

AUSCANN GROUP HOLDINGS LTD
ACN 008 095 207
(Company)

CORPORATE GOVERNANCE STATEMENT
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2017

This Corporate Governance Statement is current as at 28 September 2017 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ending 30 June 2017, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted Corporate Governance Policies which provide the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Policies are available on the Company's website at www.auscann.com.au.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		<p>information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Policies, is available on the Company's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	<p>YES</p>	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Policies. The Company's Remuneration and Nomination Committee Charter (in the Company's Corporate Governance Policies) requires the Remuneration and Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) Under the Remuneration and Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	<p>YES</p>	<p>The Company's Remuneration and Nomination Committee Charter requires the Remuneration and Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has had written agreements with each of its Directors and senior executives for the past financial year.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 1.4</p> <p>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.</p>	YES	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</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 the Workplace</p>	PARTIALLY	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives, if any have been set and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Policies, on the Company's website.</p> <p>(c) (i) The Board did not set measurable gender diversity objectives for the past financial year, because:</p> <ul style="list-style-type: none"> • the Board's view is that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and • if it became necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the relatively small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit.

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Gender Equality Act.		<p>(ii) The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for the past financial year is disclosed below –</p> <table data-bbox="1249 405 1771 580"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>33.3%</td> <td>66.7%</td> </tr> <tr> <td>Senior Executive*</td> <td>33.3%</td> <td>66.7%</td> </tr> <tr> <td>Whole organisation</td> <td>53.8%</td> <td>46.2%</td> </tr> </tbody> </table> <p>* The Senior Executives are the individuals at the highest level of organisational management who have the day-to-day responsibilities of managing the Company below the Board. The Senior Executives for the purposes of the table above include the Company's CFO, COO and Company Secretary.</p>		Female	Male	Board	33.3%	66.7%	Senior Executive*	33.3%	66.7%	Whole organisation	53.8%	46.2%
	Female	Male												
Board	33.3%	66.7%												
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Whole organisation	53.8%	46.2%												
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Remuneration Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Policies, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Policies require the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company did not complete a formal performance evaluation in respect of the Board, its committees and Director for the past financial year given the change in the Board which occurred in January 2017. The Company plans to undertake a performance evaluation of the Board, its committees and Directors in the next financial year. During the financial year, the Chairman and</p>												

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		the Remuneration and Nomination Committee reviewed the performance of the Board, its committees and its Directors on an informal and as needs basis.
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Policies, which are available on the Company's website.</p> <p>(b) The Company undertook a formal evaluation of Ms. Darby's performance and remuneration during the financial year. This was undertaken with assistance from an independent remuneration advisory firm. The CFO and Company Secretary are employed under relevant consulting contracts.</p>
Principle 2: Structure the Board to add value		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p>	YES	<p>(a) The Company had a Remuneration and Nomination Committee for the past financial year. The Company's Remuneration and Nomination Committee Charter provides for the creation of a Remuneration and Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Committee comprises two</p>

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<p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>(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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>independent Non-executive Directors, Hon. Cheryl Edwardes (chair of the Committee) and Bruce McHarrie and Dr, Malcolm Washer, Non-executive Chair of the Board. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report.</p> <p>(b) The Company had a Remuneration and Nomination Committee for the past financial year.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	<p>YES</p>	<p>Under the Remuneration and Nomination Committee Charter (in the Company's Corporate Governance Policies), the Remuneration and Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>A copy of the Company's Board Skills Matrix is available on the Company's website.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in the Annual Report.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p>	<p>YES</p>	<p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board currently consists of Non-executive Chairman, Dr.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>		<p>Malcolm Washer, Managing Director, Ms. Elaine Darby, Executive Director, Mr. Harry Karelis, Non-executive Director, Mr. Bruce Linton and two independent Non-executive Directors, Hon. Cheryl Edwardes and Mr. Bruce McHarrie.</p> <p>The Non-executive Chairman, Dr. Malcolm Washer, is not considered to be independent because he has close family ties with a senior executive of the Company (his daughter Ms. Elaine Darby is the Managing Director). The Company's two executive Directors Ms. Elaine Darby (Managing Director) and Mr. Harry Karelis are not considered to be independent as they are executives of the Company. Mr. Bruce Linton is Canopy Growth Corporation's designated appointee on the AusCann Board. Canopy Growth Corporation is the Company's major shareholder. As such, Mr. Linton is not considered to be independent. Hon. Cheryl Edwardes and Mr. Bruce McHarrie are both independent Non-executive Directors.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) The Company's Annual Report discloses the length of service of each Director.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent.</p>	NO	<p>Whilst the composition of the Board does not result in a majority of independent Directors, the Board believes the current membership reflects an appropriate mix of experience and ability to represent all shareholders at present. It is noted the composition of the Board will be reassessed in future in line with changes in the Company's operations and level of activity and will be adjusted as deemed appropriate. The Board will consider the ASX Recommendations in assessing any future changes in Board composition.</p>
<p>Recommendation 2.5</p>	PARTIALLY	<p>The Board Charter provides that, where practical, the Chair of</p>

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<p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>		<p>the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Company's Non-executive Chairman is not the CEO of the Company.</p> <p>The Non-executive Chairman, Dr. Malcolm Washer, is not considered to be independent because he has close family ties with a senior executive of the Company (his daughter Ms. Elaine Darby is the Managing Director). The Company has determined that any risks to the Company and its shareholders associated with Dr. Washer's lack of independence can be mitigated with appropriate management in accordance with the Company's conflicts of interest procedure. Moreover, the Company considers that Dr. Washer's specific expertise is a key factor for the future success of the Company, and this outweighs any risk that may be perceived to be associated with his lack of independence.</p> <p>It is noted the Chair of the Board may be reassessed in future in line with changes in the Company's operations and level of activity. The Board will consider the ASX Recommendations in assessing any future changes in Board composition and the position of Chair.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	<p>YES</p>	<p>In accordance with the Company's Board Charter, the Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.</p>

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Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	YES	<p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Policies) is available on the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is 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</p>	YES	<p>(a) The Company has an Audit and Risk Committee. The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Chair of the Board. The Committee comprises two independent Non-executive Directors, Mr. Bruce McHarrie (chair of the Committee) and Hon. Cheryl Edwardes and Non-executive Chairman of the Board Dr. Malcolm Washer. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report. The relevant qualifications and experience of the members of the Committee are disclosed in the Annual Report.</p> <p>(b) The Company had an Audit and Risk Committee for the past financial year.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
and removal of the external auditor and the rotation of the audit engagement partner.		
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company has obtained a sign off on these terms for each financial period in the financial year FY2017.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Company's Corporate Governance Policies provide that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> <p>The Company's external auditor attended the Company's last AGM during the past financial year and will attend the 2017 AGM.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company's Corporate Governance Policies detail the Company's disclosure requirements under the Continuous Disclosure Policy as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Corporate Governance Policies, which incorporates the Continuous Disclosure Policy, is available on the Company website.</p>

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Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Policies which can be found on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Policy that aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Policies.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Shareholder Communications Policy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries are referred to the Company Secretary in the first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should:	YES	(a) The Company had an Audit and Risk Committee for the past financial year. The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>		<p>Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Chair of the Board. The Committee comprises two independent Non-executive Directors, Mr. Bruce McHarrie (Chair of the Committee) and Hon. Cheryl Edwardes and Non-executive Chairman Dr. Malcolm Washer. The relevant qualifications and experience of the members of the Committee are disclosed in the Annual Report. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report.</p> <p>(b) The Company had an Audit and Risk Committee for the past financial year.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <ul style="list-style-type: none"> (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and (b) disclose in relation to each reporting period, whether such a review has taken place. 	<p>YES</p>	<ul style="list-style-type: none"> (a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound. (b) The Company's Board and Audit and Risk Committee is very focussed on the management of risk. The Company's Board reviews the Company's risks and the risk management framework at each Board meeting. The Managing Director is required to report on the management of risk as a standing agenda item at each Board meeting. In addition, the Company's Audit and Risk Committee also reviews the Company's risk management framework at least annually.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	YES	<p>(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>(b) The Company did not have an internal audit function during the past financial year. The Audit and Risk Committee monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations. The Company's management periodically undertakes an internal review of financial systems and processes where systems are considered to require improvement these systems are developed. The Company's Audit and Risk Committee reviews risk management and internal compliance procedures at least annually and monitors the quality of the accounting function.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Policies require the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company discloses this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p>	YES	<p>(a) The Company had a Remuneration and Nomination Committee for the past financial year. The Company's Corporate Governance Policies contain a Remuneration and</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>(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>Nomination Committee Charter that provides for the creation of a Remuneration and Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director. The Committee comprises two independent Non-executive Directors, Hon. Cheryl Edwardes (chair of the Committee) and Mr. Bruce McHarrie and Dr. Malcolm Washer, Non-executive Chair of the Board. The number of times the committee met during the last financial year, and the individual attendances of the members, are disclosed in the Annual Report.</p> <p>(b) The Company had a Remuneration and Nomination Committee for the past financial year.</p>
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES</p>	<p>The Company's Corporate Governance Policies require the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the Company's website.</p>

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<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES</p>	<p>(a) The Company had an equity-based remuneration scheme in place during the financial year. The Company does not permit participants to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>(b) Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in equity based remuneration or in unvested entitlements.</p>