer.	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
2.6	The Company has a program for inducting new directors.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of the code.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board has established an audit committee which is structured so that it: <ul style="list-style-type: none"> • has at least three members; • consists only of non-executive directors, a majority of whom are independent directors; • is chaired by an independent director who is not the Chairman And has disclosed: <ul style="list-style-type: none"> • the charter of the committee; • the qualifications of the committee; • the number of times the committee meets throughout the reporting period If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard the integrity of its reporting.	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
4.2	The Board has received from its CEO and CFO a declaration that in their opinion, the financial records have been properly maintained and comply with proper standards.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.3	An AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclosed those policies or a summary of those policies.	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	The listed Company has provided information about itself and its governance to investors via a website.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.2	The listed Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.3	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and has disclosed their policy or a summary of that policy.	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.4	The listed Company has provided the security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board has established a risk committee, structured so that it:</p> <ul style="list-style-type: none"> • has at least three members • consists only of non-executive directors, a majority of whom are independent directors; • is chaired by an independent director who is not the Chairman. <p>And has disclosed:</p> <ul style="list-style-type: none"> • the charter of the committee; • members of the committee; • the number of times the committee meet throughout the reporting period. <p>If no committee satisfying the above exists, it should disclose the fact and the processes it uses to safeguard the integrity of its reporting.</p>	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
7.2	The board has reviewed the Company's risk management framework at least annually and disclose whether such review has taken place.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.3	A listed entity should disclose if they have an internal	Yes	No

	audit function, how the function is structured and what role it performs. If the Company does not have an internal audit function, the Company should disclose the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7.4	The Company has disclosed whether they have any material exposure to economic, environmental and social sustainability risks and, if they do, how they manage or intend to manage those risks.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The Board has established a remuneration committee, structured so that it: <ul style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director who is not the Chairman And should disclose: <ul style="list-style-type: none"> the charter of the committee; the members of the committee; the number of times the committee meet throughout the reporting period. If no committee satisfying the above exists, it should disclose that fact and the processes it uses to safeguard the integrity of its reporting.	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
8.2	The Company has disclosed their policies and practices regarding the remuneration of executive directors and other senior executives.	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
8.3	Companies which have an equity-based remuneration scheme should: <ul style="list-style-type: none"> have a policy on whether participants are permitted to enter into transactions (whether use the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and disclose that policy or summary of it. 	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>

The role and responsibilities of the Board of Directors is for the overall Corporate Governance of the Company and oversight of management, protecting the rights and interests of the shareholders, by adopting systems of control and managed risk as the basis for the administration.

The Board is committed to maintaining high standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors support the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (Council). Whilst the Company's practices are partly consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole. When Zeus is not able to implement one of the Council's recommendations the Company applies the "if not, why not" explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Company complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at <http://www.asx.com.au>

Principle 1 – Lay solid foundations for management and oversight

The Company has adopted Recommendation 1.1 to disclose the functions reserved to the Board and those delegated to senior executives. This has been disclosed on the Company's website.

BOARD OF DIRECTORS – ROLE AND RESPONSIBILITIES

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management oversight of the Company and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company; the prudential control of the Company's finances and operations and the monitoring of the financial performance of the Company;
- the resourcing, reviewing and monitoring of executive management; ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed; the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

ACCOUNTABILITY

The Company has complied with Recommendation 1.2 by undertaking background checks with regard to each director's character, experience and education prior to their nomination for election. Any material adverse information revealed by these checks is released to securityholders prior to the General Meeting at which they are able to be elected. When an individual is nominated to be a director, their curriculum vitae and their relevant professional history and qualifications is circulated to the securityholders of the Company.

The Company has complied with Recommendation 1.3 by giving its Directors letters of appointment and/or service agreements.

The Company has complied with Recommendation 1.4 by making the Company Secretary directly accountable to the Board on all matters to do with the proper functioning of the Board.

DIVERSITY

The Company does not comply with Recommendation 1.5. The Company has not found it necessary to establish a diversity policy or annually report on measurable objectives with respect to achieving gender diversity. The nature of the policy for a Company of this size is inappropriate. As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy.

PERFORMANCE OF THE BOARD

The Company does not comply with recommendation 1.6. The Company has not found it necessary to disclose the process for evaluating the performance of the Board and the Company's Directors individually.

However, it is the policy of the Board to ensure that the Directors of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and committees, there is on-going monitoring by the Chairman and the members of the Board.

The Chairman also speaks to Directors individually regarding their role as a Director.

ACCESS TO INFORMATION

Each Director has access to Board papers and all relevant documentation.

PERFORMANCE OF SENIOR EXECUTIVES

The Chief Executive Officer's key performance indicators are set annually, with performance appraised by the Board, and reviewed in detail by the Board at the annual anniversary of the appointment of the CEO.

The Company has adopted Recommendation 1.7 of evaluating the performance of senior executives in accordance with the process described above with the appointment of the CEO.

The Board did not conduct a performance evaluation for the Chief Executive Officer in the financial year. The current Chief Executive Officer is an Acting Chief Executive Officer.

Principle 2 – Structure the Board to add value

BOARD OF DIRECTORS - COMPOSITION, STRUCTURE AND PROCESS

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Company's current size, scale and nature of its activities.

BOARD NOMINATIONS

The Board has not followed Recommendation 2.1(a) as it has established a Remuneration and Nomination Committee Charter. The Board has not implemented a Remuneration and Nomination Committee due to the Company's small size and nature. However, the members of the Board communicated with each other on regular basis to address any issues which arose in this regard.

In compliance with Recommendation 2.1(b), the Board considers nominations for the appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the *Corporations Act 2001* (Cth).

TERMS OF APPOINTMENT AS A DIRECTOR

The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

During the financial year the Board implemented the functions listed below. Whilst the Company has not adopted Recommendation 2.4, the Board is effectively managing the functions normally expected of such a committee.

The responsibilities assumed by the Board include:

- Board and senior executive functions;
- Board composition;
- criteria for nomination of Directors;
- selection and appointment of the Chairperson;
- selection and appointment of the Secretary;
- determine the frequency of meetings of the Committee;
- seek professional advice when required;
- responsibilities of the Committee; and
- overseeing of Board and executive succession plans.

INDEPENDENT DIRECTORS

Due to the small size of the Company, the Board is made up of four Directors.

The Company has not adopted Recommendation 2.2, which states that a board skills matrix should be disclosed, nor has it adopted Recommendation 2.3, which states that the majority of the directors should be independent. Because of the small size and nature of the Company, the Company has appointed 1 independent Director on the Board. It is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective of whether they are independent or not.

PERIOD OF OFFICE HELD BY EACH DIRECTOR

- Mr Gregory Clifton Hall since 18 August 2010
- Mr Jiangang Zhao since 25 February 2013
- Mr Dongfeng Zhang since 25th September 2019
- Mr Zhang Yong since 25 February 2013

INDEPENDENT DIRECTORS

The Company considers that as at 30 June 2018 Mr. Gregory Clifton Hall is classified as an Independent Director.

REGULAR ASSESSMENT OF INDEPENDENCE

An Independent Director, in the view of the Company, is a Non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company, or has been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Company, or an employee materially associated with a service provider;
- has no material contractual relationship with the Company other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

CHAIRPERSON AND MANAGING DIRECTOR

The Company does not follow Recommendation 2.5. The office of Chair during the reporting period was held by Mr Shouyin Wang, a nominee of ZIMC, the largest shareholder of Zeus.

The Chairperson leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

The CEO is responsible and accountable to the Board for the Company's management. Mr Jiangang Zhao is currently Acting Chief Executive Officer of the Company. Mr Zhao was appointed as Acting CEO of the Company following the departure of Mr Peter Williamson in November 2013.

INDUCTION AND EDUCATION

The Company complies with Recommendation 2.6. The Company does have a policy to provide each new Director or officer with a copy of the following documents:

- Responsibilities of Department Policy;
- Board procedures, rules and responsibilities Policy;
- Salary and Performance Policy;
- Fixed Assets Management Policy;
- Financial Policy;
- Travel and Accommodation Policy;
- Employee Manual;
- Recruitment Policy;
- Delegated Authority of Limits
- Securities Trading Policy; and

Principle 3 – Act Ethically and Responsibly

CODE OF CONDUCT AND ETHICAL STANDARDS

The Company has adopted recommendation 3.1 by establishing a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders, and by disclosing a summary of this code of conduct below. The Company is focused on ensuring that all Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

ACCESS TO COMPANY INFORMATION AND CONFIDENTIALITY

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

SHARE DEALINGS AND DISCLOSURES

The Company has adopted a Securities Trading Policy. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors are required to consult the Chairperson and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

CONFLICT OF INTEREST

To ensure that Directors are at all times acting in the best interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself or herself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

RELATED PARTY TRANSACTIONS

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

Principle 4 – Safeguard integrity in financial reporting

AUDIT COMMITTEE

The Company has not complied with Recommendation 4.1(a) as it has not established an Audit Committee with a corresponding charter. The Audit compliance is managed by the full board of Zeus Resources. It has complied with Recommendation 4.1(b) by disclosing that the objective of the Board is to make recommendations and implement, among various matters, the adequacy of the external audit and compliance procedures. The Board evaluates from time to time the effectiveness of the financial statements prepared for the Board meetings and to ensure that an independent judgement is always exercised.

CEO AND CFO DECLARATIONS

The Company has adopted and complied with recommendation 4.2.

Due to the size of the management team, the Board has determined that the Chairperson and the Accountant are the appropriate persons to make the CEO and CFO declarations in respect of the year ended 30 June 2016, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board is also satisfied that the internal control system is operating effectively in all material respects.

AUDITOR PRESENT AT ANNUAL GENERAL MEETING

The Company has complied with Recommendation 4.3. A representative of the Company's external auditor was be present at the Company's AGM and will be available to answer questions from security holders relevant to the audit.

Principle 5 – Make timely and balanced disclosure

The Company has not adopted Recommendation 5.1 by putting in place a continuous Disclosure Policy because of the size and nature of the Company.

CONTINUOUS DISCLOSURE TO THE ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly, the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities; and
- the announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in Zeus securities.

Principle 6 – Respect the rights of shareholders

The Company has complied with Recommendation 6.1 by promoting active communication with shareholders through a variety of measures, including the use of the Company's website. The Company's reports and ASX announcements are made available on the Company's website www.zeusresources.com and on the ASX website www.asx.com.au, under ASX code 'ZEU'.

COMMUNICATION TO SHAREHOLDERS

The Company does comply with Recommendation 6.2 and 6.3.

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Company provides all relevant and current information to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly Directors' and financial statements;
- quarterly activities and cash flow reports;
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing; and
- Rules and other information that may be mailed to shareholders or made available through the Company's website.

The company has complied with Recommendation 6.4 by encouraging Shareholders to register for receipt of announcements and updates electronically.

Principle 7 - Recognise and manage risk

RISK COMMITTEE

The Company has not complied with Recommendation 7.1(a) as it has not established a Risk Committee with a corresponding charter.

The Company complies with Recommendation 7.1(b) by disclosing the processes it employs for overseeing the Company's risk management, being that the Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company has complied with Recommendation 7.2 by conducting an annual risk assessment and discloses to the Company auditors the review of risk management and internal control systems.

The primary vehicle for managing corporate risks is regular oversight by the Board. The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company has systems in place to ensure that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

INTERNAL AUDIT FUNCTION

The Company has not complied with Recommendation 7.3(a) but does comply with recommendation 7.3(b). The Company's internal audit function is carried out by the Board. The Company does not have an internal audit department nor has an internal auditor. The board is of the belief that the size of the Company does not warrant the cost of appointing an internal auditor.

ECONOMIC, ENVIRONMENTAL AND SUSTAINABILITY RISKS

All material risks are announced to the market in accordance with the requirements of the ASX Listing Rules and otherwise.

Principle 8 – Remunerate fairly and responsibly

In response to Recommendation 8.1(a), the Board has not established a remuneration committee. The Board is directed by the Chairperson who operates as the Committee, due to the size and nature of the Company.

The Board regularly addressed issues that arose during the financial year.

REMUNERATION COMMITTEE CHARTER AND RESPONSIBILITIES

In accordance with Recommendation 8.1, in the absence of a remuneration committee, the Company discloses the following information concerning its policies and processes it employs for setting remuneration of directors and senior executives.

REMUNERATION POLICY

In response to Recommendation 8.2, the Company has established a Salary and Performance Policy along with a Recruitment Policy which operates in a similar fashion to a Remuneration and Nomination Committee charter. The role and responsibility of the Board is to review and make recommendations in respect of:

- executive remuneration policy;
- Executive Director and senior management remuneration;
- Non-executive Directors' Remuneration;
- performance measurement policies and procedures;
- Administration of the Company's Diversity policy;
- Board evaluation and performance of Directors; and
- Issue and allotment of options to Directors and Senior Executives.

The Directors' remuneration is approved by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. Consultants are engaged as required pursuant to service agreements. The Company ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Company. All salaries of Directors and statutory officers are disclosed in the Annual Report of the Company each year.

The Company has a policy structure to remunerate Directors differently based on a fixed and incentive component salary packages to reflect the short and long-term objectives of the Company. Key aspects of the policy include the following:

- the salary component of the Managing Director/CEO remuneration is made up of fixed remuneration and long-term incentive;
- the salary component of Non-executive Directors is made up of fixed remuneration.
- the Company has not adopted Recommendation 8.4 as follows due to its size and nature:
- the Company discloses the name of Directors in the Remuneration Committee and the attendance of each Director to the Remuneration Committee meetings, within its Directors' Reports;
- the Company does not provide any schemes for retirement; and
- the Company has not made publicly available a summary of the Remuneration Committee Charter on the Company's website.

SECURITIES TRADING POLICY

In compliance with Recommendation 8.3, the Company has a securities trading policy that prohibits directors, officers and employees from entering into transactions or arrangements which limits the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.

The Company's securities trading policy is publicly available on the ASX website.