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Corporate Governance Statement
For the Year Ended 30 June 2021

The objective of the Board of Tamawood Limited ACN 010 954 499 ("**Tamawood**") is to create and deliver long term shareholder value through a range of diversified but interrelated activities around the home design, project management services and home contract construction.

Tamawood and its subsidiaries operate as a consolidated entity under a unified Board and management. As such, the Board's corporate governance arrangements apply to all entities with the Group ("the Group").

Principle 1: Lay solid foundations for management and oversight

Role of the Board and Management

The Board of Directors is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company, and effective oversight to management. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

The roles and responsibilities of the Board (Board Charter), Board Committees and senior management have been established through Board approved Charters that are available in the Corporate Governance section of the website at www.tamawood.com.au.

To assist it in carrying out its responsibilities, the Board has established several standing Board Committees of its members. The Chairman of each Board Committee reports on any matters of substance at the next full Board Meeting. Membership of Board Committees and attendance at Board and Board Committee meetings is tabulated in the Directors' Report in the Annual Report.

The Board Committees are:

- Audit Committee
- Nomination Committee and Remuneration Committee
- Risk Management Committee

Information on the Directors is contained in the Directors' Report in the Annual Report, on pages 5 and 6.

The number of meetings held by each committee is disclosed in the Directors' Report in the Annual Report, on page 7.

Company Secretaries

The Company Secretaries are appointed and removed by the Board and are responsible for establishing and maintaining the appropriate support mechanisms to enable the Board to function effectively. The Company Secretaries are also responsible for ensuring the Board procedures are complied with and advising the Board on governance matters. All Directors have access to the Company Secretaries for advice and support services as required and are accountable to the Board through the Chairman.

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Independent Advice

Each Director and Board Committee has the right of access to relevant Group information and the executive management team. Directors may seek independent professional advice at the Group's expense with approval from all Directors at a Director's meeting. A copy of advice received by the Director is made available to all other members of the Board.

Diversity Policy

The Board and senior management have established a group-wide diversity policy to reflect the Company's ongoing commitment to diversity. A copy of the Diversity Policy is available on the Company's website.

The Board of Directors is committed to a diverse workplace environment. Tamawood employs 93 employees, its objectives are as follows.

- Aim to have >20% of the workforce as females as a total in all areas of the business.
- Aim to have >30% of the workforce in senior roles as female employees.

The Board has adopted the following Diversity Policy.

1. The Company is an equal opportunity employer and supports the principle of equal employment opportunity for all staff at all levels of employment.
2. The Company is committed to providing a working environment which is free from discrimination, bullying, victimisation, harassment and sexual harassment in accordance with Commonwealth and State Legislation.
3. Recruitment practices are in place whereby a diverse range of candidates are considered, and no conscious or unconscious bias occurs in the selection of candidates.
4. The Board of Directors will review its Diversity Policy annually.
5. The Company's diversity achievement as at 30 June 2021 is:
    - 40% of the Board are female members
    - 57% of all employees are female.

Principle 2: Structure the Board to add Value

Directors

The Board of Tamawood presently comprises of five Directors including the Managing Director, four are non-executive Directors and three are independent, two of which are female.

The Board of Tamawood is satisfied that they do make decisions in the best interests of the shareholders.

The diversity and skill set of the Board, as set out in the skills matrix, highlights the level of industry and commercial experience currently on the Board. The skills matrix of the Board is detailed in the Board Charter on the Company's website.

The current Directors of the Company are listed in the Directors' Report in the Annual Report with a brief description of their qualifications, experience, special responsibilities and status.

1. Members of the Committee shall be appointed by the Board for such terms as the Board deems appropriate and shall hold office for such time or until they are removed by the Board or cease to be Directors of the Company.

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2. Appropriate background checks are undertaken prior to the appointment of any Directors and prior to putting forward a Director for election at a General Meeting.
3. A written Director's Agreement has been completed and signed as part of the acceptance of a new Director.

The Board comprising 4 Non-Executive Directors, three of which are independent:

- Robert Lynch (Non-Executive Director and Chairperson)
- Timothy Bartholomaeus (Managing Director)
- Lev Mizikovsky (Non-Executive Director)
- Laurie Lefcourt (Non-Executive Director)
- Linda Horgan (Non-Executive Director)

Chairman of the Board

The Chairman of the Board is an independent Non-Executive Director.

Nominations and Remuneration

The Board has a Nominations Committee and Remuneration Committee, comprising three non-executive Directors, three whom are independent. The Chairman of this committee is independent and therefore the Board follows this recommendation in full:

- Laurie Lefcourt (Chairperson)
- Linda Horgan
- Robert Lynch

The Nominations Committee and Remuneration Committee meet once during the year.

The Remuneration Committee Charter sets out its role, responsibilities, composition, structure, membership requirements and guidelines and is posted on the Company's website.

1. To review and make recommendations to the Board on the recruitment, remuneration, retention, and termination of Senior Executives and Directors.
2. Members of the Committee shall be appointed by the Board for such terms as the Board deems appropriate and shall hold office for such time or until they are removed by the Board or cease to be Directors of the Company.
3. Managing Board and Board Committee membership and succession planning.
4. Undertaking Board, Committee and Director performance evaluation periodically.
5. Performing Board member induction, education and development.
6. Overseeing compliance with the code of conduct and other best practice governance standards.
7. The appointment and re-election of directors.

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Principle 3: Promote ethical and responsible decision-making

Code of conduct

The Company has a Code of Conduct which sets out the behaviour required of all Board members, senior management, employees and contractors. The Code of Conduct is detailed on the website.

Dealing in Tamawood Shares

The Company's Employee Securities Trading Policy, which can be found on our website, places restrictions on the ability of Directors, officers and employees to trade in the Company's shares whilst in the possession of price sensitive information that has not been made public.

Company's Values

The Board is committed to its core governance values of integrity, respect, trust and openness among and between Board members, management, employees, customers and suppliers.

Principle 4: Safeguard integrity in financial reporting

Audit Committee

The Board has established an Audit Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Group.

The Audit Committee Charter sets out its role, responsibilities, composition, structure and membership requirements and is posted on the Corporate Governance section of the Company's website.
At least one member of the Audit Committee must have financial expertise (i.e. is a qualified accountant or other financial professional with expertise in financial and accounting matters).

The Audit Committee comprises three members. The Audit Committee is chaired by an independent Non-Executive Director, who is not the Chairman of the Board.

The members of the Audit Committee were:

- Laurie Lefcourt (Chairperson)
- Robert Lynch
- Lev Mizikovsky

The names and qualifications of those appointed to the Audit Committee and their attendance at meetings of the committee are included in the Director's Report.

The Audit Committee meets at least twice a year with the auditors. The Audit Committee met three times during this year.

The purpose of the Audit committee:

5.1. To review the integrity of the company's financial reporting and oversee the independence of external auditors.

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5.2. To liaise with external auditors.
5.3. The adequacy of the entity's corporate reporting processes and internal control framework.
5.4. The appropriateness of the accounting judgements or choices exercised by management in preparing the entity's financial statements.
5.5. The appointment or removal of the external auditor.
5.6. The fees payable to the auditor for the audit and non-audit work.
5.7. The rotation of the audit engagement partner.
5.8. Any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor.

The Company does not have an internal audit function or department.

External Auditors

The Company and the Audit Committee policy is to engage auditors who clearly demonstrate independence.

The performance of the external auditors is reviewed annually. External auditors will be available to answer questions at the Annual General Meeting.

For the Year End Financial Report the Group Managing Director has provided:

- A written declaration regarding the integrity of the financial statements of Tamawood.
- Assurance that Tamawood's risk management and internal compliance and control systems are operating effectively in all material respects.

Principle 5: Make timely and balanced disclosure

A continuous disclosure regime operates throughout the Group. Policies and Procedures are in place to ensure matters that a person could reasonably expect to have a material effect on the share price are announced to the ASX in a timely manner.

These policies and procedures have been formally communicated to all relevant staff. The Company Secretary is the nominated Continuous Disclosure Officer. The Board approves, or is advised of, all releases that are made to the ASX.

Principle 6: Respect the rights of shareholders

The Company has established a Shareholder Communication Policy which is detailed on its website.

The Company endeavours to keep its Shareholders informed by:

- Reports to the ASX and the press;
- Half and full year profit announcements;
- Annual Reports;
- Continuous disclosures to the ASX pursuant to the ASX Listing Rules; and

Shareholders can email the company through the Company Secretaries on shareholderinfo@tamawood.com.au or contact the share registry on 1300 850 505 or outside Australia +61 3 9415 4000.

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Principle 7: Recognise and manage risk

The Board has ultimate responsibility for risk management, compliance and control functions across the Group. These functions are aligned with the Company's business objectives. The Company has in place internal controls intended to identify and manage significant business risks.

The Board has established a Risk Management Committee to identify those areas of risk which are most likely to cause major disruption and damage to the business of the Group and to implement, with Board approval, plans and procedures which will mitigate any damage.

The Board reviewed the risk management framework of the Company during the year.

Responsibilities of the Board

1.1. The Board is responsible for oversight and review of the Company's risk management strategy to ensure it is sufficiently clear and in line with the Company's overall risk tolerance and expectation of stakeholders and for reporting to stakeholders on how risks are managed.
1.2. Monitoring management performance against the entity's risk management framework, including whether it is operating within the risk appetite set by the Board.
1.3. Review any material incident involving fraud or a breakdown of the entity's risk controls and the "lessons learned".
1.4. Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.
1.5. Oversee the Company's insurance program, having regard to the entity's business and the insurable risks associated with its business.
1.6. To review the company's risk management processes in accordance with the Board policy.

The Board undertakes a risk review of the company annually and has established a risk register.
The Board reviews its internal controls annually.
The company currently has no significant exposure to environment or social risks

The Risk Management Committee comprises all the Directors of Tamawood and is chaired by an Independent Non-Executive Director. The Risk Management Committee met once during the year.

Tamawood is certified under ISO 9001:2015 for its building systems and is audited externally annually to maintain its quality assurance certificate. Internal audits of their building systems are conducted once every year.

Principle 8: Remunerate fairly and responsibly

The Company intends to ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

The Board has established a Remuneration Committee, referred to under principle 2 above, to review and determine, among other things, remuneration policies and packages applicable to any Executive Directors, the Company Secretary and Senior Executives. The Committee's Charter is available on the Company's website. Details of the remuneration of Directors and key executives are set out in the Annual Report.

For further details on our full Corporate Governance policies, refer to the Tamawood website
www.tamawood.com.au

Updated August 2021