



Corporate Governance Policy

NOVEMBER 2019

Corporate Governance Statement

iCetana Limited (**Company**) and the Board of Directors of the Company (**Board**) are committed to achieving and maintaining high standards of performance and corporate governance.

The Company supports the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). The Company is required to report against the 3rd Edition of the ASX Recommendations (which were published on 27 March 2014) from the reporting period ending 30 June 2019.

The Company's practices are largely consistent with the Recommendations. The Board considers that the implementation of a small number of Recommendations is not appropriate, for the reasons set out below in relation to the items concerned. The Board uses its best endeavours to ensure that exceptions to the Recommendations do not have a negative impact on the Company and the best interests of shareholders as a whole.

The directors of the Company (**Directors**, being either Non-Executive Directors or Executive Directors) are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

As required by the ASX Listing Rules, the Company's main corporate governance policies and practices are summarised below, having regard to the Recommendations. Details of the Company's corporate governance plan and related documents are available online at www.iCetana.com.

This corporate governance statement is current as at 21 November 2019 and has been approved by the Board.

1. Principle 1: Lay solid foundations for management and oversight

1.1 Board of Directors and Senior Management – Roles and Responsibilities

Recommendation 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.

The Board has adopted a formal charter that details the functions and responsibilities of the Board and management (**Board Charter**).

As provided for in Part A of the Board Charter, the Board is responsible for all matters relating to the running of the Company, and more specifically, all matters relating to the policies, practices, management and operations of the Company. In addition to decisions requiring approval pursuant to the respective Committee Charters, the following decisions must be approved by the Board:

- (a) issuing shares of the Company;
- (b) acquiring, selling or otherwise disposing of property in excess of the amount set out in the Company's approval matrix;
- (c) founding, acquiring or selling subsidiaries of or any company within the Company, participating in other companies, or dissolving or selling the Company's participation in other companies (including project joint ventures);
- (d) acquiring or selling patent rights, rights in registered trademarks, licences or other intellectual property rights of the Company;
- (e) founding, dissolving or relocating branch offices or other offices, plants and facilities;
- (f) starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;
- (g) approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;
- (h) taking or granting loans which exceed the amount set out in the Company's approval matrix;
- (i) granting securities of any type;
- (j) granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;
- (k) entering into agreements for recurring, voluntary or additional social benefits, superannuation agreements or agreements for general wage and salary increases;
- (l) determining the total amount of bonuses and gratuities for Company officers and employees;
- (m) determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board; [and]
- (n) granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

The detail of some board functions will be handled through Board Committees as and when the size and scale of operations requires such Committees. However, the Board as a whole is responsible for determining the extent of the powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

The Managing Director/CEO (as a delegate of the Board) is responsible for the effective leadership and day-to-day operations and administration of the Company.

The responsibilities of the Board as a whole, the Chair, individual Directors and the functions delegated to Senior Management are set out in more detail in Part A of the Company's Board Charter, which is available on the Corporate Governance page of the Company's website www.icetana.com.

1.2 Board nominations

Recommendation 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.

The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company and procedures outlined in the Company's constitution and the *Corporations Act 2001* (Cth).

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.

The Company gives shareholders all material information in its possession relevant to the decision whether or not to elect or re-elect a Director, either in the notice of meeting and explanatory statement for the relevant meeting of shareholders which addresses the election or re-election of the Director, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.

1.3 Directors and Senior Executives - Terms of appointment

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Under Part A clause 2.4 of the Board Charter, the Company must have a written agreement with each Director and senior executive setting out the terms of their appointment.

Each Non-Executive Director receives a letter formalising their appointment and outlining the material terms of their appointment. The Non-Executive Directors of the Company have not been appointed for a fixed term. Each Non-Executive Director has signed a letter of appointment.

Each Executive Director and the Managing Director/CEO have signed an executive service agreement setting out their duties, obligations and remuneration.

1.4 Company Secretary

Recommendation 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.

As set out in Part A clause 5 of the Board Charter, the Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary has primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is Shane Cranswick (appointed 8 November 2017), whose qualifications and experience are stated in the Company's latest Annual Report.

1.5 Diversity

Recommendation 1.5

A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (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.

The Company's workforce is made up of individuals with diverse skills, backgrounds, perspectives and experiences, and this diversity is recognised, valued and respected. To enumerate its commitment to diversity in its workforce, including but not limited to gender diversity, the Company has established a Diversity Policy, a copy of which is available on the "Corporate Governance" page of the Company's website, www.iCetana.com.

The overriding objective of the Diversity Policy is to align the Company's business operations with the positive outcomes that can be achieved through a diverse workforce that recognises and utilises the contribution of its diverse skills and talent. The Diversity Policy also seeks to ensure that the Company has a properly functioning workplace where discrimination, harassment and victimisation are not tolerated.

The Board is tasked with responsibility for the Diversity Policy, including the responsibility to regularly review and monitor the effectiveness of the policy. The Board is also responsible, under the Diversity Policy, to annually set and review measurable objectives in relation to gender diversity (and where appropriate, other aspects of diversity including in respect of women in leadership, age diversity and cultural diversity), and annually assess the Company's progress in achieving these objectives. The Company will disclose these measurable objectives and report on its progress in achieving such objectives during each financial year in the Company's Annual Report.

The Company currently has no female board members or senior executives.

1.6 Board performance review and evaluation

Recommendation 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board, regularly monitors its performance and the performance of the Directors and Board committees throughout the year. This may occur through an internal review led by the Chair, or be performed with the assistance of external advisers as considered appropriate. The Chair also speaks to Directors individually regarding their role and performance as a Director.

Generally, evaluations are conducted initially by the Chair via questionnaires and/or interviews covering matters such as each Director's individual contribution, Board and committee performance and the functioning of the Board and committee processes. The overall outcomes are discussed by the Board with measures taken to improve the effectiveness and efficiency of the Board and committees as appropriate.

No performance evaluation review with respect to the Board, its committees or the individual Directors was undertaken during the year ended 30 June 2019 due to a number of changes to the Board. A review was last undertaken with an independent external third party facilitator during the year ended 30 June 2018.

Moving forward, a performance evaluation will be undertaken on an annual basis commencing the year ended 30 June 2020 to be led by the Chair with the assistance of an independent external third party facilitator. The review will be based on a formal questionnaire followed by interviews with each of the Directors. The outcomes of the review will be discussed and considered by the Directors. Further details regarding the performance evaluation of the individual Directors will be set out in the Company's Remuneration Report (contained in the Annual Report).

1.7 Senior executive performance review and evaluation

Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

All senior executives are subject to an annual performance evaluation. Each year, senior executives (including the CEO) will establish a set of performance targets. These targets are aligned to overall business goals and the Company's requirements of the position. In the case of the CEO, these targets are negotiated between the CEO and the Board and approved by the whole Board.

An informal assessment of progress is carried out throughout the year. A full evaluation of an executive's performance against the agreed targets takes place annually. This will normally occur in conjunction with goal setting for the coming year. As the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan. Performance pay components of executives' packages are also dependent on the outcome of the evaluation.

2. Principle 2: Structure the Board to be effective and add value

2.1 Nomination committee

Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director,
 and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee;
 - (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
- (b) if it does not have a nomination committee, disclose that fact and the process 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.

The Company recognises that Recommendation 2.1 of the Recommendations suggests the establishment of a Nomination Committee and associated Charter. However, in view of the small size of the Company's Board, the Board in its entirety (with abstentions from relevant Directors where there is a conflict of interest) acts effectively as Nomination Committee and there is no need to further subdivide it. As such, a Nomination Committee is an unnecessary measure for the Company.

The Board as a whole reviews the size, structure and composition of the Board including competencies and diversity, in addition to reviewing Board succession plans and continuing development.

2.2 Skills, knowledge and experience

Recommendation 2.2

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.

The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. It seeks to achieve a Board composition with a balance of diverse attributes relevant to the Company's operations and markets, including skills sets, background, gender, geography and industry experience. In addition to those general skills expected for Board membership, the following skills have also been identified as being necessary: experience and skills such as leadership, governance, strategy, finance, sales, risk, IT, HR, policy development, international business and customer relationship. The Board is comfortable with the skills matrix represented by the current Board.

A profile of each Director setting out their skills, experience and period of office is set out in the Directors' Report of the latest Annual Report.

2.3 Independence and length of service

Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

As at 20 November 2019, the Board consisted of:

Name	Role	Independent	Date appointed
Mark Potts	Non-Executive Chairman	Yes	20 July 2018
Matthew Macfarlane	Managing Director & Chief Executive Officer	No	29 March 2010
Geoffrey Pritchard	Executive Director	No	19 April 2017
Rohan McDougall¹	Non-Executive Director	No	9 November 2009
Justin Mannolini	Proposed Non-Executive Director	Yes	On Admission to ASX

¹Rohan McDougall will resign as a Director with effect from the receipt of Listing Approval.

Mark Potts and Justin Mannolini are regarded as independent Non-Executive Directors.

Matthew Macfarlane and Geoffrey Pritchard are not considered independent on the basis that they hold the role of Managing Director/CEO and Executive Director respectively. Rohan McDougall was appointed to the Board as the nominee of Curtin University. Despite this, the Board believes that they are able, and does make, quality and independent judgments in the best interest of the Company on all relevant issues before the Board.

The Board assesses the independence of Directors on an ongoing basis.

A copy of the definition of independence adopted by the Company is annexed to the Company's Corporate Governance Plan at Annexure A, available on the Company's "Corporate Governance" page of the Company's website at www.iCetana.com.

2.4 Majority of independent Directors

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

As show in the table at section 2.3 above, the Company did not comply with Recommendation 2.4 during the reporting period requiring a majority of the Board to be independent.

Given the Company's present size and scope, it is currently not the Company's policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise to meet its objectives.

A copy of the definition of independence adopted by the Company is annexed to the Company's Corporate Governance Plan at Annexure A, available on the Company's "Corporate Governance" page of the Company's website at www.iCetana.com.

2.5 Independent Chair

Recommendation 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.

Mark Potts, who was appointed as Chair in November 2019, is an independent Non-Executive Director. His qualifications and experience are stated in the Company's latest Annual Report. He does not perform the role of CEO of the Company (which position is currently held by Matthew Macfarlane).

A copy of the definition of independence adopted by the Company is annexed to the Company's Corporate Governance Plan at Annexure A, available on the Company's "Corporate Governance" page of the Company's website at www.iCetana.com.

2.6 Induction and professional development

Recommendation 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.

As referred to in Part D of the Board Charter, new directors go through an induction process which includes meeting with key executives, tours of the premises, an induction package and presentations. The Company also expects all Directors and the CEO to commit to at least 2 days of professional development each year and allocates an annual budget to encourage Directors to participate in training and development programs.

3. Principle 3: Act ethically and responsibly

3.1 Code of conduct

Recommendation 3.1

A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

The Company seeks to encourage and develop a culture which will maintain and enhance its reputation as a valued corporate citizen of the countries where it operates and an employer which personnel enjoy working for.

The Company has established a Code of Conduct that sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standards of behaviour expected from its Directors and employees. The Code of Conduct sets out policies in relation to various corporate and personal behaviour including safety, discrimination, respecting the law, anti-corruption, interpersonal conduct and conflict of interest.

While the Code of Conduct seeks to prescribe standards of behaviour for all Company personnel to observe, it does not, and understandably cannot, identify every ethical issue that an individual might face. The Code of Conduct's objective is to provide a framework for decisions and actions in relation to ethical conduct in employment, to safeguard the Company's reputation and to make clear the consequences of breaching the Code of Conduct.

A copy of the Company's Code of Conduct is available on the "Corporate Governance" page of the Company's website, www.icetana.com.

4. Principle 4: Safeguard the integrity of corporate reports

4.1 Audit committee

Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
 - (3) the charter of the committee;
 - (4) the relevant qualifications and experience of the members of the committee; and
 - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

As a consequence of the size and composition of the Company's Board (comprising the Non-Executive Chairman, Managing Director/CEO, Non-Executive Directors and Executive Director) the Board does not have a stand-alone audit committee.

The Board as a whole has responsibilities typically assumed by an audit committee, including but not limited to:

- (a) verifying and safeguarding the integrity of the Company's stakeholder reporting;
- (b) reviewing and approving the audited annual and reviewed half-yearly financial reports;
- (c) reviewing the appointment of the external auditor, their independence and performance, the audit fee, any questions of their resignation or dismissal and assessing the scope and adequacy of the external audit; and
- (d) a risk management function (refer Section 7.1 for further details).

That is, matters typically dealt with by an audit committee are dealt with by the full Board.

Information on the Company's procedures for the selection and appointment of the external auditor and the rotation of external audit partners is set out in the [Policy on Selection, Appointment and Rotation of External Auditors, which is available on the Company's website, www.icetana.com.

4.2 CEO and CFO declarations

Recommendation 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.

The Board receives, prior to their approval of the Company's financial statements for a financial period (ie. the quarterly, half year and full year reports), written assurances from the Managing Director/CEO and the Company Secretary/CFO that, in their respective opinions, the financial records of the company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively, as required under section 295A of the Corporations Act and as per the Recommendations.

In the financial year ended 30 June 2019, the Managing Director/CEO and Company Secretary/CFO declarations were obtained in relation to the issue of all of the Company's financial statements, being the Company's Annual Financial Report for the year ended 30 June 2019.

4.3 Periodic corporate reports

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

When preparing reports for release to the market including the quarterly activity and cash flow reports these reports shall be prepared and reviewed by the Managing Director/CEO before being presented to the Board for review and approval. Such reports shall not be released to market without this review and approval process by executive management and the Board.

5. Principle 5: Make timely and balanced disclosure

5.1 Continuous disclosure to ASX

Recommendation 5.1

A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- (b) disclose that policy or a summary of it.

The Company has established a Continuous Disclosure Policy which is designed to guide compliance with ASX Listing Rule disclosure requirements, and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy. The Continuous Disclosure Policy is available on the "Corporate Governance" page of the Company's website, www.icetana.com.

The Continuous Disclosure Policy:

- (c) raises awareness of the Company's obligations under the continuous disclosure regime;
- (d) establishes a process to ensure that information about the Company which may be market sensitive and which may require disclosure is brought to the attention of the Company Secretary, the CEO or the Chair, being the person/s primarily responsible for ensuring the Company complies with its continuous disclosure obligations, in a timely manner and is kept confidential; and
- (e) sets out the obligation of Directors, officers and employees of the Company to ensure that the Company complies with its continuous disclosure obligations.

The Board has designated the Continuous Disclosure Committee (comprising the Company Secretary, CEO, and the Chair of the Board) as the persons primarily responsible for ensuring that the Continuous Disclosure Policy is implemented and that all relevant information is disclosed as required.

In accordance with the Company's Continuous Disclosure Policy, all information provided to ASX for release to the market is also posted to the Company's website, www.iCetana.com.

6. Principle 6: Respect the rights of security holders

6.1 Information available on the Company's website

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Board aims to ensure that the Company's shareholders are informed of all major developments affecting the Company's state of affairs.

The Company keeps investors informed through its website, www.iCetana.com, which contains information on the Company, the Board and the corporate governance policies and procedures of the Company. Through its website, investors can access copies of the Company's annual, half-yearly and quarterly reports (for at least three historical years), announcements to the ASX, notices of meeting, presentations and key media coverage.

6.2 Investor relations

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company has a Shareholder Communication Strategy which is available on the "Corporate Governance" page of the Company's website, www.iCetana.com. The Shareholder Communication Strategy encourages shareholder participation and engagement with the Company. This strategy also facilitates communication directly between shareholders and the Company, with any shareholder queries coordinated through the Managing Director/CEO and Company Secretary/CFO.

6.3 Shareholders' meetings

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Shareholder Communication Strategy encourages shareholder participation at shareholders' meetings. Shareholders are provided with all notices of meeting and the Chair's address prior to meetings. The Company's lead auditor is also made available for questions at the annual general meeting. Shareholders are also always given the opportunity to ask questions of the Directors and management, either during or after shareholders' meetings.

6.4 Electronic communications

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Shareholders can register with the Company/the Company's Share Register to receive email notifications of when an announcement is made by the Company to the ASX, including the release of annual, half-yearly and quarterly reports. Further, the Company provides information through its website, enabling security holders to email the Company and to receive Company announcements by email. The share registry also provides (through its website, links to which can be found on the Company's website) the ability to email the share registry and to receive documents by email from the share registry.

7. Principle 7: Recognise and manage risk

7.1 Risk committee

Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (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
- (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.

As a consequence of the size and composition of the Company's Board (comprising the Non-Executive Chairman, Managing Director/CEO, Non-Executive Directors and Executive Director) the Board does not have a stand-alone risk committee.

The Board as a whole has responsibilities typically assumed by a risk committee, including but not limited to:

- (a) ensuring that an appropriate risk-management framework is in place and is operating properly; and
- (b) reviewing and monitoring legal and policy compliance systems and issues.

That is, matters typically dealt with by a risk committee are dealt with by the full Board.

7.2 Internal control

Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board of Directors is responsible for the overall internal control framework (which includes risk management) and oversight of the Company's policies on and management of risks that have the potential to impact significantly on operations, financial performance or reputation.

The Board recognises that no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably-qualified and experienced service providers and suitably-qualified and experienced management personnel. The effectiveness of the system is continually reviewed by management and at least annually by the Board. On a day-to-day basis, managing the various risks inherent in the Company's operations is the responsibility of the Managing Director/CEO in conjunction with relevant Senior Executives (as appropriate and applicable).

The Company's approach to risk management is not stationary; it evolves constantly in response to developments in operations and changing market conditions.

The Managing Director/CEO and Company Secretary/CFO have reported to the Board as to the effectiveness of the Company's management of its material business risks and internal controls in respect of the Company's latest financial year.

7.3 Internal audit

Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.

The Board performs all key elements of an internal audit function, including:

- (a) evaluating and seeking and obtaining reasonable assurance that risk management, control and governance systems are functioning as intended and will enable the Company's objectives and goals to be met;
- (b) evaluating information security and associated risk exposures;
- (c) evaluating regulatory compliance programs with consultation from internal and external legal counsel;
- (d) evaluating the Company's preparedness in case of business interruption; and
- (e) providing oversight of the Company's anti-fraud programs.

The Board delegates to the Managing Director/CEO and Company Secretary/CFO the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified; reporting all such matters to the Managing Director/CEO promptly, for consideration at its next meeting. The Managing Director/CEO may also seek recommendations from appropriate Senior Executives where strategic changes to risk management and internal control processes are required.

7.4 Risk management

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company identifies and manages material exposure to environmental and social risks in a manner consistent with its Risk Management Policy, which is available on the "Corporate Governance" page of the Company's website, www.iCetana.com. The Company has, and continues to, undertake various organisation wide risk reviews to identify potential business risks. The effectiveness of the controls in place to address each risk is reviewed on a regular basis and, where the residual risk is considered outside of acceptable limits, further controls and risk mitigation measures are developed and implemented.

Environmental: The Company is subject to, and responsible for, ensuring compliance with various regulations, licenses, approvals and standards so that its activities do not cause unauthorised environmental harm. Through its ongoing management of environmental activities, the Company has been able to operate in an environmentally sustainable and responsible manner.

Social: The Company recognises that a failure to manage stakeholder expectations may lead to disruption to the Company's operations. The Company is proud to be involved in and supportive of community groups, organisations and charities in the region in which it operates.

8. Principle 8: Remunerate fairly and responsibly

8.1 Remuneration committee

Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
 - (1) has at least three members, a majority of whom are independent directors;
 - (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 has met throughout the period and the individual attendances of the members at those meetings; or
- (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.

As a consequence of the size and composition of the Company's Board (comprising the Non-Executive Chairman, Managing Director/CEO, Non-Executive Directors and Executive Director) the Board does not have a standalone Remuneration Committee.

The Board as a whole has responsibilities typically assumed by a remuneration committee, including but not limited to:

- (a) reviewing the remuneration (including short- and long-term incentive schemes and equity-based remuneration, where applicable) and performance of Directors;

- (b) setting policies for Senior Executive remuneration, setting the terms and conditions of employment for Senior Executives, undertaking reviews of Senior Executive performance, including setting goals and reviewing progress in achieving those goals; and
- (c) reviewing the Company's Senior Executive and employee incentive schemes (including equity-based remuneration) (where applicable) and making recommendations to the Non-Executive Chair on any proposed changes.

That is, matters typically dealt with by a remuneration committee are dealt with by the full Board.

8.2 Remuneration policy

Recommendation 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.

The Board Charter sets out the policies and practices of the remuneration of Non-Executive Directors, Executive Directors and other senior executives.

Mark Potts and Justin Mannolini are paid a fixed annual fee for their service to the Company as Non-Executive Directors.

All Executive Directors of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their respective employment agreements with the Company, and potentially the ability to participate in the Company's short term and long term incentive plans.

Details of the remuneration of the Directors and other executives are set out in the Company's Prospectus dated 15 November 2019.

8.3 Equity-based remuneration scheme

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants (a) 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.

The Company's Trading Policy prohibits the hedging of unvested performance share rights and vested securities that are subject to disposal restrictions at all times, irrespective of trading windows. This is in line with the requirements of the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), and is intended to prevent transactions which could have the effect of distorting the proper functioning of performance hurdles or reducing the intended alignment between management's and shareholders' interests.

For the purposes of this policy, hedging includes the entry into any derivative transaction within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars) and any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the relevant securities.

The Trading Policy is available on the "Corporate Governance" page of the Company's website, www.iCetana.com.