

Corporate Governance

The Board of Aevum is responsible for the corporate governance of Aevum Limited and its controlled entities (**Aevum**) and is committed to achieving and demonstrating the highest standards of corporate governance.

This statement sets out the main corporate governance policies and practices adopted by Aevum. The Board has adopted, where appropriate, the ASX Corporate Governance Principles and Recommendations (**ASX Recommendations**). These principles focus on the values of accountability, transparency and performance and are key tenets in the governance structure being driven by the Board. The policies and practices of Aevum are in accordance with the ASX Recommendations unless otherwise stated.

The Board is committed to continual improvement and constantly strives to improve corporate governance and shareholder returns.

A description of Aevum's main corporate governance practices is set out as follows:

Composition of the Board

The Board of Aevum presently consists of six directors, the managing director and five independent non-executive directors.

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board must comprise a minimum of three directors and a maximum of nine directors;
- a majority of the directors should be independent, non-executive directors; and
- directors must have an appropriate range of skills, experience and expertise, including the ability to effectively review and challenge the performance of management.

Board membership is reviewed annually having regard to the ability of the incumbent directors to continue to meet these principles and guidelines.

The Chairperson is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with Aevum's senior management.

The Executive Team comprising the Managing Director, Chief Financial Officer, General Manager of Operations, General Manager of Sales and Marketing, Manager-People Strategies and Senior Development Manager are responsible for implementing Aevum's strategies and policies.

The directors in office at the date of this statement are:

Name	Position	Independent
Graham Lenzner	Non-Executive Chairperson	Yes
Melanie Willis	Non-Executive Director	Yes
Phillip Anderson	Non-Executive Director	Yes
Gary Cameron	Non-Executive Director	Yes
Margaret Campbell	Non-Executive Director	Yes
Steven Mann	Managing Director	No

Aevum's criteria for determining the independence of directors is in accordance with the ASX Recommendations. It involves an assessment whether a director is independent of management and free of any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement.

Term of Office

At the end of every annual general meeting, one-third of the directors (or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors) must retire.

A director must retire at the end of the third annual general meeting after the director's appointment even if it means that more than one-third of directors retire at an annual general meeting.

Those directors who have been longest in office since their last appointment must retire by rotation. Directors appointed on the same day may agree among themselves or determine by lot who must retire.

A director appointed to fill a casual vacancy or as an addition to the Board is not subject to retirement by rotation and is not taken into account when determining how many directors must retire by rotation. A director appointed to fill a casual vacancy or as an addition to the Board must retire at the next annual general meeting after their appointment.

Role of the Board

The principal responsibility of the Board is the overall direction, management performance and corporate governance of Aevum. The Board meets frequently with senior management and has open access to the wider management team to discuss current and future business issues, risks and strategies.

The primary functions of the Board include:

- overseeing the business of Aevum;
- approving management's corporate strategy and performance objectives;
- approving and monitoring financial and other reporting;
- reviewing systems of risk management, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- monitoring and ensuring compliance with legal and regulatory requirements and ethical standards and policies;
- ratifying senior executive appointments, organisational changes and senior management remuneration policies and practices; and
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestments.

The responsibility for the operation and administration of Aevum is delegated by the Board to the Executive Team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess their performance.

Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations. Any director having a material personal interest in a matter before the Board must not be present when the matter is being considered or discussed, and may not vote on the matter unless permitted by the Corporations Act and Aevum's constitution.

The functions and responsibilities of the board are documented in a Board Charter which has been adopted by the Board.

Performance Review

The Board regularly reviews its overall performance, as well as the performance of its committees, individual directors and key executives.

The performance of the Board and Aevum's senior management team is reviewed annually by the Nomination and Remuneration Committee (described further below).

Directors have access to continuing education to update and enhance their skills and knowledge.

Access to Independent Professional Advice

Directors have access to:

- management to seek explanations and information from management; and
- the external auditors to seek explanations and information from them without management being present.

Directors may, at Aevum's expense, seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.

Board Committees

The Board has established an Audit and Risk Committee and a Nomination and Remuneration Committee as an efficient mechanism for the detailed examination of practices in these areas.

Ultimate responsibility rests with the Board and the responsibilities of the Board and its members are not diminished through the existence of these committees. The Board believes all non-executive members of the Board should serve on these committees although the chairperson may vary.

Nomination and Remuneration Committee

Phillip Anderson is the chairperson of the Nomination and Remuneration Committee.

As part of the commitment to good governance, the Committee reviews practices and standards relating to the Board's composition and the remuneration of directors and senior executives. The committee is guided by the terms of the Nomination and Remuneration Committee Charter adopted by the Board.

The primary functions of the Nomination and Remuneration Committee include:

- identifying and recommending to the Board, nominees for membership of the Board including the chief executive officer in accordance with Aevum's constitution and the Nomination and Remuneration Committee Charter;
- evaluating the composition of the Board of Directors and performing periodic and ongoing reviews whether the Board has the necessary and desirable competencies and characteristics;
- reviewing on a regular basis, the independence of non-executive members;
- making recommendations on policies for the remuneration of directors and the Executive Team; and
- approving remuneration for non-executive directors and the Executive Team in accordance with commercial guidelines and by reference to external consultants.

Audit and Risk Committee

Ms Melanie Willis is the chairperson of the Audit and Risk Committee.

The functions and responsibilities of the Audit and Risk Committee are documented in a formal charter adopted by the Board.

The Audit and Risk Committee meets periodically throughout the year to verify independently and safeguard the integrity of Aevum's financial reporting. Its role is to advise on the establishment and maintenance of a framework of internal controls including the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The committee:

- reviews the management and reporting of significant risks facing Aevum and monitors compliance with statutory responsibilities;
- reviews and reports to the Board on the interim and annual accounts of Aevum; and
- monitors the relationship with the external auditors, including their terms of engagement, ensures that the scope and quality of the audit is adequate for the operations of Aevum and considers recommendations from the external auditors on the operations of Aevum.

Risk Management

The Board is responsible for reviewing and overseeing Aevum's system of internal control and risk management. In identifying areas of significant business risk and putting in place arrangements to manage those risks, the Board relies on the advice and expertise of the Audit and Risk Committee.

Aevum's Risk Management Policy provides a procedure to help identify and manage risks within Aevum, and is designed to ensure efficient operations and compliance with legal and other obligations. Risks are identified by examination of Aevum's operations and activities by the Board and the Executive Team. Risk exposure and control mechanisms are presented to the Board, together with mitigation and improvement strategies.

Regular monitoring of risks and risk management is conducted by the Audit and Risk Committee and the Executive Team, and material risks are reviewed by the Board. Major areas of risk are also reviewed by the Board on a regular basis and any preventative or remedial action taken where necessary.

Code of conduct for directors and employees

Directors and employees are guided by a code of conduct, which promotes lawful and ethical behaviour and is designed to ensure that a high degree of care and diligence is exercised in all aspects of Aevum's activities.

The code of conduct emphasises Aevum's commitment to ethical practices and fair dealing and encourages officers to act honestly, in good faith and in the best interests of Aevum. Employees are expected to disclose fully any personal or financial interest that may conflict with those of Aevum.

Share Trading Policy

Directors and officers of Aevum are subject to restrictions under the Corporations Act on trading securities in Aevum if they are in possession of inside information. This is regarded as any information that is non-public and, if it were public, that a reasonable person would expect to have a material effect on the price of Aevum's securities.

The Board has adopted a policy on trading in Aevum's securities, which applies to all directors, officers and employees. The policy explains insider trading, inside information and dealing in securities. Key aspects of this policy are as follows:

- directors and officers are encouraged to be long term holders of Aevum's securities and are discouraged from short-term trading;

- directors and officers may only trade in the securities of Aevum during the one month period after the dates on which Aevum announces its half yearly results to ASX, Aevum announces its full year results to ASX and Aevum holds its annual general meeting or with the prior permission of the Board;
- at all other times, directors and officers will require the prior consent of the Board to buy or sell securities in Aevum; and
- directors are required to notify the Company Secretary within three days of a change in their beneficial interest in Aevum's securities.

Market disclosure

Directors and management are responsible for advising the Company Secretary or Board of matters likely to affect securities in Aevum, including material or price-sensitive information, as soon is reasonably practicable after receiving the information. The Company Secretary, on advice from the Board, is responsible for ensuring that the market has timely access to the factual information, and that it is presented clearly and objectively.

All officers of Aevum are guided by the principles of Aevum's Market Disclosure Protocol, designed to ensure accurate and continuous disclosure. The protocol highlights the types of information that should be disclosed, and provides procedures to ensure that officers disclose relevant information to the Company Secretary or Board. The guiding principle is that Aevum must immediately disclose to ASX any information concerning Aevum that a reasonable person would expect to have a material effect on the price or value of securities in Aevum.

Shareholder communication

The Board seeks to ensure that shareholders are informed of sufficient information necessary to assess the performance of the directors and Aevum.

In addition to the distribution to shareholders of the Annual Report, Aevum utilises electronic communication facilities to provide more effective communication with shareholders. The investor section of the Aevum website contains the latest annual and financial reports, company announcements and presentations, and upcoming events, allowing broader access to company information. Shareholders are also able to direct any questions relating to Aevum's securities to the Share Registry.

At the Annual General Meeting, shareholders have the opportunity to direct any questions to the Board and the external auditor is available to answer shareholder questions about the audit and auditor's report.

Recognition of stakeholder interests

Aevum recognises its legal and other obligations to legitimate stakeholders, including shareholders and potential shareholders, the financial community generally, customers and employees. Aevum's Code of Conduct for directors and employees requires that the directors and employees must act ethically and lawfully, and assist Aevum in meeting its legal obligations.