

This Corporate Governance Statement of Jaxsta Limited (the 'company') has been prepared in accordance with the **4th Edition** of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations').

This statement has been approved by the company's Board of Directors ('Board') and is current as at 30 September 2021. This statement has also been posted to the corporate governance section of the company's website at [www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents).

The company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in either this statement, the company's website or Annual Report, has been filed with the ASX on 30 September 2021.

The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

#### **Principle 1: Lay solid foundations for management and oversight**

**A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.**

**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 company fully complies with this recommendation.

#### **Responsibilities of the Board**

The Board is accountable to shareholders for the company's performance and governance. It is responsible under its charter for various governance issues including demonstrating leadership, setting the strategic objectives of the company, overseeing accounting, audit and other corporate reporting systems, stakeholder communications, and approving the entity's statement of values and code of conduct to underpin the culture of the business.

Other decisions reserved for the Board relate to those that have a fundamental impact on the company, such as material acquisitions and takeovers, dividends and share buy-backs, material profit upgrades and downgrades, and significant closures. The Board is also responsible for ensuring that there is a risk management framework in place for both financial and non-financial risks, reporting of key strategic and performance issues from management to the Board, and enabling the Board to challenge management and hold it to account whenever required.

Remuneration frameworks are established by the Board that include policies that align business purpose, values, strategic objectives and risk appetite. The Board is responsible for the appointment and replacement of all senior executives, including the CEO and company secretary, and oversees how management implements the company's strategic objectives as well as instilling the company's values.

The Board has delegated to the CEO and Managing Director, and through those positions to other senior executives, responsibility for the day-to-day management of the company's affairs and implementation of the company's strategy and policy initiatives. The Board sets the company's values, objectives, goals and strategic direction along with a policy framework within which management then works.

The Chair is appointed by the Board. Their role includes leading the Board, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors, the Board as a whole, and management. They are responsible for approving Board agendas and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

It is recognised that a director (or group of directors) may wish to obtain external professional advice independently from the Board and company on matters relating to their duties and responsibilities as director. Provided they act in good faith, the company will reimburse such expenditure and the authority allowing such directors to take such action is contained in the Board Charter.

The Board Charter is available at this URL on the company's website:  
[www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents).

#### *Responsibilities of senior executives*

The CEO and other senior executives have written agreements in place that set out their terms of appointment. These executives are responsible for implementing Board strategy, day-to-day operational aspects, ensuring that all relevant issues are brought to the Board's attention and instilling and reinforcing values. They are required to operate within the risk and authorisation parameters, code of conduct and budget set by the Board.

Information provided to the Board includes compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the entity.

#### **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 company fully complies with this recommendation.

The company undertakes comprehensive reference checks prior to appointing a director or senior executive to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties required. The company provides relevant information to shareholders for their consideration about the attributes of candidates, including confirmation that the Board has undertaken appropriate background checks on the candidate and whether the Board supports the appointment or re-election and the reasons why.

Election or re-election information provided to security holders includes the candidates biography detailing their experience, skill and qualifications, other material directorships held, any material information from background checks arising, details of any interest, position or relationship that may influence (actual or perceived) their capacity to bring independent judgement to bear on Board issues or act in the best interests of the company, whether the Board would consider the candidate an independent director and where relevant, the term of office currently served. Candidates are requested to provide this information to the Board for distribution with consent to conduct background checks and acknowledgement that they have sufficient time to fulfil their responsibilities.

When a director or senior executive is appointed provisionally subject to a background check, the director or senior executive is required to provide an unequivocal undertaking to resign should information come to light that is unsatisfactory to their 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.**

The company fully complies with this recommendation.

The terms of the appointment of non-executive directors, executive directors and senior executives are agreed upon and set out in writing at the time of appointment in the form of a letter of appointment for non-executive directors and a service contract for executive directors. All agreements are between the company and the individual and not any service-related entity that may represent them. The one exception is, where applicable, the company may engage a bona fide professional services firm to provide the services of a CFO, company secretary or other senior executive on an outsourced basis. In that case, it is acceptable for the agreement to be between the company and the professional services firm.

The terms of appointment with non-executive directors include the requirement to comply with the company's key policies including policies dealing with anti-bribery, corruption, trading policies, confidentiality obligations and access to corporate information. Terms also include provision of indemnity and insurance arrangements, a requirement to notify the company of matters which could affect the directors independence, and a requirement to seek the company's approval before accepting any new role that could impact upon the time commitment expected of the director or give rise to a conflict of interest.

**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.**

The company fully complies with this recommendation.

The Company Secretary reports directly to the Board through the Chair and is accessible to all directors. The role of the company secretary includes advising the Board and committees on governance matters, monitoring that Board and committee policy and procedures are followed, coordinating the timely completion and dispatch of Board and committee papers, ensuring that minutes accurately reflect the business of Board and committee meetings, and facilitating the induction and professional development of directors.

**Recommendation 1.5 - A listed entity should:**

- (a) have and disclose a diversity policy;**
- (b) through its board or committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and**
- (c) disclose in relation to each reporting period:**
  - (1) the measurable objectives set for that period to achieve gender diversity;**
  - (2) the entity's progress towards achieving those objectives; and**
  - (3) either:**
    - (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**
    - (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.**

The company fully complies with this recommendation.

The company has a diversity policy which requires the Board to set measurable objectives for achieving gender diversity across the Board, senior executive team and workforce generally and to assess the objectives and the company's progress towards achieving them on an annual basis.

The company's diversity policy can be found on the company's website at [www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents). The policy expresses the company's commitment to embrace diversity at all levels and in all its facets, including age, ethnicity and other different backgrounds to bring different perspectives and experiences to bear and avoid cognitive biases in decision-making.

The Board has delegated such responsibilities to the Nomination and Remuneration Committee which reports to the Board quarterly. The Charter of the Nomination and Remuneration Committee of the Board can be found on the company's website at [www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents).

In accordance with the recommendations of the ASX Corporate Governance Council, as the company is included in the S&P/ASX 300 Index at the commencement of the reporting period, it aims to achieve diversity in the composition of the Board of not less than 30% of each gender.

The diversity policy aims to provide a work environment where employees have equal access to career opportunities, training and benefits. It also aims to ensure that employees are treated with fairness and respect and are not judged by unlawful or irrelevant reference to gender, age, ethnicity, race, cultural background, disability, religion, sexual orientation or caring responsibilities. The company's objective is to have an inclusive workplace, and it will not tolerate discrimination, harassment, vilification and victimisation. This commitment enables the company to attract and retain employees with the best skills and abilities with the objective to thereby contribute to better overall performance.

As at the date of this report, the following diversity compositions were evident:

<i>Level within organisation</i>	<i>Men</i>	<i>Women</i>
Overall workforce	43%	57%
Directors	60%	40%
Senior Executives	50%	50%

The measurable objective in relation to gender diversity at Board level requires that there be at least two women on the Board which would represent 40% based on current Board positions. Our aim is for 50% but due to the small number of directors on the board, the next percentage down has been set as a minimum until such time as there is a rotation of existing directors or the number of directors as a whole grows to where 50% is possible.

The Board defines a senior executive as a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to significantly affect the company's financial standing. This therefore includes all senior management and senior executive designated positions as well as senior specialised professionals. The Board aims to achieve no less than 50% female representation in key operational roles throughout the organisation.

No entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 and therefore Gender Equality Indicators are not required to be disclosed.

The Board has considered the age composition and diversity in ethnicity and professional experience of its members and believes that the current composition of the Board is appropriate for its needs.

The Board believes that its diversity policy creates opportunity for promotion to senior executive and Board positions as it incorporates appropriately designed and implemented development programs. The policy recognises that its people have different personal commitments outside of the work environment, and it will support such personnel in maintaining a work-life balance through providing benefits such as parental leave, flexible work practices and the ability to work from home as appropriate.

The company's diversity policy is reviewed on an annual basis by the Board to ensure that it is operating effectively.

**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 for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

The company fully complies with this recommendation.

The company does not currently have a formal process for evaluating the performance of the Board, its committees or individual directors. The Board conducts an introspective annual discussion of its performance on a collective basis to identify general aspects of its performance that could be improved upon, and such analysis includes the roles played by each Board member. Such reviews therefore encapsulate collective discussion around the performance of individual Board members, their roles on specific projects during the financial year, and where relevant, how their role could be modified or suggestions for individual development or performance improvement for the future.

Until such time as the company expands to justify an expansion of Board members, the Board is of the current opinion that such performance evaluation is suitable for the company.

**Recommendation 1.7 - A listed entity should:**

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and**
- (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.**

The company fully complies with this recommendation.

The Board conducts an annual performance assessment of the CEO against agreed performance measures determined at the start of the year. The CEO undertakes the same assessments of senior executives. In assessing the performance of the individual, the review includes consideration of the senior executive's function, individual targets, group targets, and the overall performance of the company. Such reviews were conducted during September 2021.

Recommendations are made for any apparent deficiency, or for areas where a skill or experience requirement is anticipated in the future having regard to the individual's career development plans and future operational requirements.

## Principle 2: Structure the board to be effective and add value

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.

### **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; 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 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.

The company fully complies with this recommendation.

The Board maintains a Nomination and Remuneration Committee whose members during the financial year, were as follows:

Director's name	Executive status	Independence status
Linda Jenkinson	Non-Executive Chair	Independent
Brett Cottle - RNC Chair	Non-Executive Director	Independent
Robert "Ken" Gaunt	Non-Executive Director	Not-independent

The majority of the committee members and the Chair are independent so as to enable, where required, the challenging of management decisions and information so as to hold management to account and to represent the best interests of the company and security holders as a whole. The Board is maintained at a size that best facilitates the businesses of the consolidated group and which enables any changes to the Board to be made without disruption to the business.

The Charter of the committee is available at the company's website [www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents). Amongst other things, it demonstrates the rigorous and transparent process that is adopted for the appointment and reappointment of directors and contains details of its role which includes: Board succession planning; induction and professional development programs; evaluation and recruitment processes; diversity and capability requirements; appointment of CEO and other executive succession planning issues; and assessment of the independence of directors. Such issues also extend to the members of the committee itself.

The committee has the authority to seek advice from external consultants or specialists where considered necessary or appropriate. It also regularly reviews the time requirements for non-executive directors and assesses whether those time expectations are being met.

The number of committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

### **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 company fully complies with this recommendation.

The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. It is therefore used when recruiting new directors and assessing which skills need to be outsourced based on the attributes of the current Board members. The existence of each attribute is assessed by the Board as either High, Medium or Low.

Skill category	Description of attributes required	Potential demonstration of attributes by individual	Level of importance	Existence in current Board
Risk and compliance	Identification of key risks to the company related to each key area of operations. Monitoring of risks, satisfy compliance issues and knowledge of legal and regulatory requirements.	Legal and corporate governance experience; corporate governance professional; or greater than 10 years in similar role	Medium	Medium
Financial and audit	Analysis and interpretation of accounting and finance issues including assessment and resolution of audit and financial reporting risks, contribution to budgeting and financial management of projects and company, assessing and supervising capital management.	Accounting qualification of recognised accounting body; greater than 10 years' experience in accounting profession or large corporate enterprise undertaking treasury management	High	Medium
Strategic	Development of strategies to achieve business objectives, oversee implementation and management of strategies, and identification and critical assessment of strategic opportunities and threats to the company.	Experience in mergers and acquisitions; corporate finance; MBA or equivalent; greater than 10 years' experience in similar role.	High	Medium
Music industry	Knowledge of the structure of the industry and the relationships required to commercialise the services	10 years experience working in the industry	High	Medium
Operating policies	Key issue identification representing operational and reputational risks and development of policy responses and parameters within which the company should operate.	Corporate governance professional; experience in policy development and implementation; internal audit; key management; greater than 10 years' experience in similar role	Medium	Medium
Marketing behaviour	Understanding of key marketing processes and strategies for industry and subscription business.	Sales and marketing experience in subscription or online business models.	High	Medium
Information technology	Knowledge of IT governance including privacy, data management and security.	Information technologies lead; qualifications in data collection and security; systems development experience; greater than 10 years' experience in similar role	High	Medium
Executive management	Performance assessments of senior executives, succession planning for key executives, setting of key performance hurdles, experience in industrial relations and organisational change management programmes.	Corporate governance professional; membership of directorship professional body; accounting or legal background; greater than 10 years' experience in organisational and divisional management.	High	High

The Board currently believes that its membership adequately represents the required skills as set out in the matrix and therefore does not intend to seek any new or alternative candidates. External consultants may be brought in with specialist knowledge to address areas where this is an attribute deficiency in the Board. The Board regularly reviews its skills matrix to ensure that it includes the skills needed to address existing and emerging business and governance issues relevant to the company.

All Board members are however expected to be able to demonstrate the following attributes:

**Board member attributes**

Leadership	Represents the company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts considered; leads others to action; proactive solution seeker.
Ethics and integrity	Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.
Communication	Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.
Negotiation	Negotiation skills which engender stakeholder support for implementing Board decisions.
Corporate governance	Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks.

**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 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*
- (c) *the length of service of each director.*

The company fully complies with this recommendation.

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

Director's name	Appointment date	Length of service at reporting date	Independence status
Linda Jenkinson	28 December 2018	2 years	Independent Non-executive
Jacqueline Louez-Schoorl	28 December 2018	2 years	Not-independent Executive
Jorge Nigaglioni	7 March 2013	8 years	Not-independent Executive
Brett Cottle	28 December 2018	2 years	Independent Non-executive
Robert "Ken" Gaunt	23 March 2020	1 years	Not-Independent Non-executive

An independent director is one who is not aligned with the interests of management or a substantial holder and can, and will, bring an independent judgment to bear on issues before the Board. They shall be free of any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect their capacity to bring an independent judgment to issues before the Board and will act in the best interests of the company as a whole rather than in the interest of any individual security holder or other party.

The Board may determine that a director is independent notwithstanding the length of service or the existence of an interest, position, association or relationship that may, prima facie, be considered to impair independence, where the Board is satisfied that it is clear that the interest is not material and will not interfere in the discharge of the director's obligations. The Board acknowledges that independence may be comprised if the director receives performance based remuneration or participates in an incentive scheme of the company or has been an officer of an entity, or otherwise associated with someone who is or has been an officer of an entity, within the last three years, which has had a material business relationship with the consolidated entity.

All candidates for election as a director shall be required to disclose all interests, position and relationships that may impact their independence and will be provided to security holders for election purposes. The Board or the nomination committee regularly assess the independence of each non-executive director.



***Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.***

There are currently five members on the company's Board. Having regard to the company's response to Recommendation 2.3 above, the majority of the Board are not independent. The Board considers that the company is reliant upon the business relationships and interests that it has with the non-independent directors, and their expertise, in order to achieve its objectives at this time. Until such time as the company is of a size that warrants the appointment of additional non-executive and independent directors, the Board is of the view that the absence of a majority of independent directors is not an impediment to its operations, shareholders or other stakeholders.

***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.***

The company fully complies with this recommendation.

The Board acknowledges the importance of having an independent Chair to oversee and hold accountable the management of the company. Linda Jenkinson is Chair of the Board and is considered to be an independent director of the company. Jacqueline Louez-Schoorl is the CEO.

In any case where the independence of the Chair may be jeopardised on a particular matter, the Board will consider the appointment of a senior independent director as deputy chair where the Chair is prevented from bearing judgement on an issue due to the conflict.

***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.***

The company fully complies with this recommendation.

New directors undertake an induction program coordinated by the Company Secretary that briefs and informs the director on all relevant aspects of the company's operations and background. This includes the conduct of interviews with senior executives to gain an understanding on key issues such as structure, business operations, historical factors, culture and risks.

The induction program may include training on a director's key legal duties and responsibilities under legislation, key accounting matters and responsibilities relating to the financial statements. A director development program is maintained by the nomination committee which aims to facilitate professional development in any identified areas where skill enhancement is required where those skill gaps will not be filled by new appointments.

The nomination committee also undertakes that directors are regularly updated on legal, regulatory and accounting developments relevant to the entity.

**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.**

***Recommendation 3.1 - A listed entity should articulate and disclose its values.***

The company fully complies with this recommendation.

As a listed entity, the company instils and continually reinforces a culture across the organisation of acting lawfully, ethically and responsibly. The company's values represent the guiding principles and norms which define the type of company it aspires to be and what it requires from its directors, senior executives and employees to achieve that aspiration. In formulating its values, the entity considers the behaviours that are needed to build long term sustainable value for security holders and the need to preserve and protect its reputation with key stakeholders such as customers, employees, suppliers, creditors and regulators.

The company's values are included as part of its code of conduct, which is available on the company's website. They are approved by the Board and the senior executive team are charged with the responsibility of embedding them across the organisation.



**Recommendation 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.**

The company fully complies with this recommendation.

The company maintains a code of conduct for its directors, senior executives and employees. In summary, the code requires that each person act honestly, in good faith and in the best interests of the company; exercise a duty of care; use the powers of office in the best interests of the company and not for personal gain; declare any conflict of interest; safeguard company's assets and information; and not undertake any action that may jeopardise the reputation of company.

The Board is required to be informed of any material breaches of its code of conduct as it is closely related and cross referenced to the company's corporate culture. All employees are trained on their obligations under the code of conduct.

A full copy of the company's code of conduct can be found on its website:

[www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents).

**Recommendation 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.**

The company fully complies with this recommendation.

The company maintains a whistleblower policy in accordance with the Corporations Act. The Board acknowledges that a transparent whistleblower policy is essential to good risk management and corporate governance and that it is an important tool for facilitating the safe and secure reporting of any wrongdoing. The policy promotes compliance with law, deters wrongdoing, protects the discloser, and promotes an ethical culture.

The policy requires that the Board or Audit and Risk Committee be notified of any incidents reported under this policy and sets out information such as the following: the types of disclosures that qualify for protection under the Corporations Act ('disclosable matters'); how the Board will investigate disclosures made; how the Board will support and protect the whistleblower; instructions for how a disclosure may be made confidentially and, where applicable, anonymously; the process for keeping a discloser informed; how the Board will ensure fair treatment of all parties involved; and the timeframes for handling and investigating disclosures.

All employees are encouraged to speak up about any unlawful, unethical or irresponsible behaviour noted under the policy. The policy is linked to the company's statement of values and culture and provides examples of the types of concerns that may be reported and how, and to whom, reports should be made. All employees are provided with training as to the operation of the policy.

The whistleblower policy is periodically reviewed and a copy is available on the company website:

[www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents).

**Recommendation 3.4 - A listed entity should:**

- (a) have and disclose an anti-bribery and corruption policy; and**
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.**

The company fully complies with this recommendation.

The company has adopted an anti-bribery and corruption policy which requires that the Board or Audit and Risk Committee be notified of any incidents reported under this policy. Such a policy is contained within the company's code of conduct rules and is related to the company culture. The policy is developed by the Board after considering actual and perceived internal and external risks to the organisation, applicable regulatory frameworks, and how the policy can be embedded and conveyed across the organisation and its directors, officers, staff and contractors. The policy details that the giving of bribes, other improper payments such as secret commissions, benefits to public officials, and offering or

accepting of gifts, entertainment or hospitality can be illegal or otherwise damage the reputation of the company. The anti-bribery and corruption policy contained within the code of conduct is periodically reviewed.

The code of conduct and Anti-Bribery & Corruption Policy is available on the company website: [www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents).

#### Principle 4: Safeguard the integrity of corporate reports

**A listed entity should have appropriate processes to verify the integrity of its corporate reports.**

**Recommendation 4.1 - The board of a listed entity should:**

**(a) have an audit committee<sup>1</sup> 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.**

The company substantially complies with this recommendation.

The Board maintains a combined Audit and Risk Committee (ARC), the members of which are:

Director's name	Executive status	Independence status
Brett Cottle - Chair	Non-Executive Director	Independent
Linda Jenkinson	Independent Chair	Independent
Ken Gaunt	Non-Executive Director	Not-independent

The Board is of the opinion that the members of the committee have the accounting and financial expertise and sufficient understanding of the industry in which the company operates to be able to discharge the committee's mandate effectively.

The majority of the Audit and Risk Committee members and the Chair are independent. The Chair of the ARC is not the Chair of the Board.

Details of the qualifications and experience of the members of the committee is detailed in the 'Information of directors' section of the Directors' report.

The Audit and Risk committee operates under its own Charter which sets out its role and confers on it all necessary powers to perform its role, such as obtain information, interview management and internal and external auditors and seek advice from experts or specialists where necessary or appropriate.

The Charter of the committee is available at the company's website: [www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents)

The number of committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

<sup>1</sup> (LR12.7) A listed entity included in the S&P All Ordinaries Index at the beginning of its financial year is required under listing rule 12.7 to have an audit committee for the duration of that financial year. If it is included in the S&P/ASX 300 Index at the beginning of its financial year, it must comply with the structure and disclosure requirements in paragraph (a) of this recommendation. If it has been included in that index for the first time less than 3 months before the beginning of that financial year, it must take steps so that it complies with those requirements within 3 months of the beginning of the financial year.

**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 company fully complies with this recommendation.

For the financial year ended 30 June 2021 and the half-year ended 31 December 2020, the company's CEO and CFO provided the Board with the required declarations.

**Recommendation 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.**

The company fully complies with this recommendation.

The Audit and Risk Committee is responsible for all corporate reports released to the market, as outlined in the Audit and Risk Committee Charter. The committee is required to satisfy itself that a report is materially accurate, balanced and provides investors with appropriate information to make informed decisions before it is released to the market.

#### **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.**

##### **Recommendation 5.1**

**A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.**

The company fully complies with this recommendation.

The company maintains a continuous disclosure policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's disclosure obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately in the first instance. The Company Secretary is required to consult with the CEO in relation to matters brought to their attention for potential announcement.

The continuous disclosure policy is available on the company's website:  
[www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents)

**Recommendation 5.2 - A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.**

Generally, the CEO is ultimately responsible for decisions relating to the making of market announcements. The Board is required to authorise announcements of significance to the company. No member of the company shall disclose market sensitive information to any person unless they have received acknowledgement from the ASX that the information has been released to the market.

**Recommendation 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.**

The company fully complies with this recommendation.

The company's communication policy (which is available on the company's website) requires that investor or analyst presentation materials be released to the ASX and posted on the company's website, regardless of whether the presentation contains material new information required to be disclosed under ASX Listing Rule 3.1.

#### **Principle 6: Respect the rights of security holders**

**A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.**

**Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.**

The company fully complies with this recommendation.

The company maintains information in relation to governance documents, directors and senior executives, Board and committee charters, corporate values, annual reports, ASX announcements, copies of documents tabled, distributed or otherwise made available to security holders or at investor or analyst presentations, details of the entity's businesses, corporate structures, corporate calendars and contact details on the company's website at:

[www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents).

**Recommendation 6.2 - A listed entity should have an investor relations program that facilitates effective two-way communication with investors.**

The company fully complies with this recommendation.

In order for the investors to gain a greater understanding of the company's business and activities, the company schedules regular interactions with the CEO, CFO and/or Senior Executives where they engage with institutional and private investors, analysts and the financial media. These meetings are not held within a four-week blackout period in advance of the release of interim or full-year results.

**Recommendation 6.3 - A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.**

The company encourages shareholders to attend its AGM and to send in questions prior to the AGM so that they may be responded to during the meeting. It also encourages ad hoc enquiry via email which are responded to. Written transcripts of the meeting are made available on the company's website.

**Recommendation 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.**

The company fully complies with this recommendation.

The company's constitution allows for a resolution to be decided by a poll when it is requested by the Chair. Accordingly, the Chair will request a poll for all substantive resolutions at a meeting of security holders.

**Recommendation 6.5 - A listed entity should give security holders the option to receive communications from, and send communications to, the company and its security registry electronically.**

The company fully complies with this recommendation.

The company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Automic Pty Ltd at <https://www.automicgroup.com.au/>.

#### **Principle 7: Recognise and manage risk**

**A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**

##### **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.**

The company fully complies with this recommendation.

The Board maintains a combined Audit and Risk committee. The members of the committee are detailed in Recommendation 4.2 above. Details of the number of times the committee met and the individual attendances of the members at those meeting is disclosed within the Directors Report of the company.

As part of its role, the committee will monitor management's performance against the risk management framework and risk appetite set by the Board, ascertain whether those risk parameters should be modified, review incident reports on risk control issues identified, review internal audit reports, review management reports on emerging risk identification and related strategies to mitigate risk and oversee insurance programs across the businesses.

The Charter of the Audit and Risk Committee can be found on the company's website:

[www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents)

**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 company fully complies with this recommendation.

The Audit and Risk Committee reviews the company's risk management framework annually to ensure that it is still suitable to the company's operations and objectives and that the company is operating within the risk parameters set by the Board. The committee ensures that the framework takes into account emerging risks, and includes conduct risk, digital disruptions, cyber-security, privacy and data breaches, sustainability and climate change. The committee acknowledges that there may be causes for the company being required to operate outside the Board's established risk appetite and that those matters will be brought to the attention of the Board.

As a consequence of the last risk management framework review undertaken for the year ended 30 June 2021, there were no significant recommendations made.

**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 fully complies with this recommendation.

The company does not have a dedicated internal audit function. The responsibility for risk management and internal controls lies with both the Managing Director and CFO who continually monitor the company's internal and external risk environment. Necessary action is taken to protect the integrity of the company's books and records including by way of design and implementation of internal controls, and to ensure operational efficiencies, mitigation of risks, and safeguard of company assets.

**Recommendation 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.**

The company fully complies with this recommendation.

Jaxsta does not believe that it has any material exposure to economic, environmental and social sustainability risks not previously disclosed in its prospectus, annual report or previous corporate governance statement.

**Principle 8: Remunerate fairly and responsibly**

**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.**

**Recommendation 8.1 - The board of a listed entity should:**

- (a) have a remuneration committee<sup>2</sup> 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 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.**

The company fully complies with this recommendation.

The Board maintains a combined Nomination and Remuneration Committee. The members of the committee are detailed in Recommendation 2.1 above.

Details of the qualifications and experience of the members of the committee are detailed in the 'Information of directors' section of the Directors' report.

The committee oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining directors and senior executives. An objective of the committee is to also structure remuneration in a manner that reflects the corporate culture and does not impact the company's reputation and standing in the community. The committee must also ensure that any incentive provided to non-executives does not impact their independence and that no individual is involved in setting their own remuneration.

The committee's charter sets out the roles and responsibilities, composition and structure of the committee and is

<sup>2</sup> (LR12.8) An entity included in the S&P/ASX 300 Index at the beginning of the financial year must have a remuneration committee comprised solely of non-executive directors for the entire year.



available on the company's website: [www.jaxsta.com/info/governance-documents](http://www.jaxsta.com/info/governance-documents)

The number of committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

**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 company fully complies with this recommendation.

Non-executive directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees. The level of remuneration reflects the anticipated time commitments and responsibilities of the position. Non-executive directors may receive shares in the company as part of their remuneration.

Executive directors and other senior executives are remunerated using appropriate combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates, and performance-based remuneration is linked directly to specific performance targets that are aligned to short, medium and long term objectives. Termination payments are agreed in advance including payments in the case of early termination except by reason of misconduct.

Where performance based remuneration has been awarded, the Board has adopted a policy that such awards may be subsequently adjusted downward or prevented from vesting in circumstances where certain outcomes or behaviours are deemed inappropriate or adverse and that relate to the recipient of the award. The Board does not currently have a policy of clawback of vested rewards.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

**Recommendation 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.**

The company fully complies with this recommendation.

Jaxsta's Securities Trading Policy sets out that Directors and senior executives who participate in Jaxsta's equity based remuneration schemes are prohibited from entering into transactions which act to limit the economic risk any unvested entitlements.