

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

ADACEL TECHNOLOGIES LIMITED

ABN/ARBN

15 079 672 281

Financial year ended:

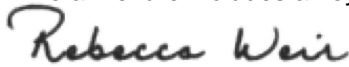
30 JUNE 2021

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website:  
<https://www.adacel.com/investors>

The Corporate Governance Statement is accurate and up to date as at 12 August 2021 and has been approved by the board.

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



Rebecca Weir

Company Secretary

12 August 2021

<sup>1</sup> "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 of the Company for the FY end 30 June 2021 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 of the Company for the FY end 30 June 2021 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 of the Company for the FY end 30 June 2021 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.

<sup>2</sup> 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.

<sup>3</sup> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> 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 of the Company for the FY end 30 June 2021.(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/”).

<sup>5</sup> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;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"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a></p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>In the Company's FY21 Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>In the Company's FY21 Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>In the Company's FY21 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> 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: <sup>5</sup>
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"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>In the Company's FY21 Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>In the Company's FY21 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>In the Company's FY21 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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"/> and we have disclosed our board skills matrix at:</p> <p>In the Company's FY21 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>In the Company's FY21 Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at:</p> <p>In the Company's FY21 Corporate Governance Statement and the length of service of each director at:</p> <p>In the Company's FY21 Annual Report</p>	<p><input type="checkbox"/> set out 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, <sup>4</sup> 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: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: In the Company's FY21 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: Covered under Code of Conduct Policy which can be found at <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a> and the information referred to in paragraphs (4) and (5) at: In the Company's FY21 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
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: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: In the Company's FY21 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement



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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a> and the information referred to in paragraphs (4) and (5) at: Annual Report of the Company for the FY end 30 June 2021.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: In the Company's FY21 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<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 governance, risk management and internal control processes.</p>	<p><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 at: In the Company's FY21 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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 at: In the Company's FY21 Corporate Governance Statement and, if we do, how we manage or intend to manage those risks at: In the Company's FY21 Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.adacel.com/investors">https://www.adacel.com/investors</a> and the information referred to in paragraphs (4) and (5) at: Annual report of the Company for the FY end 30 June 2021.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>In the Company's FY21 Corporate Governance Statement and the Company's FY21 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: In the Notice of Meeting for the 2020 Annual General Meeting, a copy of which can be found here: <a href="https://assets.website-files.com/5da4a6db96a90c56ae7991c7/5f8dca7ed6531f851d1c49c6_Notice%20of%20Annual%20General%20Meeting%20and%20Proxy%20Form.pdf">https://assets.website-files.com/5da4a6db96a90c56ae7991c7/5f8dca7ed6531f851d1c49c6_Notice%20of%20Annual%20General%20Meeting%20and%20Proxy%20Form.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> 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: <sup>5</sup>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<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	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	Not Applicable

# CORPORATE GOVERNANCE STATEMENT

The Directors and management of Adacel Technologies Limited (**Adacel**, **ADA**, or the **Company**) and its controlled entities (the **Group**) are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations (Fourth Edition)* (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared this statement which sets out its corporate governance practices that were in operation throughout the financial year ended 30 June 2021. This statement identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations. This statement is current as at 12 August 2021 and has been approved by the Board of the Company.

The Company's corporate governance policies and charters are all available on the Company's website (<https://www.adacel.com/investors>) (the **Website**).

ASX Recommendation	Status	Reference / Comment
<p><b>Principle 1 – Lay solid foundations for management and oversight</b></p> <p><i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance</i></p>		
<p>1.1</p> <p><b>A listed entity should disclose a board charter setting out:</b></p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p><b>Complying</b></p>	<p>The Board has adopted a charter which establishes the role of the Board and its relationship with management. The Board Charter clearly articulates the division of responsibilities between the Board and management, in order to manage expectations and avoid misunderstandings about their respective roles and accountabilities. The Board reviews the Board Charter regularly, and in doing so will continually review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.</p> <p>The primary role of the Board is the protection and enhancement of long-term shareholder value. Its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of the Company.</p> <p>The Board Charter sets out the role and responsibility of the Chairman and outlines the Board's policy on when and how Directors may seek independent professional advice at the expense of the Company.</p> <p>The functions and responsibilities of the Board and management are consistent with ASX Principle 1. A copy of the Board Charter is posted on the Website.</p> <p>Each Director is given a letter upon his or her appointment which outlines the Director's duties. Similarly, senior executives including the Chief Executive Officer, and the Director of Finance, have a formal job description and letter of appointment describing their term</p>

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ASX Recommendation	Status	Reference / Comment
		of office, duties, rights and responsibilities, and entitlements on termination.
<p><b>1.2 A listed entity should:</b></p> <p><b>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election, as a director; and</b></p> <p><b>(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.</b></p>	<b>Complying</b>	<p>The Board ensures that appropriate checks are undertaken before it appoints a person or puts forward to security holders a new candidate for election, as a director. These checks include enquiries as to the person's character, experience, education, criminal record and bankruptcy history.</p> <p>Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.</p> <p>The Company provides information to shareholders about Directors seeking re-election at general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including:</p> <ul style="list-style-type: none"> <li>▪ their relevant qualifications and experience and the skills they bring to the Board;</li> <li>▪ details of any other listed directorships held by the Director in the preceding 3 years;</li> <li>▪ the term of office already served by the Director;</li> <li>▪ whether the Director is considered to be independent; and</li> <li>▪ a recommendation by the Board in respect of the re-election of the Director.</li> </ul> <p>The Company will, in the case of a candidate standing for election as a director for the first time:</p> <ul style="list-style-type: none"> <li>▪ provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Board has performed on the candidate;</li> <li>▪ details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement on board matters or to act in the best interests of the Company and its shareholders generally;</li> <li>▪ the Board's view on whether the candidate will be considered to be an independent Director; and</li> <li>▪ a recommendation by the Board in respect of the election of the candidate.</li> </ul> <p>When recruiting Senior Executives, the Company posts the position on external recruitment sites and partners with successful recruitment firms to find the best candidate for the role. During the recruitment process the candidate pool will meet with other Senior Executives and the Board before a candidate is selected. Following the acceptance of a job offer, the Company undertakes a background check (including verification of the Executive's resume and criminal history check). The Executive will also attend new hire orientation sessions so that they become familiar with Adacel's culture, rules, values, vision and mission.</p>

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ASX Recommendation		Status	Reference / Comment
1.3	<b>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</b>	<b>Complying</b>	<p>Each Director is given a letter upon his or her appointment which outlines the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies. Similarly, senior executives including the CEO and Director of Finance, have a formal job description and services agreement describing their term of office, duties, rights and responsibilities, and entitlements on termination.</p> <p>The Company will disclose the material terms of any employment, service or consultancy agreement it enters into with its CEO (or equivalent).</p>
1.4	<b>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.</b>	<b>Complying</b>	<p>The Company Secretary is responsible for co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, ASX and all statutory and other filings.</p> <p>The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.</p> <p>The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board</p>
1.5	<p><b>A listed entity should:</b></p> <p><b>(a) have and disclose a diversity policy;</b></p> <p><b>(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</b></p> <p><b>(c) disclose in relation to each reporting period:</b></p> <p><b>(1) the measurable objectives set to that period to achieve gender diversity;</b></p> <p><b>(2) the entity's progress towards achieving those objectives; and</b></p> <p><b>(3) either:</b></p> <p><b>(a) if 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</b></p>	<b>Part - Comply</b>	<p>The Company has adopted a Diversity Policy which can be viewed on its website. The Diversity Policy has the commitment of the Directors and Senior Management to promote the specific objective of diversity and seeks to ensure, to the extent that is practicable and appropriate, that the Company's director appointment and employee recruitment processes are undertaken with reference to the objectives of the Diversity Policy.</p> <p>The objectives of the Company's Diversity Policy are centered on a wide range of diversity criteria including gender, age, ethnicity and cultural background.</p> <p>Whilst the Company has not set formal measurable objectives for achieving gender diversity, the Company is nonetheless committed to recruiting employees from a diverse pool of qualified candidates. The Company is committed to the principles of employing people with a broad range of experiences, skills and views. All executives, managers and employees are responsible for promoting workforce diversity.</p> <p>As at 30 June 2021, the Company employed a total of 207 employees; of these, 38 are female, and of these 3 hold senior management roles. Senior management roles are defined as members of the Management Committee (formed in 2019). There is currently one female director on the Company's Board. The Company Secretary is female.</p> <p>The Company is not deemed a "relevant employer" under the Workplace Gender Equality Act.</p>



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ASX Recommendation	Status	Reference / Comment
<p>“senior” executive for these purposes); or</p> <p>(b) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>		
<p><b>1.6</b> 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 accordance with that process during or in respect of that period.</p>	<b>Complying</b>	<p>The Directors undertake an annual process to review the performance and effectiveness of the Board and individual directors. The Company Secretary oversees this process. The review process is undertaken via a confidential questionnaire process and the Chairman leads a discussion of the questionnaire results with the Board as a whole and provides feedback to individual Directors as necessary.</p> <p>A Performance Evaluation was completed during the reporting period.</p>
<p><b>1.7</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	<b>Complying</b>	<p>The Board, together with the Company’s Chief Executive Officer, evaluates the performance of the Group’s senior executives annually.</p> <p>A performance evaluation for the Group’s senior executives and the Chief Executive Officer has taken place in the reporting period.</p>
<p><b>Principle 2 – Structure the Board to be effective and add value</b></p> <p><i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i></p>		
<p><b>2.1</b> 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>	<b>Complying</b>	<p>Under the Board Charter, the Board has specific nomination responsibilities. The Board considers that, given the current size and scope of the Company’s operations, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.</p> <p>The Board will regularly review the composition and performance of the Board and its committees and ensure that adequate succession plans</p>

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ASX Recommendation	Status	Reference / Comment
<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>are in place (including for the recruitment and appointment of Directors and senior management).</p>
<p><b>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.</b></p>	<p><b>Complying</b></p>	<p>The skills matrix is reviewed regularly by the Board to ensure that ongoing needs in relation to supervising the Company and its operations are being met, and to take into account any changes in the Company's circumstances and strategic priorities.</p> <p>The objectives of the skills matrix adopted by the Board are to:</p> <ul style="list-style-type: none"> <li>▪ Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfil its role and in light of Company's strategic direction;</li> <li>▪ Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and</li> <li>▪ Identify any gaps in skills or competencies that can be addressed in future director appointments.</li> </ul> <p>The Board considers that it currently has an appropriate mix of skills and that it comprises of directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. The Board has assessed each Director's skill level against the following key skills set out in the matrix which the Board considered to be desired of the Board:</p> <ul style="list-style-type: none"> <li>▪ Executive leadership;</li> </ul>

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ASX Recommendation	Status	Reference / Comment
		<ul style="list-style-type: none"> <li>▪ Board experience;</li> <li>▪ Financial literacy;</li> <li>▪ Intellectual Property;</li> <li>▪ Legal, governance and compliance;</li> <li>▪ Industry experience;</li> <li>▪ Technology;</li> <li>▪ Strategy;</li> <li>▪ International commercial experience;</li> <li>▪ Commercial acumen;</li> <li>▪ Health, safety, environment and sustainability;</li> <li>▪ Diversity; and</li> <li>▪ Capital management.</li> </ul> <p>A review of the Company's Skills Matrix was completed during the Reporting Period.</p>
<p><b>2.3 A listed entity should disclose:</b></p> <p><b>(a) the names of the directors considered by the board to be independent directors;</b></p> <p><b>(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</b></p> <p><b>(c) the length of service of each director.</b></p>	<b>Complying</b>	<p>The Board is currently comprised of four Directors: Michael McConnell, Natalya Jurcheshin, Peter Landos and Silvio Salom. All Directors are Non-Executive Directors.</p> <p>The Board has considered the circumstances of each Director and determined that Directors Peter Landos, Natalya Jurcheshin and Michael McConnell were independent as described in Box 2.3 of the Recommendations.</p> <p>In assessing the independence of Peter Landos &amp; Silvio Salom, the Board considered the fact that each of these two directors is or is associated with a substantial security holder of the Company.</p> <p>Peter Landos is classified as independent as, notwithstanding that he is employed by one of the Company's major shareholders, Thorney Holdings Pty Ltd (<b>Thorney</b>), the Board has determined that he does not control Thorney and that his employment with Thorney does not interfere with his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.</p> <p>Silvio Salom is not classified as independent due to his substantial shareholding in the Company.</p> <p>The Corporations Act 2001, the Company's Constitution and the quarterly Board meeting process requires Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence.</p> <p>If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.</p> <p>The length of service of each director is set out in the Company's Annual Report.</p>

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ASX Recommendation		Status	Reference / Comment
2.4	A majority of the board of a listed entity should be independent directors.	Complying	The Board is currently comprised of four Directors: Michael McConnell, Natalya Jurcheshin, Peter Landos and Silvio Salom. All Directors are Non-Executive Directors, and all Directors except for Silvio Salom (who is a substantial shareholder) are considered to be independent directors.
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.	Complying	The positions of Chairman and the CEO are held by separate persons (Michael McConnell and Daniel Verret respectively).  The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions.
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.	Complying	The Company has adopted a formal Director Induction and Professional Development Policy, a copy of which is available on the Website.

**Principle 3 – Instil a culture of acting lawfully, ethically and responsibly**

*A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly*

3.1	A listed entity should articulate and disclose its values.	Complying	<p>The Company's values are set out in an Employee Handbook which is provided to all employees and directors.</p> <p>The Company believes that values are the ethical foundation of an organisation that guide the organisation's conduct as it pertains to interactions with its employees, customers and shareholders. They define the organisation's beliefs, help to differentiate right from wrong, and should be exhibited by all employees. Adacel's five values and their definitions can be found below:</p> <ol style="list-style-type: none"> <li>1. <b>People</b> – We provide our people with an enriching and fulfilling work experience, finding inspiration in our colleagues and our leaders. People are our talents, our DNA, our expertise.</li> <li>2. <b>Customers</b> – We put focus on our customers, because their trust is the one thing we cannot afford to lose. We listen, are attentive, reactive and swift in our support.</li> <li>3. <b>Innovation</b> – We are industry visionaries who define the standard of existing technology needs and crystallise future technology trends.</li> <li>4. <b>Communication</b> – Open and honest communication creates a smooth flow of information and ideas. It allows for effective collaboration and teamwork.</li> <li>5. <b>Teamwork</b> – We communicate effectively, trust and respect each other. We make ourselves available, we emphasise the importance that all stakeholders share pertinent information.</li> </ol>
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ASX Recommendation		Status	Reference / Comment
3.2	<p><b>A listed entity should:</b></p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<b>Complying</b>	<p>The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, which sets out the way in which the Company seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on the Company in strict compliance with all laws and regulations.</p> <p>The Code of Conduct articulates acceptable practices for directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices. The Company also seeks to ensure that advisers, consultants and contractors are aware of the Company's expectations as set out in its Code of Conduct.</p> <p>The CEO is responsible for bringing breaches of the Code to the attention of Board.</p>
3.3	<p><b>A listed entity should:</b></p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<b>Complying</b>	<p>The Company has established a Whistleblower Policy, a copy of which can be found on the Website. The purpose of the Whistleblower Policy is to identify wrongdoing that may not be uncovered unless there is a safe and secure means for disclosing.</p> <p>The Whistleblower Protection Officer is responsible for bringing breaches of the Whistleblower Policy to the attention of the Board.</p>
3.4	<p><b>A listed entity should:</b></p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<b>Complying</b>	<p>The Company has established an Anti-Bribery and Corruption Policy, which is covered within the Code of Conduct a copy of which can be found on the Website. ADA understands that Bribery and Corruption can have a significant, adverse impact on ADA's reputation for integrity and is therefore committed to operating within the laws of any jurisdiction in which the Company does business and moreover to operate in a way that is consistent with its values.</p> <p>The CEO is responsible for bringing breaches of the Anti-Bribery and Corruption Policy to the attention of the Board.</p>
<p><b>Principle 4 – Safeguard the integrity of corporate reports</b></p> <p><i>A listed entity should have appropriate processes to verify the integrity of its corporate reports</i></p>			
4.1	<p><b>The board of a listed entity should:</b></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>	<b>Complying</b>	<p>The Company has an Audit &amp; Risk Management Committee comprising four members, Natalya Jurcheshin (Chairperson), Peter Landos, Michael McConnell and Silvio Salom.</p> <p>All members of the Audit &amp; Risk Management Committee are non-executive Directors, with a majority of independent directors (three out of four). The Audit &amp; Risk Management Committee has an independent chairperson (Natalya Jurcheshin) who is not Chairperson of the Board.</p>

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ASX Recommendation	Status	Reference / Comment
<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>The role of the Audit &amp; Risk Management Committee is to advise on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the Group and to advise on financial information prepared for use by the Board or for inclusion in financial statements.</p> <p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects. The Board reviews the Group's half yearly and annual financial statements.</p> <p>The Audit and Risk Management Committee's functions and powers are formalised in a Charter that is posted on the Company's website. Following each Committee meeting, the Audit &amp; Risk Management Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation that requires Board approval.</p> <p>The number of times that the Audit &amp; Risk Management Committee met throughout the financial year and the individual attendances of the members at those meetings, and the relevant qualifications and experience of the Audit &amp; Risk Management Committee members are disclosed in the Company's Annual Report.</p>
<p>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.</p>	<p><b>Complying</b></p>	<p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.</p> <p>The Board requires that the Chief Executive Officer and the Director of Finance state in writing to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant accounting standards 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 Board does and will continue to seek these assurances prior to approving the annual financial statements for all half year and full year results.</p>

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ASX Recommendation		Status	Reference / Comment
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.	Complying	ADA's full year reporting and half year reporting is audited and reviewed, as the case may be, by an external auditor. ADA is not required to lodge quarterly reports. Annual directors' reports are verified by the Board, which seeks documents and information from the Management and subject-matter experts where necessary.
<b>Principle 5 – Make timely and balanced disclosure</b> <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	Complying	<p>The Board has adopted a Continuous Disclosure Policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. The focus of these procedures is on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors.</p> <p>The Chief Executive Officer and the Company Secretary are responsible for interpreting the Group's policy and where necessary informing the Board. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.</p> <p>The Company Secretary is responsible for all communications with the ASX. All Company announcements are vetted and authorised by the Board and senior management to ensure they are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions. A copy of the Continuous Disclosure Policy is available on the Website.</p>
5.2	A listed entity should ensure that its board receives copies of all material announcements promptly after they have been made.	Complying	The Board receives copies of all material market announcements promptly after they have been made.
5.3	A listed entity that gives 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.	Complying	All investor or analyst presentations are released to the ASX market announcements platform ahead of the presentation.
<b>Principle 6 – Respect the rights of security holders</b> <i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.</i>			



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ASX Recommendation		Status	Reference / Comment
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complying	<p>The Board informs shareholders of all major developments affecting the Group's state of affairs as follows:</p> <ul style="list-style-type: none"> <li>▪ placing all relevant announcements made to the market, on the Company's website after they have been released to ASX;</li> <li>▪ publishing all corporate governance policies and charters adopted by the Board on the Company's website;</li> <li>▪ releasing information provided to analysts or media during briefings to ASX and placing such information on the Company's website; and</li> <li>▪ placing the full text of notices of meeting and explanatory material on the Company's website.</li> </ul>
6.2	A listed entity should have an investor relations program to facilitate effective two-way communication with investors.	Complying	<p>The Company is committed to facilitating effective two-way communication with its shareholders, investors and stakeholders, and has adopted a Communications Policy to define and support this commitment. A copy of the Communications Policy is available on the website.</p> <p>The Communications Policy sets out the Company's investor relations approach, namely by communicating with its shareholders and investors by posting information on its website, and by encouraging attendance and participation of shareholders at general meetings.</p> <p>Investors are also able to provide feedback and seek further information about the Company via the website. Management or Directors additionally meet with shareholders from time to time upon request and respond to enquiries, subject to applicable disclosure duties and obligations.</p>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Complying	<p>Shareholders are encouraged to attend the Company's Annual General Meetings and notice of such meetings will be given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.</p> <p>The AGM is an opportunity for shareholders to hear the CEO and Chairman provide updates on the Company's performance, ask questions of the Board and vote on the various resolutions affecting the business. Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p> <p>The date, time and location of the Company's general meetings is provided in the notice of meetings, and on the Website. Whilst shareholders are encouraged to attend meetings in person, if they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.</p>
6.4	A listed entity should ensure that all substantive resolutions at a meeting	Complying	<p>All resolutions at ADA's general meetings are decided by way of a poll.</p>



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	of security holders are decided by poll rather than show of hands.		
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	Complying	<p>Investors are able to communicate with the Company electronically via the Company's website or by emailing the Company Secretary.</p> <p>Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.</p> <p>The Company encourages its shareholders to receive company information electronically by registering their email addresses online with the Company's share registry.</p>
<p><b>Principle 7 – Recognise and manage risk</b></p> <p><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p>			
7.1	<p><b>The board of a listed entity should:</b></p> <p><b>(a) have a committee or committees to oversee risk, each of which:</b></p> <p><b>(1) has at least three members, a majority of whom are independent directors; and</b></p> <p><b>(2) is chaired by an independent director,</b></p> <p><b>and disclose:</b></p> <p><b>(3) the charter of the committee;</b></p> <p><b>(4) the members of the committee; and</b></p> <p><b>(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;</b></p> <p><b>or</b></p> <p><b>(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></p>	Complying	<p>The Board has a formal Audit &amp; Risk Management Committee comprising four members, Natalya Jurcheshin (Chairperson), Peter Landos, Michael McConnel and Silvio Salom.</p> <p>Three out of four of the Audit &amp; Risk Management Committee members are considered to be independent Directors (Natalya Jurcheshin, Peter Landos and Michael McConnell). The Chairman of the Audit &amp; Risk Management Committee is Natalya Jurcheshin, an independent, non-executive Director.</p> <p>The risk related role of the Audit &amp; Risk Management Committee is to advise on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the Company. The Audit &amp; Risk Management Committee's functions and powers are formalised in a Charter and is posted on the Group's website.</p> <p>Following each Committee meeting, the Audit &amp; Risk Management Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation that requires Board approval.</p> <p>The number of times that the Audit &amp; Risk Management Committee met throughout the financial year and the individual attendances of the members at those meetings, and the relevant qualifications and experience of the Audit &amp; Risk Management Committee members are disclosed in the Company's Annual Report.</p>
7.2	<b>The board or a committee of the board should:</b>	Complying	The Board has responsibility for monitoring risk oversight and ensures that the Chief Executive Officer and Director of Finance report on the status of business risks through risk management

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	<p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>		<p>programs aimed at ensuring risks are identified, assessed and appropriately managed.</p> <p>In addition, the Audit &amp; Risk Management Committee reviews the risk management framework of the Company at least once annually and is satisfied that management has developed and implemented a sound system of risk management and internal control. An internal review of the risk management framework was undertaken during the reporting period.</p>
7.3	<p><b>A listed entity should disclose:</b></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 governance, risk management and internal control processes.</p>	<b>Complying</b>	<p>The Company does not currently have a formal internal audit function however management reviews the Group's major business units, organisational structure and accounting controls and processes on a regular basis and reports accordingly to the Board; the Board is satisfied that the processes in place to identify the Group's material business risks are appropriate and that these risks are being effectively managed. The Group's risk management processes continue to be monitored and reported against on an ongoing basis.</p> <p>A copy of the Company's Risk Management Policy is available on the Website.</p>
7.4	<p><b>A listed entity should disclose whether it has any material exposure to environment or social risks and, if it does, how it manages or intends to manage those risks.</b></p>	<b>Complying</b>	<p>The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation.</p> <p>The Directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements as they apply to the Group.</p> <p>The Company is subject to risk factors that are both specific to its business activities and that are of a more general nature.</p> <p>The Company does not currently have any material exposure to social risks. The Company manages its risk exposure in accordance with its risk management framework.</p>
<p><b>Principle 8 – Remunerate fairly and responsibly</b></p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</i></p>			
8.1	<p><b>The board of a listed entity should:</b></p> <p>(a) <b>have a remuneration committee which:</b></p>	<b>Complying</b>	<p>The Board has a Remuneration Committee comprising three members, Natalya Jurcheshin (Chairperson), Michael McConnell, and Silvio Salom. Two out of three of the Remuneration Committee members are considered to be independent Directors (Natalya Jurcheshin and Michael McConnell).</p>

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<p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>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>The Chairperson of the Committee is Natalya Jurcheshin who is considered to be independent and is also the Chairperson of the Audit &amp; Risk Management Committee.</p> <p>The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and practices applicable to the Chief Executive Officer, Senior Executives and Directors themselves. This role also includes responsibility for share option schemes incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and Senior Executives. The Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages.</p> <p>The Remuneration Committee's functions and powers are formalised in a Charter and is posted on the Group's website.</p> <p>Following each meeting, the Remuneration Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Remuneration Committee that requires Board approval.</p> <p>The number of times that the Remuneration Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.</p>
<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>	Complying	<p>Details of the Directors and Key Senior Executives remuneration are set out in the Remuneration Report of the Annual Report.</p> <p>The structure of Non-Executive Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration Report of the Annual Report.</p>
<p>8.3 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>	Complying	<p>The Company has a Long-Term Incentive Plan the rules of which explicitly prohibit participants from entering into transactions which limit the economic risk of participating in the scheme.</p> <p>A summary of the Company's Long-Term Incentive Plan can be found in the Notice of 2020 AGM which can be found here: <a href="https://assets.website-files.com/5da4a6db96a90c56ae7991c7/5f8dca7ed6531f851d1c49c6_Notice%20of%20Annual%20General%20Meeting%20and%20Proxy%20Form.pdf">https://assets.website-files.com/5da4a6db96a90c56ae7991c7/5f8dca7ed6531f851d1c49c6_Notice%20of%20Annual%20General%20Meeting%20and%20Proxy%20Form.pdf</a></p>

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