

AdAlta Limited
ABN 92 120 332 925

Principle 1 – Lay solid foundations for management and oversight A listed entity should establish and disclose the respective roles and responsibilities of its boards and management and how their performance is monitored and evaluate.		
<p>Recommendation 1.1</p> <p>A listed entity should disclose:</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>	YES	<p>AdAlta’s corporate governance policy discloses the Board charter roles and responsibilities and those delegated to management.</p> <p>A copy of the Board Charter is available on the Company’s website at www.adalta.com.au</p>
<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 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. 	YES	<p>AdAlta has completed the appropriate checks on all Directors.</p> <p>All future Directors will undertake appropriate checks before appointment.</p> <p>All material information on Directors is provided to members prior to election of a Director as per the AGM notices.</p>
<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>	YES	<p>AdAlta has a written agreement in place with each director and senior agreement setting out their terms of appointment.</p>
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should</p>	YES	<p>The Company Secretary is accountable to the Board through the chair.</p>

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<p>be 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> <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: (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 (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>YES</p>	<p>The Company values diversity and recognises the benefit it can bring in achieving its goals. To this end, the Company has established a Diversity Policy that reflects its commitments and objectives.</p> <p>A copy of the Diversity Policy is available on the Company’s website at www.adalta.com.au</p> <p>Due to the current early stage, size and composition of the organisation, the Board does not consider it appropriate to provide measureable objectives in relation to gender.</p> <p>The Company is committed to ensuring that the appropriate mix of skills, experience, expertise and diversity are considered when employing staff at all levels of the organisation, and when making new senior executive and Board appointments, and is satisfied that the composition of employees, senior executives and members is appropriate considering its size and</p>

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		<p>environment.</p> <p>The Company will disclose the proportion of men and women on the Board, in senior executive positions and across the whole organisation in its Annual Reports and will provide further details as to its compliance with these recommendations in its future Annual Reports and in its annual Corporate Governance Statements.</p>
<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>YES</p>	<p>The Remuneration and Nomination Committee Charter describes the role of the Committee and the process for evaluating the performance of the Board, its committees and individual Directors.</p> <p>These corporate governance documents will be made available for review on the Company's website at www.adalta.com.au</p> <p>The Company has a process of completing a Board Evaluation Questionnaire and will assess the results derived from that Questionnaire on at least an annual basis as part of the process for periodically evaluating the performance of the Board, its Committees</p>

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		and individual Directors.
<p>Recommendation 1.7</p> <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</p>	YES	Senior executives performance is reviewed on an annual basis.
<p>Principle 2 – Structure the board to add value A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>		
<p>Recommendation 2.1</p> <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>	YES	<p>The Remuneration and Nomination Committee Charter describes the role of the Committee and the process for evaluating the performance of the Board, its Committees and individual Directors.</p> <p>The Remuneration and Nomination Committee consists of three members, a majority of which are independent Directors and is chaired by an independent Director.</p> <p>The Charter is available for review on the Company’s website at www.adalta.com.au</p> <p>The Company will provide an update on its compliance with this recommendation,</p>

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		including the number of Committee meetings and Director attendances at these meetings, in its future Annual Reports and Corporate Governance Statements released to ASX and on its website.
<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>	YES	<p>The Company has put in place a Board Skills Matrix, setting out the mix of skills and diversity that it currently has and is looking to achieve in its membership.</p> <p>The Skills Matrix will be made available on the Company's next annual report.</p>
<p>Recommendation 2.3</p> <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, 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</p> <p>(c) the length of service of each director.</p>	YES	<p>Paul MacLeman and John Chiplin are considered to be independent Directors.</p> <p>While they both have an interest in the Company, it is not considered to be significant nor compromise the independence of the Director.</p> <p>The length of service of each Director is as follows:</p> <p>Paul MacLeman – fifteen months APPOINTED 16/04/2015</p> <p>Samantha Cobb – eight years and 11 months</p>

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		<p>APPOINTED 29/06/2007</p> <p>James Williams - five years and five months APPOINTED 16/12/2010</p> <p>Elizabeth McCall - five years and five months APPOINTED 16/12/2010</p> <p>John Chiplin – two years APPOINTED 16/05/2014</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	NO	<p>The Board does not have a majority of independent Directors due to the Company's size and the early stage of its development. In the coming year, the Board will re-examine its structure based on its Skills Matrix, with a view to appointing at least one additional Independent Director.</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>	YES	<p>The Non-Executive Chairman of the Board is an independent Director and is not, the CEO of the Company or an executive 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>	YES	<p>When appointed to the Board, a new Director will receive an induction appropriate to their experience.</p>

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<p>Principle 3 – Act ethically and responsibly A listed entity should act ethically and responsibly.</p>		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it</p>	<p>YES</p>	<p>The Company has developed a Corporate Code of Conduct that has been fully endorsed by the Board, and applies to all Directors, senior executives and employees. The Code of Conduct is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism, and the practices necessary to maintain confidence in the Group’s integrity, and to take into account legal obligations and reasonable expectations of the Company’s stakeholders.</p> <p>A copy of the Corporate Code of Conduct is available on the Company’s website at www.adalta.com.au.</p>
<p>Principle 4 – Safeguard integrity in corporate reporting A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</p>		
<p>Recommendation 4.1</p> <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</p>	<p>YES</p>	<p>The Audit and Risk Committee Charter describes the role of the Committee and the process for evaluating the audit and risks.</p> <p>The Committee will consist of at least three non-executive Directors, a majority of whom are</p>

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<p>not the chair of the board, 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>independent Directors. The Chairman of the Committee will also be an independent Director, but not the Chairman of the Board.</p> <p>A copy of the Charter of the Committee is available on the Company's website at www.adalta.com.au.</p> <p>The Company will provide an update on its compliance with this recommendation, including the number of Committee meetings and Director attendances at these meetings, in its future Annual Reports and Corporate Governance Statements released to ASX and on its website.</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>YES</p>	<p>The Board receives from the CEO a declaration relating to the management accounts on an annual basis for the Statutory accounts.</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</p>	<p>YES</p>	<p>The Company requests the external Auditor to attend the Annual General Meeting, and be</p>

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available to answer questions from security holders relevant to the audit.		available to answer shareholders' questions about the conduct of the audit, and the preparation and content of the Auditor's Report.
<p>Principle 5 – Make timely and balanced disclosure 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.</p>		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>The Board has established a policy governing continuous disclosure, which complies with its obligations under the ASX Listing Rules.</p> <p>This policy is available on the Company's website at www.adalta.com.au.</p> <p>The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX, as well as communicating with the ASX.</p>
<p>Principle 6 – Respect the rights of security holders A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</p>		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>The Company provides information about itself its Corporate Governance details on its website, including all of its governance policies and other company information.</p>

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<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>YES</p>	<p>The Company has adopted a Shareholders Communications Policy.</p> <p>This policy is available on the Company's website at</p> <p>www.adalta.com.au</p>
<p>Recommendation 6.3</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>YES</p>	<p>The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically via its website.</p>
<p>Principle 7 – Recognise and manage risk A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p>		
<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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <ul style="list-style-type: none"> . (2) is chaired by an independent director, and disclose: . (3) the charter of the committee; . (4) the members of the committee; and . (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or 	<p>YES</p>	<p>The Audit and Risk Committee Charter describes the role of the Committee and the process for evaluating the audit and risks.</p> <p>The Committee will consist of at least three non-executive Directors, a majority of whom are independent Directors. The Chairman of the Committee will also be an independent Director, but not the Chairman of the Board.</p> <p>A copy of the Charter of the Committee is available on the</p>

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<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>Company's website at www.adalta.com.au.</p> <p>The Company will provide an update on its compliance with this recommendation, including the number of Committee meetings and Director attendances at these meetings, in its future Annual Reports and Corporate Governance Statements released to ASX and on its website.</p>
<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>YES</p>	<p>Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Audit and Risk Management Committee on the Company's key risks and the extent to which it believes these risks are being monitored at each Committee meeting. The Audit and Risk Management Committee reviews and monitors risk management, and internal compliance and control systems, at least annually. In the latest reporting period, such a review has taken place.</p> <p>The Company has not established formal policies for the oversight</p>

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		<p>and management of these material business risks other than those delegated to the Audit and Risk Management Committee. Due to the size of the Company and the size of the Board, the Board monitors all key areas of the Company's risk management on an ongoing basis and, where possible, will implement policies and procedures to address such risks.</p> <p>The Company will provide an update on its compliance with this recommendation in its future Corporate Governance Statements released to ASX and on its website.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> . (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>NO</p>	<p>The Company does not have an internal audit function due to the size of the Company.</p> <p>The Board reviews accounting documentation on a monthly basis.</p> <p>The Company will provide an update on its compliance with this recommendation in its future Corporate Governance Statements released to ASX and on its website.</p>

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<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>YES</p>	<p>The Company believes that it does not have any material exposure to economic, environmental or social sustainability risks.</p>
<p>Principle 8 – Remunerate fairly and responsibly A listed entity should pay director remuneration sufficiently 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.</p>		
<p>Recommendation 8.1</p> <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:(3) the charter of the committee;(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>YES</p>	<p>The Remuneration and Nomination Committee Charter describes the role of the Committee and the process for evaluating the performance of the Board, its Committees and individual Directors.</p> <p>The Remuneration and Nomination Committee consists of three members, a majority of which are independent Directors and is chaired by an independent Director.</p> <p>The Charter is available for review on the Company’s website at www.adalta.com.au</p> <p>The Company will provide an update on its compliance with this recommendation, including the number of Committee meetings and Director attendances at these meetings, in its future Annual Reports and Corporate</p>

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		Governance Statements released to ASX and on its website.
<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>	YES	The Company will disclose these policies and practices in the Remuneration Report in its future Annual Report.
<p>Recommendation 8.3</p> <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>	YES	<p>The Company has an equity-based remuneration scheme with a policy that does not permit participants in the scheme to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme.</p> <p>This policy is available for review on the Company's website at www.adalta.com.au</p>