

CORPORATE GOVERNANCE STATEMENT

ANNOUNCEMENT

28 SEPTEMBER 2023

Audalia Resources Limited (**Audalia** or the Company) (ASX: ACP) provides the following in accordance with the ASX Listing Rules:

1. Corporate Governance Statement
2. Appendix 4G.

Audalia plans to hold its Annual General Meeting on 30 November 2023. The deadline to receive director nominations is 6 October 2023.

This announcement was authorised to be given to ASX by the Board of Directors of Audalia Resources Limited.

Authorised by:

Brent Butler
Executive Director and CEO

For more information please contact:

Brent Butler
CEO and Executive Director
Audalia Resources Limited
T: (08) 9321-0715
E: admin@audalia.com.au

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Audalia Resources Limited (**Audalia** or the **Company**) is responsible for the operational and financial performance of the Company, including its corporate governance. The Company believes that the adoption of good corporate governance adds value to stakeholders and enhances investor confidence.

The Company acknowledges the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (the **Recommendations**). This Corporate Governance Statement provides details of the Company's compliance with those Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation.

Audalia's Corporate Governance Plan is available on the Company's website: www.audalia.com.au/corporate/corporate-governance/ and should be read in conjunction with the Company's Annual Report. This Corporate Governance Statement is current as of 28 September 2023 and has been approved by the Board of the Company.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Board Charter

Role of the board and management

The Board is accountable to shareholders for the performance of the Company. The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management.

The Board Charter (which forms part of the Corporate Governance Plan) is available on the Company's website.

Board and senior executive appointments

The Board has implemented a process of undertaking the appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director or senior executive. The directors will provide a summary of all material information relevant to the decision to elect a director in the notice of meeting for each Annual General Meeting.

On appointment, non-executive directors receive formal letters of appointment setting out the terms and conditions of appointment. The formal letter of appointment covers the matters referred to in the guidance and commentary for Recommendation 1.3. Executive directors are employed pursuant to employment agreements.

Diversity Policy

The Board has adopted a Diversity Policy which sets out the Company's aims and practices in relation to recognising and respecting diversity in employment. The Policy reinforces the Company's commitment to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contributions of diverse skills and talents from its employees.

The Diversity Policy reflects the matters set out in the commentary and guidance for Recommendation 1.5.

Gender Diversity

The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.

The proportions of women within the whole organisation as at 28 September 2023 are as follows:

	%
Women employees in the whole organisation	0%
Women in senior executive positions	0%
Women on the Board of Directors	0%

The Board acknowledges the absence of female participation in senior executive positions and on the Board of Directors. However, as noted above, the Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Company is at variance with Recommendation 1.5 in that it has not set or disclosed measurable objectives for achieving gender diversity in accordance with its Diversity Policy. Due to the size of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The Code of Conduct and Diversity Policy (which form part of the Corporate Governance Plan) are available on the Company's website.

Company secretary

The Board Charter outlines the role, responsibilities and accountabilities of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

The appointment of the Company Secretary is a matter for the Board to consider. Information on the skills, experience and qualifications of the Company Secretary can be found in the Directors' Report in the Annual Report.

Evaluation of the performance of the Board, its committees and individual directors

The performance of the Board, its committees and individual directors are evaluated in accordance with the Performance Evaluation Policy. The annual review of the performance of the Board, its committees and individual directors for the 2023 financial year will be carried out in accordance with the disclosed process.

Evaluation of the performance of senior executives

The performance of senior executives is evaluated in accordance with the Performance Evaluation Process. The annual review of performance of the senior executive for the 2023 financial year will be carried out in the accordance with the process disclosed.

The Board Charter and Performance Evaluation Policy (which form part of the Corporate Governance Plan) are available on the Company's website.

PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Composition of the Board

During the 2023 financial year, the Board consisted of the CEO/ Executive Director, Executive Director and two non-executive directors. Details of their skills, experience and expertise and the period of office held by each director have been included in the Directors' Report in the Annual Report. The number of board meetings and the attendance of the directors are set out in the Directors' Report.

The Company does not currently have a chairman of the Board. The Board Charter summarises the roles and responsibilities of the chairman, once appointed and the Chief Executive Officer.

Independence of non-executive directors

The Board has assessed the independence of each of the directors in office at the time of this report using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.4 and determined that one in four directors is independent.

The Board considers that Mr Adam Buckler is free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the director's judgement and that he is able to fulfil the role of independent director for the purposes of the Recommendations.

Mr Han does not satisfy the tests of independence as detailed in the Recommendations as he has a material business relationship with the Company providing engineering consulting services in connection with the operations of the Company.

Messrs Butler and Ong do not satisfy the tests of independence as detailed in the Recommendations as they are executive directors, which is indicia of not being independent pursuant to those tests.

The Company is at variance with Recommendation 2.4 in that all of directors are not independent. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendation 2.4, all directors bring an independent judgement to bear on Board decisions.

Nomination and Remuneration Committee

During the 2023 financial year, the Nomination and Remuneration Committee consisted of two members, and was chaired by Mr Han.

The Nomination and Remuneration Committee Charter sets out its role, responsibilities and membership requirements. The Charter reflects the matters set out in the commentary and guidance for Recommendation 2.1.

The Company is at variance with Recommendation 2.1 in that the majority of members of the Nomination and Remuneration Committee are not independent and the chairman is not independent. The Board has determined that the composition of the current Nomination and Remuneration Committee represents the best mix of directors that has an appropriate range of qualifications and expertise for this Committee. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendation 2.1, all members bring an independent judgement to bear on Committee decisions.

For information on the skills, experience and expertise of the Nomination and Remuneration Committee member, refer to the Directors' Report in the Annual Report.

Details of the members and their attendance at meetings of the Nomination and Remuneration Committee are included in the Directors' Report in the Annual Report.

Board skills matrix

The Company has developed a broad-based Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and this is periodically reviewed against the Company's Board representative's skills to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

The Annual Report has the disclosure of each Board member's qualifications and expertise.

The skills matrix and the average (using a scale of 1 (developing) to 3 (expert)) for the current board of directors:

Expertise	Average
Legal, governance and compliance	2
Strategy	3
Commercial acumen	3
Financial literacy	2
Risk management	2
Executive leadership	2
Government relations	2
Stakeholder relations	2
Remuneration and nomination	2
Industry experience	2

The Directors have determined that the Board is of a sufficient size that is appropriate and effective for the Company at its current stage and that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues.

The Board has regard to the Company's Diversity Policy and Board Charter and will aim to achieve diversity and independence in its membership where possible, also having regard to the size and nature of the existing Board, and the magnitude of the Company's operations.

Board renewal and succession planning

The appointment of directors is governed by the Company's Constitution and the Nomination Committee Charter. In accordance with the Constitution of the Company, no director except a Managing Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

The Company has adopted a policy in relation to the retirement or tenure of directors and all directors will seek re-election as a director at each Annual General Meeting.

Induction and education

When appointed to the Board, a new director will receive an induction appropriate to his or her experience. Directors are provided with the appropriate professional development opportunities to develop and maintain their skills and knowledge from time to time, as considered appropriate to perform their role as director effectively.

Access to information and advice

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Chairman.

The Company's Constitution, Board Charter and Nomination Committee Charter (which form part of the Corporate Governance Plan) are available on the Company's website.

PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Company Values

The Company is committed to conducting its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.

The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website. The Board and management continually reference such values.

Code of Conduct

The Board has adopted a Code of Conduct which applies to all directors, officers and employees of the Company. It sets out the Company's commitment to successfully conducting the business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards. The Code of Conduct reflects the matters set out in the commentary and guidance for Recommendations 3.1 and 3.2.

The Company's Code of Conduct (which forms part of the Corporate Governance Plan) is available on the Company's website.

Whistleblower Policy

The Company's Whistleblower Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Policy are to be reported to the Audit and Risk Committee.

Anti-Bribery and Anti-Corruption Policy

The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Audit and Risk Committee.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Audit and Risk Committee

During the 2023 financial year, the Audit and Risk Committee consisted of two members and was chaired by Mr Butler.

The Audit and Risk Committee Charter sets out its role, responsibilities and membership requirements. The Charter reflects the matters set out in the commentary and guidance for Recommendation 4.1.

For information on the skills, experience and expertise of the Audit and Risk Committee members, refer to the Directors' Report in the Annual Report.

Details of the members and their attendance at meetings of the Audit and Risk Committee are included in the Directors' Report in the Annual Report.

The Company is at variance with Recommendation 4.1 in that the Audit and Risk Committee only has two of the members, does not consist of a majority of independent directors and does not have an independent chairman. The Board has determined that the composition of the current Audit and Risk Committee represents the best mix of directors that has an appropriate range of qualifications and expertise for this committee, given the current size of the Company. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendation 4.1, all members bring an independent judgement to bear on Committee decisions.

Financial statement sign off and declarations

When considering the Audit and Risk Committee's review of financial reports, the Board receives a written declaration in accordance with section 295A of the Corporations Act, signed by the CEO/Executive Director and Executive Director, that the Company's financial reports give a true and fair view, in all material respects with, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

External auditor

Consistent with its Charter, the Audit and Risk Committee reviews the external auditor's terms of engagement and audit plan, and assesses the independence of the external auditor. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years.

The Company's independent external auditor is BDO Audit (WA) Pty Ltd. The appointment of BDO Audit (WA) Pty Ltd was ratified by members at the inaugural Annual General Meeting held on 25 November 2011.

The Audit and Risk Committee Charter is available on the Company's website.

The Company's engagement with the external auditor states that the Board has committed the Company's external auditor to attend its AGM and is available to answer questions from security holders relevant to the audit.

Periodic Corporate Reports

Processes are in place to verify the integrity of periodic corporate reports (as defined in the Recommendations) released to the ASX and not audited or reviewed by the external auditor. Examples of periodic corporate reports released by the Company include the directors' report in the annual report. The Company has adopted a Continuous Disclosure Policy which sets out how market announcements are reviewed and released.

The CEO/ Executive Director, in conjunction with the Board, makes disclosure decisions, oversees the drafting of announcements and approves all ASX announcements. The Board is responsible for satisfying itself that the content of any announcement is accurate and not misleading.

ASX announcements are lodged on the market announcements platform by the Company Secretary.

The Company's Continuous Disclosure Policy, which forms part of the Corporate Governance Plan, is available on the Company's website.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Continuous Disclosure Policy sets out the key obligations of the directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance.

Under the Policy, all members of the Board receive material market announcements promptly after they have been made. All substantive investor or analyst presentations were released on the ASX Markets Announcement Platform ahead of such presentations.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 5.1.

The Continuous Disclosure Policy (which forms part of the Corporate Governance Plan) is available on the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Information about the Company and its governance is available under the heading Corporate and Corporate Governance which can be found on the Company's website.

Shareholders are encouraged to participate at all general meetings and AGMs of the Company. In any notice of meeting to be despatched to Shareholders, the Company Secretary reminds all Shareholders that they are encouraged to participate at the meeting.

The Shareholder Communications Strategy sets out the Company's aims and practices in respect of communicating with both current and prospective shareholders. The strategy reinforces the Company's commitment to promoting investor confidence by requiring:

- compliance with the continuous disclosure obligations;
- compliance with insider trading laws;
- compliance with financial reporting obligations;
- compliance with shareholder meeting requirements, including the provision of an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and auditor of the Company;
- communication with shareholders in a clear, regular, timely and transparent manner; and
- response to shareholder queries in a prompt and courteous manner.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 6.4 and is designed to promote and facilitate effective two-way communication with investors.

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.

The Shareholder Communication Strategy states that the Company is committed to dealing fairly, transparently and openly with both current and prospective shareholders. As part of the Company's policy, it will respond promptly and courteously to shareholder queries and concerns.

The Shareholder Communications Strategy (which forms part of the Corporate Governance Plan) is available on the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Risk Management Policy

Audalia recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. As a result, the Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control.

Risk oversight

Audalia's risk management framework is supported by the Board of Directors, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Audit and Risk Committee also has delegated responsibilities in relation to risk management and the financial reporting process as set out in the Audit and Risk Committee Charter. Further detail regarding the Audit and Risk Committee can be found above at Principle 4: Safeguarding the integrity for corporate reports.

Reporting and assurance

As noted above, when considering the Audit and Risk Committee's review of financial reports, the Board receives a written declaration in accordance with section 295A of the Corporations Act, signed by an Executive Director and CEO, that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply, in all material respects, with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

Similarly, in a separate written statement, the Executive Director and the Chairman of the Audit and Risk Committee also confirm to the Board that the Company's risk management and internal control systems are operating effectively in relation to material business risks for the period, and that nothing has occurred since period-end that would materially change the position.

As noted in Principle 4, the Company is at variance with Recommendation 4.1 in that majority of the members of the Audit and Risk Committee are not independent and that the Committee only has two members. The Board considers that this composition is appropriate given the current size of the Company.

The number of times the committee met and the composition of the committee is disclosed in the Directors' Report in the Annual Report.

The Audit and Risk Committee together with the Board devotes time during its periodic Board meetings to fulfilling their obligations associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures. A formal review of the risk management framework takes place at the completion of the annual audit but it was not completed during the 2023 financial year. The Audit and Risk Committee plans to complete its review in the 2024 financial year.

The Board believes it is not of a size to justify having an internal audit function for efficiency purposes and this role is undertaken by the Audit and Risk Committee.

Economic, environmental and social sustainability risks

The Company discloses material business risks in the Directors' Report and Note 11 to the financial statements in the Annual Report describes the economic risks to which the Company has an exposure and the Company's objectives, policies and processes for measuring and managing those risks. The Director's Report in the Annual Report includes the Board's statement on environmental regulations. The Board does not believe the Company has any material exposure to social sustainability risks at the present time.

The Risk Management Policy (which forms part of the Corporate Governance Plan) is available on the Company's website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has delegated responsibilities in relation to the Company's remuneration policies as set out in the Remuneration Committee Charter. The Charter reflects the matters set out in the commentary and guidance for Recommendation 8.1. Further detail regarding the Nomination and Remuneration Committee can be found above at Principle 2: Structure the board to be effective and add value.

As noted in Principle 2, the Company is at variance with Recommendation 8.1 in that the majority of members are not independent and the Committee only has two members. The Board has determined that the composition of the current Nomination and Remuneration Committee represents the best mix of directors that has an appropriate range of qualifications and expertise for this committee. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.1 and 8.1, all directors bring an independent judgement to bear on Board decisions.

Details of the members and their attendance at meetings of the Nomination and Remuneration Committee are included in the Directors' Report in the Annual Report.

Non-executive directors' remuneration policy

The structure of non-executive directors' remuneration is clearly distinguished from that of executives. Remuneration for non-executive directors is fixed. Total remuneration for all non-executive directors, last voted upon by shareholders at the 2011 General Meeting, is not to exceed \$300,000 per annum. Non-executive directors do not receive performance related compensation. Neither the non-executive directors nor the executives of the Company receive any retirement benefits, other than superannuation. The details of the remuneration are contained in the Company's Remuneration Report in the Annual Report.

Executive directors' remuneration policy

As noted previously, the Executive Chairman and the CEO/Executive Director are employed pursuant to employment agreements. Summaries of these employment agreements are set out in the Remuneration Report in the Annual Report.

Policies and practices regarding the remuneration of directors and executives are disclosed in the Remuneration Report contained in the Company's Annual Report.

Further details regarding the remuneration arrangements of the Company are set out in the Remuneration Report including the CEO's remuneration and the share based payment arrangements.

Securities Trading Policy

The Board has adopted a policy setting out the procedure on dealing in the Company's securities by directors, officers and employees. The policy prohibits trading by all employees and directors of the Company and its related entities at all times where the transaction is intended for short term or speculative gain or where the person is in possession of price sensitive information. All directors and employees (including their immediate family or any entity for which they control investment decisions), must ensure that any trading in securities issued by the Company is undertaken within the framework set out in the Securities Trading Policy.

The Securities Trading Policy does not prevent directors or employees (including their immediate family or any entity for which they control investment decisions) from participating in any share plan or share offers established or made by the Company. However, directors or employees are prevented from trading in the securities once acquired if the individual is in possession of price sensitive information not generally available to all security holders.

In addition to the overriding prohibition against dealing in the Company's securities when a person is in possession of inside information, directors, officers, employees and their associated parties are at all times prohibited from dealing in the Company's securities during prescribed 'Closed Periods'. The Company has nominated closed periods to run from the end of the financial quarter up to the day after the release date of the latest of the quarterly report (Appendix 5B), half yearly results or annual results. Directors, officers and employees must also obtain written consent from the Chairman or Managing Director/Chief Executive Officer (as applicable) prior to trading in the Company's securities.

The Securities Trading Policy also includes a clause prohibiting directors, officers and employees from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company, including securities issued pursuant to any employee or director option or share plan, over unvested entitlements.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Audalia Resources Limited

ABN/ARBN

49 146 035 690

Financial year ended:

30 June 2023

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.audalia.com.au/corporate/corporate-governance/

The Corporate Governance Statement is accurate and up to date as at 28 September 2023 and has been approved by the board.

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

Date: 28 September 2023

Name of authorised officer
authorising lodgement: Karen Logan

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 checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: www.audalia.com.au/corporate/corporate-governance/	
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"/>	
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"/>	
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"/>	

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
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (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. <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 checked="" type="checkbox"/> set out in our Corporate Governance Statement and we have disclosed a copy of our diversity policy at: www.audalia.com.au/corporate/corporate-governance/</p>
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; 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. 	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: www.audalia.com.au/corporate/corporate-governance/ and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	

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 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
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>www.audalia.com.au/corporate/corporate-governance/</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	
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>We have disclosed a copy of the charter of the committee at:</p> <p>www.audalia.com.au/corporate/corporate-governance/</p> <p>and we have disclosed the information referred to in paragraphs (4) and (5) in the Directors' Report of the Annual Report.</p>	
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>www.audalia.com.au/corporate/corporate-governance/</p>	

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 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
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, 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 (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement. and, where applicable, the information referred to in paragraph (b) at in our Corporate Governance Statement. and the length of service of each director in the Directors' Report of the Annual Report.	
2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
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 checked="" type="checkbox"/> set out in our Corporate Governance Statement
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 checked="" type="checkbox"/>	
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our code of conduct at: www.audalia.com.au/corporate/corporate-governance/	
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 checked="" type="checkbox"/> and we have disclosed our code of conduct at: www.audalia.com.au/corporate/corporate-governance/	

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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
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.audalia.com.au/corporate/corporate-governance/	
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 checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: www.audalia.com.au/corporate/corporate-governance/	
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
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.	We have disclosed a copy of the charter of the committee at: www.audalia.com.au/corporate/corporate-governance/ and the information referred to in paragraphs (4) and (5) in the Directors' Report of the Annual Report.	

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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
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.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
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 checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: www.audalia.com.au/corporate/corporate-governance/	
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"/>	
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"/>	
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 checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: www.audalia.com.au/corporate/corporate-governance/	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	

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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
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 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"/>	
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"/>	
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>We have disclosed a copy of the charter of the committee at: www.audalia.com.au/corporate/corporate-governance/ and the information referred to in paragraphs (4) and (5) in the Directors' Report of the Annual Report.</p>	

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
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.	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement.	
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 checked="" type="checkbox"/> 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 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 checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement.	

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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 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>We have disclosed a copy of the charter of the committee at: www.audalia.com.au/corporate/corporate-governance/ and the information referred to in paragraphs (4) and (5) in the Directors' Report of the Annual Report.</p>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><input checked="" 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 in the Remuneration Report set out in the Annual Report.</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 checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it in our Corporate Governance Statement.</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
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.	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.	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.	Not applicable	
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	Not applicable	
-	<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>	Not applicable	