

This statement outlines the Company's corporate governance policies and practices and complies in all material respects with the 4th edition of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations ("ASX recommendations").

This Corporate Governance Statement has been approved by the Board and is effective as of 18 August 2021.

The Corporate Governance Statement refers to both the Managing Director and Chief Executive Officer. Both roles may be held by one individual and in which case the responsibilities outlined below are read together. The directors may also determine that the role of Managing Director be vacant, in which case the responsibilities of the Chief Executive Officer alone are as outlined below.

Roles and responsibilities of the Board and Management

The Board is ultimately responsible for the operations, management and performance of the Company and is accountable to shareholders. The roles and responsibilities of directors are formalised in the Board Charter which defines those matters that are reserved for the Board and its committees and those that are the responsibility of the Chief Executive Officer.

The Board is accountable to shareholders and its responsibilities include:

- appointment of the Managing Director, Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- approving the annual and half yearly accounts;
- approving significant changes to the organisational structure;
- approving the issue of any shares, options, equity instruments or other securities;
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision-making; and
- recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved.

Management is responsible for the implementation of the strategic objectives and operating within the risk appetite and governance structure delegated to it by the Board, and for all other aspects of the day-to-day running of the entity. It is also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Details of the number of and attendance at Board meetings throughout the financial year can be found in the Directors' Report within the Annual Report.

Structure and composition of the Board

The Board seeks to ensure that the number and combination of its members provides an appropriate range of experience, skills, diversity, knowledge and perspective to enable it to carry out its obligations and responsibilities, within the context of and appropriateness to the size of the Company.

The Board believes that having a range of different skills, backgrounds, and experience ensures a diversity of viewpoints and specialised knowledge which facilitates effective governance and decision making.

The Company believes that skills and experience in the areas listed below are desirable for its Board to perform its role effectively.

- Executive / Management
- Strategic and entrepreneurial thinking
- Technology
- Healthcare and retail
- Marketing and sales
- Financial acumen and qualifications
- Mergers, acquisitions and capital markets
- Governance and risk management
- Diversity of industry experiences

To the extent that skills are not directly represented on the Board, they are augmented through management and external advisors.

The Company seeks to maintain a majority of non-executive directors on its Board. The Board comprises four non-executive directors and one executive director.

Details of the directors in office during the year and to the date of the Annual Report, including information about their experience, expertise and term of office, is set out in the Directors' Report within the Annual Report.

Appointment and re-election of directors

Candidates for appointment to the Board are usually recommended by the Remuneration and Nomination Committee. They are assessed against a range of criteria, including background, experience, professional qualifications, personal qualities, the potential to augment the skills of the existing Board members and the ability to commit the time required to undertake the Board's activities.

Apart from the Managing Director, directors are subject to shareholder re-election by rotation at least every three years, and any directors appointed during the year are put forward for election at the first Annual General Meeting following their appointment. The Company provides shareholders with all material information in its possession relevant to the election or re-election of a director.

Once appointed, directors receive a formal letter of appointment setting out the key terms, conditions and expectations of their appointment. Upon induction directors are provided material relevant to their role and are encouraged to meet with management and subject matter experts within the organisation to deepen their knowledge of the business and its activities.

The Company recognises the need for its directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively. As such it makes available opportunities to further directors' professional development be it through interaction with internal and external experts, or formal programmes with the likes of the Australian Institute of Company Directors and other professional bodies.

Director independence

Independent directors are those who have the ability to exercise their duties unfettered by any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement, and are willing to express their opinions at the Board table free of concerns about their position or the position of any third party.

Each director is required to immediately disclose to the Board if they have an interest or relationship which is likely to impact on their independence or if a director believes they may no longer be independent. The Board assesses on a regular basis and at least annually the independence of each non-executive director in light of the information disclosed by them.

The Board's assessment of independence and the criteria against which it determines the materiality of any facts, information or circumstances is formed by having regard to the ASX recommendations and in particular the factors for consideration set out in recommendation 2.3; the materiality guidelines applied in accordance with Australian Accounting Standards; and any independent professional advice obtained by the Board.

The directors in office as at the date of the Annual Report are:

Mr Nick England (Chair, non-executive Director)

Mr Jon Newbery (non-executive Director)

Mr Julian Sallabank (executive Director)

Ms Jayne Shaw (non-executive Director)

Mr Dennis Bastas (non-executive Director)

Mr Nick England, Mr Jon Newbery, and Ms Jayne Shaw have been assessed as independent directors.

Mr England has declared his association with a number of shareholders who together hold over 5% of the equity in the Company and have announced themselves jointly as substantial holders. Directors have assessed the relationship and have determined that it does not compromise Mr England's independence nor interfere with his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its shareholders. Details of this association are in Shareholder Information within the Annual Report.

Mr Julian Sallabank is not considered to be independent as he was appointed the Chief Executive Officer and Managing Director of the Company on 1 September 2020.

Mr Dennis Bastas is not considered to be independent as he is a substantial shareholder of the Company.

Therefore, the majority of the Board are independent directors in accordance with the ASX recommendations.

Independent professional advice is available to directors should they consider it necessary, at the expense of the Company.

Board performance

The Board continually assesses its performance and undertakes an annual review of its performance and that of its committees. The review takes the form of assessing the strengths and weaknesses of the directors as a group and identifying areas they can improve. The method of assessment may include the conduct of surveys and individual interviews, along with collective Board discussion. Where and when appropriate, an external facilitator may be used periodically to assist in the process.

An assessment of performance of the Board, its roles and responsibilities and its effectiveness in relation to the financial year 2021 is underway.

Acting lawfully, ethically and responsibly

The Company has articulated a Statement of values which is set out in its Code of Conduct:

Customer First

- Listen to the voice of the customer, always
- Deliver on promises – be trusted, knowledgeable and passionate
- Be proud and take ownership of the customer experience

Own Our Results

- Do what it takes to get the right things done – and get it done
- Be clear about where you are heading
- Recognise the performance of others

One Team

- Communicate often, in a transparent and meaningful way
- Collaborate across teams; trust and respect one another
- Create an environment where everyone can be their best

We Innovate

- Learn and grow to work smarter
- Take time to innovate and implement quickly
- Share ideas – and listen to others' ideas

Code of Conduct

The Company acts according to a written Corporate Code of Conduct which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

Anti-Bribery and Corruption

The Company is developing an anti-bribery and corruption policy. The Company's Code of Conduct defines corrupt conduct and describes the actions that the Company will take in the event of any employee participating in corrupt conduct.

All directors, executives and employees are expected to abide by the Corporate Code of Conduct, which covers a number of areas, including:

- professional conduct and ethical standards;
- standards of workplace behaviour and equal opportunity;

- relationships with customers, suppliers and competitors;
- confidentiality and continuous disclosure;
- anti-discrimination and harassment;
- trading in Company securities; and
- the environment.

Shareholdings of directors and employees

The Company's policy with regard to buying and selling securities encompasses:

- a policy which extends directly and indirectly to directors and employees;
- a prohibition on short term trading;
- a prohibition of trading by persons in possession of price sensitive information which is not available to the public;
- permission to trade in the Company's securities which is limited to the four weeks period from:
 - a) the date of the Company's Annual General Meeting;
 - b) release of the half yearly results announced to the ASX;
 - c) release of the preliminary annual results announced to the ASX; or
 - d) release of a disclosure document offering securities in the Company.

Diversity

The Company adopted a diversity policy in July 2021. The Board will develop measurable objectives for achieving greater gender diversity in the composition of the Board, the Company's senior executives and workforce generally in accordance with this policy and will review the effectiveness and relevance of these objectives on an annual basis.

The Corporate Code of Conduct precludes any discrimination on the basis of race, religion or gender, including in matters of recruitment and employment. The directors believe that under its existing policies and practice the Company is achieving a multi-cultural and gender diverse workforce.

With regard to gender diversity, the Company is committed to providing an environment that is supportive of female participation in the workforce. The Company continues to recognise the importance of providing flexible work practices on a case-by-case basis, to support employees with carer responsibilities and those preparing for or returning from maternity leave.

The proportion of women in the Company on 30 June 2021 was as follows:

Women in the whole organisation:	35%
Women in senior positions:	42%
Women in executive positions:	0%

Women on the Board: 20%

Executive positions are those that make or participate in the making of decisions that affect the whole or substantial part of the business or have the capacity to significantly affect the Company's financial standing. Employees in senior positions are those not in executive positions who none-the-less have either managerial responsibility or are senior sole contributors who possess specialist or professional skills essential within the organisation.

Audit and Risk Committee

The Company has established an Audit and Risk Committee which is governed by the Audit and Risk Committee Charter.

The Committee members consist of a minimum of two non-executive directors and is chaired by an independent non-executive director who is not the Company's Chairman. Membership of the Committee is reflective of the Board composition and as such will not always consist of the minimum three non-executive directors suggested by the ASX recommendations.

During Financial year 2021 the Committee consisted of two independent non-executive directors.

Details of the membership of the Committee and their attendance at meetings during the financial year are included in the Remuneration Report which forms a part of the Directors' Report within the Annual Report.

The primary purpose of this Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- compliance with all applicable laws, regulations and Company policy;
- the effectiveness and adequacy of internal control processes;
- the performance of the Company's external auditors and their appointment and removal;
- the independence of the external auditor and the rotation of the lead engagement partner; and
- the identification and management of business risks.

Directors, including executive directors, who are not members of the Committee may attend any meeting. The Chief Executive Officer and Chief Financial Officer attend the meetings by invitation. At least twice per year the Audit and Risk Committee meets with the external auditors without the presence of executive management.

Managing Director, Chief Executive Officer and Chief Financial Officer declarations

Prior to the approval by the Board of the Company's financial statements, the Board receives a declaration from the Managing Director / Chief Executive Officer and Chief Financial Officer (or if none, the Financial Controller). These declarations state that in their opinion:

- the financial records of the Company have been properly maintained,
- 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 based on a sound system of risk management and internal control which is operating effectively.

Periodic corporate reports that are not audited or reviewed

During Financial Year 2021 the Company released Quarterly Activity Reports / Appendix 4C Cashflow reports. These Reports are prepared by the Chief Financial Officer and reviewed by the Board before release to verify the integrity of the information released.

Continuous Disclosure

The Company has established procedures and policies designed to ensure the market is kept informed in a timely manner and that the Company's obligations are met in respect to the ASX Listing Rules regarding continuous disclosure. The Chief Executive Officer is the nominated continuous disclosure officer for the Company.

The Board authorises all disclosures necessary to ensure that:

- all investors have equal and timely access to material information concerning the Company including its financial situation, performance, ownership and governance; and
- Company announcements are factual and presented in a clear and balanced way.

The Board is committed to ensuring, subject to privacy laws and the need to act in the best interests of the Company by protecting confidential commercial information, that shareholders, the stock market and other interested parties are informed fully of all material matters affecting the Company.

The dissemination of information is mainly achieved by distributing to all shareholders each year an Annual Report and regular announcements submitted to the ASX.

Each Director receives a copy of all material market announcements promptly after they have been made.

Communication and interaction with shareholders and investors

The Company's website contains information on the Company's business and its history, and the "investors centre" and "about us" sections include the following information for shareholders:

- all market announcements, posted immediately after release to the ASX, including the Company's Annual Reports;
- copies of notices of meetings of security holders;
- copies of any materials distributed at investor or analyst presentations;
- details relating to the Company's directors and executives;
- Board and Board Committee charters, corporate governance policies and other corporate governance documents; and
- details of how investors can contact the Company and its share registry.

Shareholders can elect to receive communications from the Company's share registry electronically which also gives shareholders the opportunity to manage their account details and holdings electronically. Shareholders are also able to send communications to the Company and receive responses to these communications electronically.

The Company has established an investor relations programme which may involve meetings with significant current and potential investors, market analysts, and the media. These meetings may involve directors, the Chief Executive Officer and the Chief Financial Officer, and are reviewed to ensure that price sensitive matters are not disclosed which are not available to the market generally. These meetings or communications do not take place in the period immediately preceding the release of interim or full year results.

In order to provide additional information for shareholders the Company may prepare a results presentation to accompany the Annual Report and the Half Year Financial Report.

The Company holds an Annual General Meeting to which all shareholders are invited. Shareholders who are unable to attend may appoint a proxy to attend and vote. The engagement partner of the external auditors attends the Annual General Meeting and is available during the meeting to answer questions from shareholders relevant to the audit. Time is provided after the meeting for shareholders to meet with and talk directly to directors, and they are encouraged to do so.

All substantive resolutions at a General Meeting are decided by a poll rather than by a show of hands.

Risk identification and management

Risk is an accepted part of doing business and the Company is committed to identifying and managing areas of significant business risk to ensure there is balance between the protection of shareholders, employees, earnings and the environment, and the opportunities and returns that often accompany risk.

The Board has delegated to the Audit and Risk Committee responsibility for overseeing the implementation of policies and procedures aimed at ensuring that the Company conducts its operations in a manner that

adequately manages risk and accords with the risk appetite established and communicated to the Committee and the business by the Board. Risk identification and management is also a key focus of the executive and senior management teams. The Committee reports to the Board in relation to matters relevant to its responsibilities.

Key components of the risk management framework are reviewed by the Audit and Risk Committee and approved by the Board on a periodic basis, and at least annually. Arrangements in place include:

- guidelines and limits for approval of all expenditure, including capital expenditure and investments, and the employment and termination of employees;
- regular detailed financial budgetary and monthly management reporting;
- identification and mitigation of risk through transfer of risk to external insurers;
- policies and procedures to identify and manage operational and financial risks; and
- implementation and monitoring of a robust and effective internal control environment.

The Company does not have a dedicated internal audit function. The Board believes such a function would be inappropriate due to the size of the organisation, the simplicity of its structure and activities, and the close involvement of senior and executive management in day-to-day operations of the business. Nevertheless, internal control reviews and risk assessments of specific areas of the business are undertaken periodically and the results reported to the Audit and Risk Committee or the Board.

Economic sustainability risk

Economic sustainability risks are risks that impact the ability of the Company to continue operating at its current level of economic production. The Company is exposed to a number of economic sustainability risks which have the potential to impact on the Company's ability to create or preserve value for shareholders over the long term. These risks include changes in markets and technology, changes in the health regulatory environment, and key person risk.

These risks are managed by management and the Board. Actual and potential changes are regularly monitored and evaluated, with alternative courses of action determined based on anticipated outcomes to enable the Company to position itself to respond when required to mitigate or take advantage of any such changes.

Key person risk is managed by the identification of the employees presenting the risk and backed up with appropriate steps for the active management, development and retention of the identified employees. This effort fits more broadly with employee engagement efforts focused on the goal of retention of critical skills and knowledge within the organisation.

Environmental and social sustainability

Environmental sustainability risks are risks to the Company's ability to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. Social sustainability risks are risks to the Company's ability to continue in a manner that meets acceptable social norms and needs over the long term.

The Company does not believe that it is exposed to either of these risks in a manner which has a real possibility of substantially impacting on the Company's ability to create or preserve value for its shareholders over the short, medium, or long term.

Remuneration and Nomination Committee

The Company has established a Remuneration and Nomination Committee which is governed by a Remuneration and Nomination Committee Charter.

The Committee members consist of at least two non-executive directors and is chaired by an independent non-executive director who is not the Company's Chairman. Membership of the Committee is reflective of the Board composition and as such will not always consist of the minimum three non-executive directors suggested by the ASX recommendations.

Details of the membership of the Committee and their attendance at meetings during the financial year are included in the Remuneration Report which forms a part of the Directors' Report within the Annual Report.

The responsibilities of this Committee include:

- reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and directors who will create value for shareholders;
- ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- recommending to the Board the remuneration of executive directors;
- fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- reviewing and approving the remuneration of executive and senior management direct reports to the Managing Director and Chief Executive Officer;
- reviewing and approving any equity based plans and other incentive schemes;
- maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and

- ensuring that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

The Committee may seek external advice from independent experts to make recommendations in relation to the Company's remuneration practices, structure and remuneration levels.

Director and executive remuneration

Details in relation to the Company's remuneration policies are disclosed in the Remuneration Report, which forms a part of the Directors' Report within the Annual Report.

Participants in equity-based remuneration schemes are specifically prohibited from hedging the exposure to the Company's share price during the vesting period of their unvested equity instruments.

Executive Performance

The Board conducts an annual performance assessment of the Managing Director and Chief Executive Officer against agreed performance measures. The Managing Director and Chief Executive Officer undertakes the same assessments of executives and senior management. In assessing the performance of the individual, the review includes consideration of their function, achievement of individual targets and agreed objectives, and the overall performance of the Company.

Details of the performance of executives is provided by the Managing Director and Chief Executive Officer to the Remuneration and Nomination Committee together with remuneration recommendations. The Committee in turn makes recommendations to the Board for approval. A review was conducted during FY21.

Copies of Board and Committee charters, the Code of Conduct, Policies and other Governance documents referred to in this Corporate Governance Statement are available on the Company's website (www.corumgroup.com.au/investors).

CORUM GROUP LIMITED

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