

## Corporate Governance

The Aeris Environmental Ltd (Aeris or the Company) (ASX:AEI) Directors are responsible for protecting the rights and interests of shareholders, by whom the Board is elected and to whom it is accountable, through the implementation of sound strategies and action plans, and the development of an integrated framework of controls over the consolidated entity's resources, functions and assets. Corporate governance is an important matter to the Company and the Board of Directors strives for high standards in this regard. Aeris' corporate governance practices, which are summarised below, are reviewed and amended by the Company's Corporate Governance Committee at appropriate intervals (at least annually), including prior to the finalisation of the Annual Report.

The Board and the Corporate Governance Committee draw on relevant best practice principles, particularly those issued by the Australian Securities Exchange (ASX) Corporate Governance Council's fourth edition of the publication, "Corporate Governance Principles and Recommendations", which was released on 27 February 2019 and is referred to for guidance purposes. The Board is aware that entities with a 30 June balance date were required to measure their governance practices against the recommendations in the fourth edition commencing with the financial year beginning 1 July 2020 and ending 30 June 2021. While Aeris attempts to adhere to the principles proposed by the ASX, and the Directors believe that the Company complies with the underlying guidelines of the ASX, it is mindful that there are some instances where compliance is not practicable for a company of Aeris' size. All listed companies are required to produce a corporate governance statement that discloses the extent to which the entity has followed the recommendations, and to identify any recommendations that have not been followed, the period during which they were not followed, the reasons for not doing so and any alternative governance practices that have been adopted in lieu of the recommendation.

This Corporate Governance Statement reports on the corporate governance principles and practices followed by the Company for the period from 1 July 2020 to 30 June 2021, in accordance with ASX Listing Rules 4.7.4 and 4.10.3. Aeris' Corporate Governance Committee and Board reviewed the recommendations and the Company's 2021 Corporate Governance Statement on 23 September 2021, and the Board of Directors approved the Company's Corporate Governance Statement on 23 September 2021. In many cases Aeris was already achieving the standards required. In other cases, the Company has considered other arrangements to enable compliance. In a number of instances, Aeris has determined not to meet the standards set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous and costly for a company of its size. The Board has approved and adopted policies and charters with which Directors and management are required to comply, and which contain the information recommended by the ASX. The Company's written policies on corporate governance matters are included in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <https://www.aeris.com.au/investor-centre> under Corporate Governance (along with the Corporate Governance Statement).

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

Aeris has and discloses a Board Charter (which can be found in its Corporate Governance Compliance Manual, in the Investor section of the Company's website i.e. at <https://www.aeris.com.au/investor-centre> under Corporate Governance) setting out the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, as set out below.

Since last year's Corporate Governance Statement was lodged, the Company has increased the size of its Board from four Non-Executive Directors to five, being Messrs Maurie Stang, Steven Kritzler and Michael Ford, and Drs Abbie Widin and Jenny Harry. The Board's role and responsibilities include the following:

- Setting and reviewing the vision, goals and strategy of the Company.
- Approving the annual strategic plan and major operating plans.
- Approving budgets.
- Reviewing and providing feedback on the performance of the CEO.
- Reviewing its performance and that of individual Directors.
- Reviewing the half-year and annual financial statements and reports, and quarterly cash-flow statements.
- Determining policies and ensuring adequate procedures are in place to manage the identified risks.

The role and responsibilities of the Chairman include:

- Ensuring leadership in setting and reviewing Aeris' vision and strategies.
- Setting the Board meeting agenda with the CEO and Company Secretary, and ensuring that Directors receive all relevant information prior to the meetings, chairing Board meetings and dealing with conflicts.
- Chairing the Annual General Meeting (AGM) and ensuring that shareholders as a whole have an opportunity to speak on relevant matters, ensuring the audit partner attends.
- Being the external spokesperson with the CEO on Company matters.
- Keeping fully informed on major matters by the CEO, chairing the performance appraisal of the CEO and providing mentoring.

- Initiating Board and committee performance appraisals, ensuring that the agreed composition is maintained and the Director induction plans are in place.

The CEO's responsibilities and duties include:

- Formulating with the Board the vision and strategy of Aeris, developing action plans to achieve this vision and reporting regularly to the Board on progress made.
- Providing leadership to the management team and employees, appointing and negotiating terms of employment of senior staff members (with Board approval where necessary), developing a succession plan, and ensuring procedures are in place for education and training to ensure compliance with laws and policies.
- The implementation of the Company's product commercialisation.
- Bringing matters requiring review / approval to the Board and advising it of the changes in Aeris' risk profile, providing certification regarding the financial statements for the quarterly, half-year and annual reports, reporting to the Board on a monthly basis on the performance of the Company and ensuring the education of the Directors on relevant matters.

Aeris has a small management team, so roles and functions have to be flexible to meet specific requirements. The roles and responsibilities of management include:

- The operation and administration of the Company, as delegated by the Board.
- Implementing the strategic objectives of Aeris and operating within the risk appetite set by the Board.
- Complying with all other aspects of the day-to-day running of the Company.
- Providing the Board with accurate, timely and clear financial and other information to enable the Board to perform its responsibilities.

Aeris undertakes appropriate checks before appointing a director or senior executive, or putting someone forward for election as a Director. These checks usually include checks as to the person's character, experience, education, criminal record and bankruptcy history. Aeris provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. It does so by providing them, via its Notices of Meeting, with the potential Director's biographical details, including their relevant qualifications and experience, the skills they bring to the Board, and details of any other material directorships currently held by the candidate. In the case of a candidate standing for election as a Director for the first time, the Company provides security holders with: any material adverse information revealed by the checks Aeris has performed about the Director; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board, and to act in the best interests of the Company and its security holders generally; and if the Board considers that the candidate will, if elected, qualify as an independent Director, a statement to that effect. In the case of a candidate standing for re-election as a Director, Aeris provides security holders with: the term of office currently served by the Director; and if the Board considers the Director to be an independent Director, a statement to that effect. The Company also provides security holders with a statement by the Board as to whether it supports the election or re-election of the candidate. A candidate for appointment or election as a Non-Executive Director is requested to provide the Board with the information above and a Consent for Aeris to conduct any background or other checks the Company would ordinarily conduct. The candidate is also requested to provide details of his or her other commitments and an indication of time involved, and must specifically acknowledge to Aeris that he or she will have sufficient time to fulfil his or her responsibilities as a Director.

The Company has a written agreement with each Director setting out the terms of their appointment and written terms for the senior executive (CEO). The Directors and senior executives of Aeris have a clear understanding of their roles and responsibilities, and of the Company's expectations of them. This has been reduced to a written agreement that takes the form of a Letter of Appointment in the case of a Non-Executive Director and written service terms in the case of the senior executive (CEO). Aeris is required under the ASX Listing Rules to disclose the material terms of any employment, service or consultancy agreement it or a child entity enters into with its CEO (or equivalent), any of its Directors and any other person or entity who is a related party of its CEO or any of its Directors. The Company is also required to disclose any material variation to such an agreement.

Aeris has a Securities Trading Policy concerning trading in its securities by Directors, senior executives, employees and significant consultants, which is included in the Company's Corporate Governance Compliance Manual, which can be found in the Investor section of Aeris' website under Corporate Governance.

The Company Secretary of the Company is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary of Aeris plays an important role in supporting the effectiveness of the Board and its Committees. The role of the Company Secretary includes: advising the Board and its Committees on governance matters; monitoring that Board and Committee policy and procedures are followed; co-ordinating the timely completion and despatch of Board and Committee papers; ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and helping to organise and facilitate the induction and professional development of Directors. Each Director is able to

communicate directly with the Company Secretary and vice versa. The decision to appoint or remove the Company Secretary is made and approved by the Board.

The Company has a Diversity Policy and, through its Board and Corporate Governance Committee, sets measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally. The Company has disclosed its Diversity Policy in its Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website under Corporate Governance. As at the end of the recent reporting period, the measurable objectives for achieving gender diversity set by the Board and Corporate Governance Committee for that period in accordance with the Company's Diversity Policy were to appoint a qualified, experienced Independent Non-Executive woman Director to the Board. Aeris exceeded this objective during the reporting period by appointing two qualified, experienced Independent Non-Executive women Directors. As Aeris continues in its growth phase and builds its global presence, and the size and diversity of what Aeris does, it will review and modify more specific objectives that are appropriate, aligned and achievable. The Company discloses the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce as at the end of the recent reporting period: i.e. at 30 June 2021 Aeris had two women and three men on its Board, and two women and five men amongst its senior executives. Across the whole workforce, the Company now has five female staff members and 14 men. The Company has defined "senior executive" for these purposes in the Remuneration Report section of its Annual Report, as key management personnel, being the Directors, CEO and Company Secretary. The Board believes that the pursuit of diversity in the workplace increases the Company's ability to attract, retain and develop the best talent available, creates an engaged workforce, delivers the highest quality services to its customers, enhances individual work-life balance, encourages personal achievement, improves co-operation and assists in the optimisation of organisational performance. Diversity in the workplace should mirror the diversity of the broader community, encompassing age, gender, ethnicity, cultural and other personal factors. Aeris respects the diversity of all its employees, consultants and contractors, and cultivates an environment of fairness, respect and equal opportunity.

The Company has and discloses a process for periodically evaluating the performance of the Board, its committees and individual Directors using an evaluation questionnaire, which is completed by the Directors. Aeris has and discloses the same process for evaluating the performance of its senior executives at least once every reporting period using the same evaluation questionnaire, which is completed by the CEO and Company Secretary. The results of this self-assessment of its performance and governance for the period up until the end of the most recent financial year are then compiled and summarised, confidentially, and then provided to the Board for consideration at a Board meeting; only the aggregated results and comments are distributed. A performance evaluation, using the abovementioned questionnaire, was undertaken and reviewed in the recent reporting period in accordance with that process in respect of that period. The next evaluation process by the Board will be completed over the upcoming Board meetings. The process for evaluating the performance of executives and staff members was developed by the CEO, the Board and the Remuneration and Nomination Committee, in conjunction with a remuneration consultant, and an evaluation was carried out during the recent reporting period.

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

The Board of Aeris has a joint Remuneration and Nomination Committee rather than a separate Nomination Committee, which now has three members. At the start of the recent reporting period, the Committee members were Messrs Maurie Stang (Committee Chairman), Bernard Stang and Steven Kritzler, and then Mr Michael Ford replaced Mr Steven Kritzler on the Committee on 1 October 2020 and Mr Bernard Stang stepped down from the Committee when he ceased to be a Director on 26 November 2020. Therefore, at the end of the recent reporting period the Committee only had two members and therefore did not follow the recommendation that such a Committee have three members, a majority of which is made up of independent Directors (as Mr Michael Ford is an independent Director, but Mr Maurie Stang is a substantial shareholder, and therefore not deemed to be independent) or that the Committee be chaired by an independent Director. However, since the end of the recent reporting period, i.e. on 29 July 2021, Dr Jenny Harry became the third member of this Committee and she is an independent Director, so two of these issues have been rectified. The Committee is not chaired by an independent Director because the Board decided that the Committee Chairman, Mr Maurie Stang, has the most experience in listed company board nomination and remuneration matters. As the Board has been considerably restructured over the past year, the position of Committee Chairman will be reviewed next year ahead of the 2022 AGM. The Charter of the Remuneration and Nomination Committee can be found in the Company's Corporate Governance Compliance Manual, which can be found in the Investor section of Aeris' website under Corporate Governance. During the 2020-21 financial year the Committee met twice and both members were present at both meetings. The Remuneration and Nomination Committee, which carries out the role that might otherwise be carried out by a separate Nomination Committee, employs processes 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. It does so by reviewing Board performance, size and capacity (with appropriately-experienced Directors).

The Company has (and discloses below – see Appendix A) a Board skills matrix setting out the mix of skills that the Board currently has in its membership, which was modified slightly since last year. A description of the skills

and experience of each Director, and their period of office, is set out in the Directors' Report section of the Annual Report. A Director may be elected for a term of a maximum of three years. To ensure a gradual and controlled movement of Directors, the longest serving one-third of all Directors (rounded down to the nearest whole number) is required to retire at each AGM, but shall be eligible for re-election.

Aeris discloses that, as at the end of the recent reporting period and at the time this Statement was prepared, Mr Michael Ford, and Drs Abbie Widin and Jenny Harry are considered by the Board to be independent Directors. The length of service of each Director is as follows: Messrs Maurie Stang and Steven Kritzler have both been Directors of the Company for 19 years, Mr Michael Ford has been a Director of Aeris for one year and five months, Dr Abbie Widin has been a Director of the Company for six-and-a-half months and Dr Jenny Harry has been a Director of Aeris for five months. Messrs Maurie Stang and Steven Kritzler believe that, whilst they are not independent Directors, they are still able to act in the best interests of the Company and its security holders generally. Mr Maurie Stang is a substantial shareholder, which the Board believes helps align his interests with those of other shareholders. The Directors recognise that by holding significant stakes in Aeris Messrs Maurie Stang and Steven Kritzler are likely to be seen as having a different interest to shareholders with smaller stakes. They also recognise that the interests of the Company and its shareholders are likely to be well served by having a mix of directors, some with a longer tenure, and a deep understanding of Aeris and its business (particularly the Chairman), and some with a shorter tenure, and fresh ideas and perspectives. Messrs Maurie Stang and Steven Kritzler believe that the fact that they have served on the Board for a period of more than ten years does not mean that they have become too close to management to lose their impartiality.

The Board appointed two additional Independent Directors during the recent reporting period, being Drs Abbie Widin and Jenny Harry, and Aeris now complies with the recommendation that a majority of the Board should be independent directors because three of the five Directors are independent Directors. The Non-Executive Chairman of the Board of Aeris is not an independent Director, but he is considered by the other Directors to be the most qualified and experienced to hold the role of Chairman. However, he is not the same person as the CEO of the Company; that role is held by Mr Peter Bush.

Aeris has a programme for inducting new Directors, and for periodically reviewing whether or not 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. Each Director of the Company has the right to seek independent professional advice at the expense of Aeris, and the Company provides appropriate professional development opportunities as required for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

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

Aeris articulates and discloses its values, which express the standards and behaviours the Company requires from its Directors, senior executives and employees to fulfil Aeris' purpose and meet its goals. These values include dedication, innovation, teamwork, honesty, integrity and loyalty. These values create a link between the Company's purpose of redefining human health, efficiency and sustainability in the built environment, and Aeris' strategic goals of bringing decades of success with disruptive technologies to drive measurable improvements and changes in performance for the built environment – with the guiding principles of 'clean, green, protect'.

It is the Board's policy for the Directors and management to conduct themselves with the highest of ethical standards, and Aeris strives to act ethically and responsibly at all times. All Directors and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. Aeris has a Corporate Code of Conduct for its Directors, senior executives and employees, which is disclosed in the Corporate Governance Compliance Manual in the Investor section of the Company's website under Corporate Governance. Aeris ensures that the Board is informed of any material breaches of that Code. The Directors believe that this code of conduct is appropriate for the Company's size and that it takes into account the close interaction of individuals throughout the organisation. The purpose of Aeris' Corporate Code of Conduct is to guide compliance with legal and other obligations, to maintain confidence in the Company's integrity, to take into account the expectations of stakeholders, and to define the responsibility and accountability of individuals for reporting and investigating any instances of unethical practice. Aeris, being an environmental services business, strives not only to act responsibly towards the environment, but, by its very purpose, works to help solve common problems in global markets using its suite of patented products by employing experts in the removal of microbial contamination (biofilm or slime) and then protecting the asset from recontamination and reducing energy consumption. The Company always tries to deal with business associates who demonstrate similar ethical and responsible business practices.

Aeris has a Whistleblower Policy, which is disclosed in the Company's Corporate Governance Compliance Manual in the Investor Centre section of Aeris' website under Corporate Governance. This Policy: encourages whistleblowers to make whistleblower disclosures without fear of victimisation; explains how the Company will manage allegations of illegal or unethical conduct in a lawful, fair, consistent and timely manner; and outlines the procedures and protections that apply to whistleblowers under the Corporations Act 2001 (Cth) and Taxation Administration Act 1953 (Cth). Aeris ensures that the Board is informed of any material incidents reported under this Policy.

The Company has an Anti-Bribery and Corruption Policy, which is disclosed in the Company's Corporate Governance Compliance Manual in the Investor Centre section of Aeris' website under Corporate Governance. This Policy: provides clear procedures for employees and other personnel in relation to bribery and corruption issues that may arise in the course of their employment; provides guidelines for the offering or acceptance of gifts or hospitality; assists in the protection of the Company's reputation, business and interests; provides a reporting mechanism for allegations of bribery and corruption; and assists in compliance with legal obligations. Aeris ensures that the Board is informed of any material breaches of that Policy.

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

Aeris has processes that independently verify and safeguard the integrity of its corporate reporting. The Company has a joint Audit and Risk Committee rather than a separate Audit Committee, which now has three members. At the start of the recent reporting period this Committee only had two members, both of whom were Non-Executive Directors and neither of whom were independent Directors, and the Committee was chaired by a Director who was not the Chairman of the Board i.e. Mr Bernard Stang (Chairman of the Committee), the other Committee member being Mr Maurie Stang. On 31 July 2020 Mr Michael Ford became the third member of this Committee and Mr Bernard Stang stepped down from the Committee when he ceased to be a Director on 26 November 2020; Mr Michael Ford was elected Chairman of the Committee on 25 February 2021 and, as recommended, he is not the Chairman of the Board. At the end of the recent reporting period the Committee only had two members and therefore did not follow the recommendation that such a Committee have three members, a majority of which is made up of independent Directors (as Mr Michael Ford is an independent Director, but Mr Maurie Stang is a substantial shareholder, and therefore not deemed to be independent). However, the Committee is now chaired by an independent Director who is not the chair of the Board and, since the end of the recent reporting period, i.e. on 29 July 2021, Dr Jenny Harry became the third member of this Committee and she is an independent Director. At the date of this Statement, all of the members of the Committee are Non-Executive Directors and a majority of the Committee is now made up of independent Directors (i.e. Mr Michael Ford (Chairman of the Committee) and Dr Jenny Harry), and Mr Maurie Stang is not an independent Director), therefore Aeris now fully complies with the recommendations for an audit committee. The members of the Committee have applicable expertise and skills for this Committee. The relevant qualifications and experience of these members can be found at the "About" section of the Company's website under "Meet the Team" under "Board Members", as well as in the Directors' Report of the Annual Report. During the last reporting period, the Audit and Risk Committee met three times and all of the Directors who were members at the time of these meetings were in attendance. The Committee reports to the Board after each Committee meeting and after meeting with Aeris' external Auditor; meetings are held at least twice each year. In conjunction with the full Board, the Committee reviews the performance of the external Auditor (including the scope and quality of the audit). The primary responsibilities of the Committee are to oversee the existence and maintenance of internal controls, accounting systems and the financial reporting process, to nominate the external Auditor, to review existing external audit arrangements, including the selection, appointment and rotation of external audit engagement partners, and to monitor corporate risk assessment (including on environmental risks). The Audit and Risk Committee has a formal charter that is disclosed in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website under Corporate Governance.

The Board of the Company receives from its CEO and CFO (before it approves Aeris' financial statements for a financial period) a declaration that, in their opinion, the financial records of the Company have been properly maintained, and that the financial statements comply with the appropriate accounting standards. The declaration also states that the financial statements give a true and fair view of the financial position and performance of Aeris, and that this opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

The Company discloses 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. Such reports are reviewed by the Board, which notes the receipt of the CEO and CFO Declarations on the accuracy of these reports. The operating and financial review included in the annual Directors' Report contains information that shareholders reasonably require to make an informed assessment of the Company's operations, financial position, business strategies and prospects for future financial years. Aeris prepares Quarterly Activity Reports and Quarterly Cash Flow Reports that are not subject to audit or review by the Company's external auditor. As Aeris grows, it will consider the production of other corporate reports, such as a "sustainability report", to provide insights into other aspects of its operations. The Company's annual Directors' Report is not subject to assurance by Aeris' external auditor, other than the Remuneration Report and, accordingly, the Board of Directors and senior executives validate that the report is accurate, balanced and understandable, and provides the market with appropriate information to make informed investment decisions.

#### **Principle 5: Make timely and balanced disclosure**

The Company makes 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. Aeris, its Directors and its staff are aware of the ASX's continuous disclosure requirements, and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. The Company has a formal written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1. Aeris has included this Continuous Disclosure Policy in its Corporate Governance Compliance Manual on its website in the Investor section under

Corporate Governance. A regular review takes place to ensure compliance with ASX Listing Rule 3.1 on continuous disclosure, including at every Board meeting, and there is accountability at a senior executive level for that compliance. Procedures have been established for reviewing whether any material price-sensitive information has been inadvertently disclosed to analysts, shareholders or other parties, and if so, this information is also immediately released to the market.

Aeris' Board approves market announcements before they are lodged with ASX. The Company then ensures that its Board receives copies of all announcements promptly after they have been released to the market. The Company Secretary has set up in ASXOnline all of the Directors' email addresses so that they automatically receive all ASX announcements once they have been released to the market.

When Aeris gives a new and substantive investor or analyst presentation it releases a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

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

Aeris respects the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively. The Company provides information about itself and its governance to investors via its website – [www.aeris.com.au](http://www.aeris.com.au). Here, interested parties can find information about Aeris under the homepage heading "About" and can also find information on the Company's corporate governance under the homepage heading "Investor". The names and brief biographical information for each of Aeris' Directors, and the CEO and Company Secretary can be found under "Board Members" in the "Meet the Team" part of the "About" section of the website. Information on: Surface, Skin and Food Hygiene; HVAC&R and Air Quality; Remediation; Corrosion Protection; and Energy Efficiency can also be found on the homepage under "Products". "Aeris Defence", "Shop", "Resources" (Videos, Product Sheets, Product Guides, Industry Brochures, Safety Data Sheets, Instructions for Use, Training & Warranty and Certificates) and "News" sections can be reached via the links at the top of the homepage of the website. The Company's contact details can be found on the "Contact" section of the website where investor enquires can also be submitted. The "Investor" section of the Company's website is where relevant corporate governance information can be accessed. This includes: a link to ASX Information for up-to-date Aeris announcements to the market; copies of Aeris' Annual Reports and Notices of AGM, Share Registry contact details; and Corporate Governance information including the Corporate Governance Statement, Corporate Governance Compliance Manual (including the Committee Charters and other policies) and the Company's Constitution.

Aeris has an investor relations programme to facilitate effective two-way communication with investors. The small size of the Company means that, the main ways that Aeris allows investors and other financial market participants to gain a greater understanding of the Company's business, governance, financial performance and prospects is by encouraging shareholder participation at AGMs, where it actively engages with shareholders, and meeting with shareholders upon request and responding to any enquiries they may make from time-to-time. Aeris has an appropriate communications procedure to promote effective communication with shareholders, which is in line with the Company's size and its financial capacity. Aeris has a Shareholder Communication Policy, which is available in the Company's Corporate Governance Compliance Manual in the Investor section of its website under Corporate Governance. Aeris discloses how it facilitates and encourages participation at meetings of shareholders. Technology is used to facilitate the participation of security holders in shareholders' meetings, including (since the 2020 AGM) live webcasting of meetings so that security holders can view and hear proceedings online, and allow shareholders to vote in proxy or online. The Company gives security holders who join the meeting and exercise their right to ask questions about, or make comments on, the management of the entity, the opportunity to provide questions or comments during the meeting. These questions and comments are addressed at the meeting by being read out and then responded to at the meeting. When investors and other financial market participants express their views to the Company on matters of concern or interest to them those views are distilled and communicated to the Board. Since its 2019 AGM Aeris has decided all Resolutions by a poll, rather than by a show of hands, and will ensure that all substantive resolutions at meetings of security holders are decided by a poll rather than by a show of hands in future years. The Company gives security holders the option to receive communications from, and send communications to, Aeris and its security registry electronically, as detailed on the "Contact Us" section under "Contact" on the homepage of its website and on the "Share Registry" section under the "Investor" section on the homepage. Aeris' Shareholder Communication Policy sets out the Company's requirements expected from all Directors, senior management and employees for communicating effectively with shareholders.

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

Aeris has a sound risk management framework and periodically reviews the effectiveness of that framework. The Company has a joint Audit and Risk Committee that oversees risk, including the set-up and maintenance of internal controls, accounting systems and the financial reporting process, nominates the external Auditor, reviews existing external audit arrangements (including the selection, appointment and rotation of external audit engagement partners), and monitors corporate risk assessment (including environmental risks). The Company has an appropriate formal policy for the oversight and management of material business risks that is fitting for the

size of its business. The Remuneration and Nomination Committee also ensures that, as part of its review of staffing policies and OH&S risks, and through its induction programme, new Board appointees and key executives gain an understanding of the Company's financial, strategic, operational and risk management position. Company and business risk factors are an agenda item at each Board meeting, and the CEO periodically reports to the Board, and Audit and Risk Committee on risk management, internal controls and Aeris' insurance programme. At the start of the recent reporting period this Committee only had two members, neither of whom were independent Directors, including Mr Bernard Stang (Chairman of the Committee) and the other Committee member being Mr Maurie Stang. On 31 July 2020 Mr Michael Ford became the third member of this Committee and Mr Bernard Stang stepped down from the Committee when he ceased to be a Director on 26 November 2020; Mr Michael Ford was elected Chairman of the Committee on 25 February 2021 and so this Committee is now chaired by an independent Director. At the end of the recent reporting period the Committee only had two members and therefore did not follow the recommendation that such a Committee have three members, a majority of which is made up of independent Directors (as Mr Michael Ford is an independent Director, but Mr Maurie Stang is a substantial shareholder, and therefore not deemed to be independent). However, since the end of the recent reporting period, i.e. on 29 July 2021, Dr Jenny Harry became the third member of this Committee and she is an independent Director and, therefore, at the date of this Statement, a majority of the Committee is now made up of independent Directors (i.e. Mr Michael Ford (Chairman of the Committee) and Dr Jenny Harry), and Mr Maurie Stang is not an independent Director, therefore Aeris now fully complies with the recommendations for a risk committee. During the last reporting period, the Audit and Risk Committee met three times and all of the Directors who were members at the time of these meetings were in attendance. The Audit and Risk Committee has a formal charter that is disclosed in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website under Corporate Governance. The Committee reports to the Board after each Committee meeting.

The Board, and the Audit and Risk Committee, review the Company's risk management framework at least annually to satisfy themselves that it continues to be sound and that Aeris is operating with due regard to the risk appetite set by the Board, and discloses, in relation to each reporting period, whether such a review has taken place. The Company's Risk Register is periodically included in the papers for Board, and Audit and Risk Committee meetings for evaluation. During the 2020-21 reporting period such a review took place at two Audit and Risk Committee meetings, where the Risk Register was reviewed in detail, updated and expanded. Aeris does not have an internal audit function. The processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes include: the monthly review by the Board of the Company's actual versus budget variances in revenue and expenses; and the periodic review of source accounting documentation by someone independent of the Accounts Department and independent of the regular accounting documentation approval process.

Aeris has not identified any specific material exposure to environmental and social risks. The Company's Board, Audit and Risk Committee, and senior management manage any risks it has. Aeris has a goal of not compromising the health of the ecosystems in which it operates over the long term. The Company has worked, and continues to work, in a manner that meets accepted social norms and needs, and intends to continue to do so into the future. Since the commencement of the global COVID-19 pandemic, Aeris has focused many of its activities on assisting customers, distributors and, most particularly, health authorities in Australia with their COVID-19 remediation needs. Both Aeris Defence and Aeris Active are dual active, offering rapid COVID-19 kill and extended residual protection across the full spectrum of surfaces, from high risk to social environments. Aeris discloses on its website, in its Annual Report and in ASX announcements its expected material contribution over time to reducing the environmental and social costs and risks in society through the rollout of its technologies, where it can have a positive long-term effect on business, the community and on the environment through the provision of cleaner air and water, and general hygiene using energy-saving products. The very purpose of the Company, being an environmental services business, is to strive to act responsibly towards the environment, and help solve common environmental problems by removing microbial contamination, protecting assets from recontamination and helping to reduce energy consumption. Aeris develops, manufactures and markets proprietary, environmentally-friendly technology that drives measurable improvements in asset performance and sustainability. The Company's whole-of-system approach ensures that systems perform better, are safer, last longer and cost less to run. Aeris' products solve real world problems more effectively than conventional toxic chemicals. Uniquely based on validated, green formulations, the Company's enzymes and treatments, with residual protection, provide long-term remediation, and prevention of mould, bacteria growth, corrosion and improved hygiene. AerisVIEW, Aeris' cloud-based visualisation network, is uniquely scalable across all climate-controlled environments, including buildings of all sizes, and vehicles. The Company's solution delivers dramatic and proven energy savings, alongside documented benefits to system efficiency, and independently-validated indoor air quality, with proven immediate improvements in sustainability and cash flow savings.

#### **Principle 8: Remunerate fairly and responsibly**

The Company aims to pay Director remuneration that is sufficient to attract and retain high-quality Directors, and has designed 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. The Board of the Company has a joint Remuneration and



Nomination Committee rather than a separate Remuneration Committee, which now has three members. At the start of the recent reporting period, the Committee members were Messrs Maurie Stang (Committee Chairman), Bernard Stang and Steven Kritzler, and then Mr Michael Ford replaced Mr Steven Kritzler on the Committee on 1 October 2020 and Mr Bernard Stang stepped down from the Committee when he ceased to be a Director on 26 November 2020. Therefore, at the end of the recent reporting period, the Committee only had two members and therefore did not follow the recommendation that such a Committee have three members, a majority of which is made up of independent Directors (as Mr Michael Ford is an independent Director, but Mr Maurie Stang is a substantial shareholder, and therefore not deemed to be independent) or that the Committee be chaired by an independent Director. However, since the end of the recent reporting period, i.e. on 29 July 2021, Dr Jenny Harry became the third member of this Committee and she is an independent Director, so two of these issues have been rectified. The Committee is not chaired by an independent Director because Mr Maurie Stang has the most experience in listed company board nomination and remuneration matters. As the Board has been considerably restructured over the past year, the position of Committee Chairman will be reviewed next year ahead of the 2022 AGM. The charter of the Committee can be found in the Corporate Governance Compliance Manual in the Investor section of the Company's website under Corporate Governance, and sets out the Committee's role and confers on it all necessary powers to perform that role. During the 2020-21 financial year the Committee met twice and both members were present at both meetings.

The Directors have adopted a series of formal remuneration policies, which they believe are appropriate for the size of the Company. A clear distinction between, and description of, the structure of Non-Executive Directors' remuneration, and the CEO and executive remuneration, is set out in the Remuneration Report (contained in the Directors' Report) in the Company's Annual Report, and, in accordance with Corporations Act requirements, the Company discloses the fees and salaries paid to all Directors, plus its designated officers. The Company separately discloses its policies and practices regarding the remuneration of Non-Executive Directors, and the remuneration of Executive Directors and other senior executives. The Remuneration and Nomination Committee meets as and when required to review performance matters, and make recommendations to the Board in relation to the Company's remuneration framework for Directors, including the process by which any pool of Directors' Fees approved by security holders is allocated to Directors, and in relation to the remuneration packages to be awarded to executives, equity-based remuneration plans for Directors, executives and other employees, and superannuation arrangements for Directors, executives and other employees. The Remuneration and Nomination Committee Charter also requires the Committee to examine whether or not there is any gender or other inappropriate bias in remuneration for Directors, executives or other employees. The Directors work closely with management, and have full access to all the Company's files and records. The Company seeks independent external advice and market comparisons as necessary.

The Company has an equity-based remuneration scheme, being its Employee Incentive Plan (EIP), which was last approved by shareholders at the November 2018 AGM and is planned to be refreshed at the November 2021 AGM. The Company has a policy that participants in the EIP are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme. There are no schemes for retirement benefits, other than superannuation, for Non-Executive Directors.



**APPENDIX A – Board Skills Matrix**

<b>Skills, Diversity and Experience of the Board</b>	<b>Total Number out of Five Directors</b>
Leadership	5
Corporate Governance and Compliance	4
Regulatory Strategy and Compliance	5
Membership of Governance or Regulatory Bodies	1
Position held on Financial Bodies and Councils	0
Strategy Development	5
Senior Management positions held outside AEI	4
Directorships of public listed companies held outside AEI	2
CEO / CFO / COO experience	5
General Management	5
Tenure – Director with AEI for up to three years	3
Tenure – Director with AEI for between three to nine years	0
Tenure – Director with AEI for over nine years	2
Operations	5
Occupational Health and Safety	4
Experience Managing Environment Issues in an Organisation	1
Project Delivery	5
Sector / Industry Experience	3
Experience in Organisations with Global Locations	4
Experience in Organisations with Asia Pacific Locations	5
International Business	5
Financial Acumen	4
Accounting	1
Mergers and Acquisitions / Equity / Capital Markets	3
Experience in Growing a Business	5
Experience in Implementing Capital Projects	2
Business Development	5
Risk Management	5
Marketing	4
Remuneration	2
Government Relations	1
Human Resources Management / People	2
Professional Services	2
Gender Diversity – worked with females on boards	4
Technology	5
Tertiary Qualifications	4
Post-Graduate Business Studies and CA or CPA	3
Residency in Australia	5
Research and Development	4
Property Development and / or Management	4
Legal and Intellectual Property	4

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Aeris Environmental Ltd (ASX:AEI)

ABN/ARBN

19 093 977 336

Financial year ended:

30 June 2021

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

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.aeris.com.au/investor-centre> under Corporate Governance

The Corporate Governance Statement is accurate and up to date as at **23 September 2021** and has been approved by the Board.

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

Date: **23 September 2021**

Name of authorised officer authorising lodgement: **Mr Robert J Waring (Company Secretary)**

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter : <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

<sup>5</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy:</p> <p><b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p>and we have disclosed the information referred to in paragraph (c):</p> <p><b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a):</p> <p><b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process:</p> <p><b>in Aeris' 2021 Corporate Governance Statement (as above)</b></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a): <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b> and whether a performance evaluation was undertaken for the reporting period in accordance with that process: <b>in Aeris' 2021 Corporate Governance Statement (as above)</b></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p>and the information referred to in paragraphs (4) and (5): <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance, and in Aeris' 2021 Annual Report</b></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix: <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.3	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, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors: <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b> and, where applicable, the information referred to in paragraph (b): <b>N/A</b> and the length of service of each director at: <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values: <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed our code of conduct: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a whistleblower policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p>and the information referred to in paragraphs (4) and (5) on: <b>the Company's website at <a href="https://www.aeris.com.au">https://www.aeris.com.au</a> at the "About" section under "Meet the Team" in "Board Members", as well as in Aeris' Directors' Report of the 2021 Annual Report and in the Company's 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website: <b>via Aeris' website – <a href="http://www.aeris.com.au">www.aeris.com.au</a></b>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders: <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p>and the information referred to in paragraphs (4) and (5): <b>in Aeris' Directors' Report of the 2021 Annual Report and in the Company's 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period: <b>in the Company's 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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.	<input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: ..... <i>[insert location]</i> <input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <b>in the Company's 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks: <b>in the Company's 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b> and, if we do, how we manage or intend to manage those risks at: ..... <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee: <b>in Aeris' Corporate Governance Compliance Manual, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p> <p>and the information referred to in paragraphs (4) and (5): <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance, and in Aeris' 2021 Annual Report</b></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <b>in the Remuneration Report (contained in the Directors' Report) in the Company's Annual Report, and in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it: <b>in Aeris' 2021 Corporate Governance Statement, which can be found in the Investor section of the Company's website i.e. at <a href="https://www.aeris.com.au/investor-centre">https://www.aeris.com.au/investor-centre</a> under Corporate Governance</b>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable



## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>		
<p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>