

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

COSOL Limited

ABN / ARBN

66 635 371 363

Financial year ended:

30 June 2020

Our corporate governance statement² for the above period above can be found at:³

☐ These pages of our annual report:

☒ This URL on our website: <https://www.cosol.com.au/investor-centre/#corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 25 August 2020 and has been approved by the board.

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

Date: 25 August 2020

Name of Director or Secretary authorising lodgement: Ben Secrett
Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (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.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ✓ in the Board Charter contained in the Company's Corporate Governance Plan available at https://www.cosol.com.au/investor-centre/#corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p>✓ in the Company's Corporate Governance Plan available at https://www.cosol.com.au/investor-centre/#corporate-governance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement, as are disclosures of the extent to which the recommendation has been followed (as flagged in the column to the left) <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p>NOTE: The Company has a Diversity Policy which complies with the requirements of Recommendation 1.5(a), and the Diversity Policy is contained in the Company's Corporate Governance Plan which is available at https://www.cosol.com.au/investor-centre/#corporate-governance.</p> <p>The Company has not set measurable objectives for achieving gender diversity but has disclosed the gender composition of the COSOL Group in its Corporate Governance Statement.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 2 - STRUCTURE THE BOARD TO 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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p>✓ in the Company's Corporate Governance Plan available at https://www.cosol.com.au/investor-centre/#corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p>✓ in the Company's Annual Report for the financial year ended 30 June 2020</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement, as are disclosures of the extent to which the recommendation has been followed (as flagged in the column to the left) OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ✓ in our Corporate Governance Statement and in the Company's Annual Report for the financial year ended 30 June 2020 OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement OR ✓ in the Company's Annual Report for the financial year ended 30 June 2020	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	✓ an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	✓ an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR ✓ in the Company's Corporate Governance Plan available at https://www.cosol.com.au/investor-centre/#corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p>✓ in the Company's Corporate Governance Plan available at https://www.cosol.com.au/investor-centre/#corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p>✓ in the Company's Annual Report for the financial year ended 30 June 2020</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement, as are disclosures of the extent to which the recommendation has been followed (as flagged in the column to the left)</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at https://www.cosol.com.au/investor-centre/#corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p>✓ in the Company's Corporate Governance Plan available at https://www.cosol.com.au/investor-centre/#corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p>✓ in the Company's Annual Report for the financial year ended 30 June 2020</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement, as are disclosures of the extent to which the recommendation has been followed (as flagged in the column to the left)</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ✓ in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):] ... 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 <u>OR</u> <input type="checkbox"/> at [insert location]</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> ✓ in the Company's Annual Report for the financial year ended 30 June 2020</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p>✓ in the Company's Corporate Governance Plan available at https://www.cosol.com.au/investor-centre/#corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p>✓ in the Company's Annual Report for the financial year ended 30 June 2020</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p>✓ an explanation why that is so in our Corporate Governance Statement, as are disclosures of the extent to which the recommendation has been followed (as flagged in the column to the left) OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p>✓ in the Company's Annual Report for the financial year ended 30 June 2020</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Company's Annual Report for the financial year ended 30 June 2020</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



COSOL LIMITED
ACN 635 371 363
(Company)

2020 CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the Company's current compliance with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**). The Principles and Recommendations are not mandatory, and this Corporate Governance Statement discloses the extent to which the Company has followed the Principles and Recommendations and explains reasons where a Recommendation has not been followed.

This Corporate Governance Statement is current as at 25 August 2020 and has been approved by the Board of Directors of the Company.

The Company has adopted a Corporate Governance Plan which documents the Company's corporate governance practices, and contains in full all of the charters and policies referred to in this Corporate Governance Statement. A copy of the Company's Corporate Governance Plan is available from the Company's website at <https://www.cosol.com.au/investor-centre/#corporate-governance>.

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 1: Lay solid foundations for management and oversight	
Recommendation 1.1 A listed entity should disclose: (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.	<p>The Company has adopted a Board Charter which sets out the specific roles and responsibilities of the Board, the Chairman and executive management, and includes a description of those matters expressly reserved to the Board and those delegated to executive management.</p> <p>The Board Charter sets out the requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, and details of the Board's performance review.</p> <p>The Company's Board Charter is contained in the Company's Corporate Governance Plan, which is available on the Company's website.</p>

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<p>Recommendation 1.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holds a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision to whether or not to elect or re-elect a director. 	<ul style="list-style-type: none"> (a) The Company's Nomination and Remuneration Committee Charter (contained in the Company's Corporate Governance Plan, which is available on the Company's website) contains guidelines for the appointment and selection of the Board and senior executives and requires the Nomination and Remuneration Committee to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. (b) The Company's Nomination and Remuneration Committee Charter requires all material information relevant to a decision on whether or not to elect or re-elect a Director to be provided to security holders in each annual shareholders' meeting containing the resolution to elect or re-elect a Director.
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company's Nomination and Remuneration Committee Charter requires the Nomination and Remuneration Committee to ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has written agreements with each of its Directors and the Chief Executive Officer of its operating subsidiary, COSOL Australia Pty Ltd.</p>
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Board Charter outlines the roles and responsibility of the Company Secretary. The Board Charter outlines how the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <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 	<ul style="list-style-type: none"> (a) The Company's Diversity Policy (contained in the Company's Corporate Governance Plan, which is available on the Company's website) recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. The Company believes diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

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<p>annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(ii) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	<p>(b) The Company’s Diversity Policy is contained in full in the Company’s Corporate Governance Plan, which is available on the Company’s website.</p> <p>(c) The Company has not yet set measurable objectives for achieving gender diversity. The Company’s personnel comprise the four Directors, and it engages consultants and contractors to assist with financial reporting, governance and administrative activities. The Company acquired its operating subsidiary, COSOL Australia Pty Ltd, on 16 January 2020 and will consider setting measurable objectives for achieving gender diversity as it continues to review and develop the operating business.</p> <p>As at 31 July 2020, the gender composition of the Company and its operating subsidiary, COSOL Australia Pty Ltd, was as follows.</p> <table><tr><td></td><td>Male</td><td>Female</td></tr><tr><td>Board</td><td>100%</td><td>0%</td></tr><tr><td>Executive Management</td><td>80%</td><td>20%</td></tr><tr><td>Group</td><td>77%</td><td>23%</td></tr></table> <p>Executive Management comprises the Chief Executive Officer of COSOL Australia Pty Ltd and all executive management personnel who report to the CEO.</p>		Male	Female	Board	100%	0%	Executive Management	80%	20%	Group	77%	23%
	Male	Female											
Board	100%	0%											
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Group	77%	23%											
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>(a) The Company’s Nomination and Remuneration Committee is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Nomination and Remuneration Committee Charter.</p> <p>(b) The Company’s Nomination and Remuneration Committee Charter requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. The Board is newly formed and the Company has not undertaken performance evaluations of the Board, its Committees or individual Directors since the Company listed on ASX on 24 January 2020.</p>												

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<p>Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<ul style="list-style-type: none"> (a) The Company's Nomination and Remuneration Committee is responsible for evaluating the performance and the remuneration of the Company's senior executives on an annual basis. Senior executives are those persons as designated by the Board, and currently comprise the CEO and the CFO (which role is currently temporarily filled by an external contractor) of COSOL Australia Pty Ltd. The process for this is set out in the Nomination and Remuneration Committee Charter. (b) The Company's Nomination and Remuneration Committee Charter requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company has undertaken performance evaluations of the CEO and CFO of COSOL Australia Pty Ltd during the reporting period.

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 2: Structure the board to add value	
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the 	<ul style="list-style-type: none"> (a) The Company has a Nomination and Remuneration Committee. The Company's Nomination and Remuneration Committee Charter provides for the creation of a Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Strautins and Johnston), one of whom is considered to be independent and chairs the Committee. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company considers this structure to be appropriate and effective at this time, and notes that the current Committee comprises only non-executive Directors who each possess the skills, experience, commitment and independent judgement to enact and conduct rigorous and transparent processes for performance evaluations and appointments of Directors while representing the best interests of the Company and all of its security holders.

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<p>individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Company's Nomination and Remuneration Committee Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The members of the Committee and their meeting attendance record are disclosed in the Company's Annual Report for the financial year ending 30 June 2020.</p> <p>(b) The Company has a Nomination and Remuneration Committee, and the processes it employs are detailed in the Nomination and Remuneration Committee Charter.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Company's Nomination and Remuneration Committee Charter requires the Committee to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve). The composition of the Board is to be reviewed regularly against the Company's Board skills matrix to ensure the Board has the appropriate mix of skills and expertise to discharge its obligations effectively and to facilitate successful strategic direction for the Company.</p> <p>The Company has not disclosed a Board skills matrix but the Board is confident that its members together possess the mix of experience, skills and competencies across the following areas required for the Board to function effectively and successfully. The Directors possess sector experience & knowledge; skills and experience in accounting & finance, law, CEO & senior management, developing & implementing risk management systems, and strategy development & implementation; and competencies in managing large organisations, financial literacy, strategic planning, managing senior executives, communication and interpersonal relations, collaboration, effective decision making, sound judgement, and integrity.</p> <p>The Company's Board Charter requires the disclosure of each Board member's qualifications and expertise. Details of the relevant qualifications, experiences and skills of each Director and senior executive are disclosed in the Company's Annual Report for the financial year ending 30 June 2020 and on the Company's website.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p>	<p>(a) The Company's Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers Messrs Grant Pestell</p>

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<p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>and Gerald Strautins to be independent Directors, and this is disclosed in the Company's Annual Report for the financial year ended 30 June 2020.</p> <p>(b) There are no independent Directors who are classified as having an interest, position, association or relationship that might be considered to compromise their independence.</p> <p>(c) The length of service of each Director is disclosed in the Company's Annual Report for the financial year ended 30 June 2020.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Company's Board Charter requires that, where practical, at least 50% of the Board will be independent.</p> <p>The Board currently comprises four directors, of whom two are considered to be independent. The Board considers that this is adequate for ensuring that decisions of the Board reflect the best interests of the Company and all of its security holders, and are not biased towards the interests of any person or group.</p>
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chairman of the Company is not an independent Director and is not the CEO/Managing Director.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The Company's Board Charter requires that there be an induction program for new Directors, and the Nominations and Remuneration Committee is responsible for the approval and renewal of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 3: Act ethically and responsibly	
Recommendation 3.1 A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	The Company has a Corporate Code of Conduct applicable to its Directors, officers and employees, and it is disclosed in full in the Company's Corporate Governance Plan, which is available on the Company's website.

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 4: Safeguard integrity in corporate reporting	
Recommendation 4.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the 	<ul style="list-style-type: none"> (a) The Company has an Audit Committee. The Company's Audit and Risk Committees Charter provides for the creation of an Audit Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Johnston and Pestell), one of whom is considered to be independent, and is chaired by a Director not considered to be independent. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company notes that the current Committee comprises only non-executive Directors who each possess the skills, experience and independent judgement to oversee the corporate reporting process, and who have accounting and legal expertise and an in-depth understanding of the sector in which the Company operates to be able to effectively discharge the Committee's mandate. The Committee is chaired by the Director who possesses an extensive accounting and financial background. <p>The Company's Audit and Risk Committees Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p>

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<p>individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The members of the Committee, and their qualifications, experience and meeting attendance record are disclosed in the Company's Annual Report for the financial year ended 30 June 2020.</p> <p>(b) The Company has an Audit Committee, and the processes it employs are detailed in the Audit and Risk Committees Charter.</p>
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The Company's Audit and Risk Committees Charter requires the CEO and CFO to provide a declaration on these terms.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Shareholders are encouraged to attend the Company's annual general meetings, at which the Company will ensure the attendance of its external auditor. Shareholders will be given the opportunity to ask questions of the Company's external auditor regarding the conduct of the audit and preparation and content of the auditor's report.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 5: Make timely and balanced disclosure	
Recommendation 5.1 A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	The Company's Continuous Disclosure Policy is designed to ensure the Company's compliance with ASX Listing Rules disclosure, and is disclosed in full in the Company's Corporate Governance Plan, which is available on the Company's website

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 6: Respect the rights of security holders	
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Information about the Company and its governance (including its Corporate Governance Plan) can be found on the Company's website at https://www.cosol.com.au/investor-centre/#corporate-governance .
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has a Shareholder Communications Policy which promotes and facilitates effective two-way communication with investors, based on transparency, and in line with sound corporate governance principles. The Policy outlines a range of ways in which information is communicated to shareholders, and is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company's Shareholder Communications Policy discloses the policies and processes in place to facilitate and encourage participation at meetings of the Company's security holders. Shareholders are welcome, and are encouraged to participate, at all general meetings and annual general meetings of the Company. The Company's notices of meeting contain material encouraging all Shareholders to attend and participate at the meeting.

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<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Company's Shareholder Communication Policy encourages security holders to receive communications from (eg notices of meeting and financial reports), and to send communications to, the Company and its share registry by way of email. The Company maintains a website (https://www.cosol.com.au) from which financial reports, notices of meeting, ASX announcements, and other Company documents are freely available. Further, security holders have access to the Company's share registry's website to manage their security holdings and communicate with the share registry.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 7: Recognise and manage risk	
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or 	<p>(a) The Company has a Risk Committee. The Company's Audit and Risk Committees Charter provides for the creation of a Risk Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Pestell and Strautins), both of whom are considered to be independent, and is chaired by a Director an independent Director. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company notes that the current Committee comprises only independent non-executive Directors who each possess the skills, technical knowledge and industry understanding to effectively assess the adequacy of the Company's processes for managing risk and reviewing any incidents regarding the Company's internal controls. The Committee is chaired by the Director who possesses an extensive legal and risk management background.</p> <p>The Company's Audit and Risk Committees Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The members of the Committee, and their qualifications, experience and meeting attendance record are disclosed in the Company's Annual Report for the financial year ending 30 June 2020.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
(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.	(b) The Company has a Risk Committee, and the processes it employs are detailed in the Audit and Risk Committees Charter.
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>(a) The Company's Audit and Risk Committees Charter requires the Risk Committee to at least annually satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>(b) The Company has not undertaken a review of its risk management framework since the Company listed on ASX on 24 January 2020.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a formal internal audit function but it has processes for evaluating and continually improving the effectiveness of risk management and financial control processes.</p> <p>(b) The Audit and Risk Committees Charter provides for the Audit Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of the internal audit procedures that are in place pursuant to the Audit and Risk Committees Charter.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Audit and Risk Committees Charter requires the Risk Committee to assist management to determine whether the Company has any potential or apparent material exposure to economic, environmental and social sustainability risks and, if it does, put in place management systems, practices and procedures to manage those risks.</p> <p>The Company has disclosed whether it has any material exposure to economic, environmental and social sustainability risks, and how it manages those risks, in its Annual Report for the financial year ended 30 June 2020.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
Principle 8: Remunerate fairly and responsibly	
<p>Recommendation 8.1</p> <p>A listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(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>(a) The Company has a Nomination and Remuneration Committee. The Company's Nomination and Remuneration Committee Charter provides for the creation of a Committee structured in compliance with the Recommendation, however at this time the Committee comprises two non-executive Directors (Messrs Strautins and Johnston), one of whom is considered to be independent and chairs the Committee. The Company will consider structuring the Committee to follow the Recommendation when the Board has sufficient members to do so. The Company notes that the current Committee comprises only non-executive Directors who each possess the skills, experience and independent judgement to ensure a formal and transparent process for developing and reviewing the Company's remuneration framework and determining the remuneration packages of Directors and senior executives so as to align the relationship between remuneration and performance to create value for security holders.</p> <p>The Company's Nomination and Remuneration Committee Charter is contained in full in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The members of the Committee and their meeting attendance record are disclosed in the Company's Annual Report for the financial year ending 30 June 2020.</p> <p>(b) The Company has a Nomination and Remuneration Committee, and the processes it employs are detailed in the Nomination and Remuneration Committee Charter.</p>

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company's Nomination and Remuneration Committee Charter requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, and summaries of these are disclosed in the remuneration report in the Company's Annual Report for the financial year ended 30 June 2020.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. 	<p>The Company's policy is that participants of any equity-based remuneration scheme are discouraged from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in such a scheme. A summary of this policy is disclosed in the remuneration report in the Company's Annual Report for the financial year ended 30 June 2020.</p>