

AVA Risk Group Limited (ACN 064 089 318) (Company)

Corporate Governance Statement 2023

This Corporate Governance Statement is current as of 24 August 2023 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's 4th edition Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory. However, the Company is required to provide a statement in its annual reports disclosing the extent to which the Company has followed the Recommendations.

	Recommendations	Compliance	Comment
1.	Lay solid foundations for management and oversight		
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.	Complies	The Company's Board Policy sets out the specific responsibilities of the Board and management and is disclosed on the Company's website .
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.	Complies	The Company's Board Policy requires the Company to undertake background checks and to provide security holders with all relevant information in respect of the appointment of a director. The Company also undertakes appropriate background checks on all senior executives prior to appointment.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The Company's Board Policy requires there to be a letter of appointment which will form the basis of the written agreement between the Company and the directors. The Company has written agreements with all senior executives and directors.

	Recommendations	Compliance	Comment															
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.	Complies	The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.															
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (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 (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. <p>If the entity was in the S&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>	Complies	<p>The Remuneration & Nomination Committee is responsible for setting the diversity policy of the Company.</p> <p>The Committee has established a diversity policy for the Company, which is disclosed on the Company website. The Company is committed to ensuring an inclusive workplace that encourages and embraces diversity.</p> <p>The Board has not established measurable targets for achieving gender diversity across the Company. The Board has chosen to defer the establishment of the measurable targets until the Company is of a sufficient size and structure to necessitate these targets.</p> <p>Whilst Ava Risk Group focuses on narrowing the gap in gender representation across all levels, it strives for equal development opportunities for all employees, irrespective of gender, cultural, physical capabilities or other differences.</p> <p>The Board has established Measurable Objectives and reports the position as at 30 June 2023 below.</p> <table border="1" data-bbox="1182 922 2072 1248"> <thead> <tr> <th></th> <th>Objective</th> <th>Actual at 30 June 2023</th> </tr> <tr> <th>Area</th> <th>%</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Women employees in the whole organisation</td> <td>25</td> <td>27</td> </tr> <tr> <td>Women in Senior Executive positions*</td> <td>25</td> <td>0</td> </tr> <tr> <td>Women on the Board</td> <td>20</td> <td>0</td> </tr> </tbody> </table> <p>*"Senior Executive" is defined as the C-level roles in the organisation (i.e. CEO, CFO, COO and CTO)</p>		Objective	Actual at 30 June 2023	Area	%	%	Women employees in the whole organisation	25	27	Women in Senior Executive positions*	25	0	Women on the Board	20	0
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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>	Complies	<p>The Company's Board Policy requires the Board to be responsible for the evaluation of its performance and its individual directors.</p> <p>The performance evaluation process has been undertaken within the reporting period ending 30 June 2023 in accordance with the prescribed process.</p>
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>	Complies	<p>The Company's Board Policy requires the Board to be responsible for the performance of senior executives.</p> <p>The Board Policy is disclosed on the Company website.</p> <p>The performance evaluation processes have been undertaken within the reporting period ending on 30 June 2023 in accordance with the prescribed process.</p>
2. Structure of the Board to be effective and add value			
2.1	<p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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>	Complies	<p>Due to the size and nature of the Company the Board has a combined remuneration and nomination committee. It has three members two of whom are independent. It is chaired by an independent director.</p> <p>The Board has a charter for the committee which is disclosed on the Company's website.</p> <p>At the end of each reporting period the Board reports on the number of times the committee met throughout the period and the individual attendances of the members at those meetings in its Annual Report.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and that the board currently has or is looking to achieve in its membership.</p>	Complies	<p>The Company has a skills matrix which is disclosed on the Company's website.</p> <p>The Board Policy requires the Board to ensure on an ongoing basis that the Board maintains the skills and diversity required for the overall operation, strategic direction, leadership and integrity of the Company.</p>

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.	Complies	The Company discloses the names of the directors that the Board considers to be independent, and the interests of each director, as well as the length of service of each director in its Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	Does not Comply	The Board comprises of two independent and two non-independent directors. Given the size and nature of the Company the Company is satisfied that the Board composition is satisfactory.
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.	Does not Comply	The Chair is not an independent director and is not the same person as the CEO. The Chair is a related party of a substantial shareholder of the Company, however the Company is satisfied that the Chair can act independently of the shareholder and discharge his duties accordingly. Mr Cronin is a seasoned professional and is also a director and investor (via a related party) in a number of other companies.
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.	Complies	The Company has an induction program for new directors to enable them to gain an understanding of the Company's assets, its financial, strategic, operational and risk management position, directors' rights, duties and responsibilities and any other relevant information. Directors are encouraged to undertake professional development to ensure that they maintain the skills and knowledge needed to perform their role as directors effectively.
3.	Instil a culture of acting lawfully, ethically and responsibly		
3.1	A listed entity should articulate and disclose its values.	Complies	The Company has a Statement of Values which is disclosed on the Company's website .
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and	Complies	The Board is committed to promoting and maintaining appropriate ethical standards to underpin the Company's operations and corporate practices. The Board has adopted a Code of Conduct which is available on the Company's website .

	(b) ensure that the board or a committee of the board is informed of any material breaches of that code.		
3.3	<p>A listed entity should:</p> <p>(a) have and disclose a Whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Complies	<p>The Company has a Whistleblower policy which is disclosed on the Company's website.</p> <p>The policy provides for the reporting of material incidents under the policy to be reported to the Board and operatively this is reported on at each Board meeting.</p>
3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	Complies	<p>The Company has an Anti-bribery and Corruption policy which is disclosed on the Company's website.</p> <p>The policy provides for the reporting of material incidents under the policy to be reported to the Board and operatively this is reported on at each Board meeting.</p>
4.	Safeguard the integrity of corporate reports		
4.1	<p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, all of whom are non- executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the Board, (3) and disclose: (4) the charter of the committee; (5) the relevant qualifications and experience of the members of the committee; and (6) 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>(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>	Complies	<p>Due to the size and nature of the Company, the Board has a combined audit and risk committee which comprises three members of whom two are independent.</p> <p>The Chair of the committee is independent.</p> <p>The Company is satisfied that, given the size and nature of the Company, and experience of the directors, the composition of the Committee is acceptable.</p> <p>The board committee has a charter which is available on the Company's website.</p> <p>The relevant qualifications and experience of the members is set out in the Company's Annual Report each year.</p> <p>At the end of each reporting period the Board reports on the number of times the committee met throughout the period and the individual attendances of the members at those meetings in the Company's Annual Report.</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.	Complies	The Board undertakes as part of its risk management and reporting function, to monitor and appraise the Company's financial performance including providing the approval of annual and half year financial reports. The CEO and CFO provide each reporting period the declaration required by section 295A of the <i>Corporations Act 2001</i> (Cth).
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.	Complies	The Company has implemented a process whereby all periodic corporate reports that are not subject to external audit processes are prepared and reviewed initially by the management team and board delegates.
5.	Make timely and balanced disclosure		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Complies	The Company has a written policy for complying with its continuous obligations under the Listing Rules. The policy is disclosed on the Company's website .
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Complies	The Company ensures that its board receives copies of all material market announcements promptly after they have been made.
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.	Complies	The Company ensures that all new and substantive investor or analyst presentations are released to the ASX ahead of the presentation.
6.	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company's website contains information about the company and its governance (http://www.theavagroup.com)
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Complies	The Company's website allows investors to communicate with the Company. In addition, all market releases contain contact information to further facilitate investor communication with the Company.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Complies	Shareholders are encouraged to attend general meetings and to participate in those meetings. In the event that shareholders cannot attend general meetings, they are encouraged to submit questions to the Board and Management in advance of the meeting. The Company's policy of communication with shareholders is disclosed on its website and is included within the Corporate Governance Charter.

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.	Complies	The Company ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.
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.	Complies	The Company gives security holders the option to receive communications from, and to send communication to it and its security registry electronically.
7.	Recognise and manage risk		
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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, (3) and disclose: (4) the charter of the committee; (5) the members of the committee; and (6) as at the end of each reporting period, the number of times the committee met through 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 the fact and the processes it employs for overseeing the entity's risk management framework.</p>	Complies	<p>Due to the size and nature of the Company, the Board has a combined audit and risk committee. The Committee currently comprises three members two of whom are independent.</p> <p>The Chair of the Committee is independent.</p> <p>The committee has a charter which is disclosed on its website.</p> <p>At the end of each reporting period the Company discloses the number of times the committee met throughout the period and the individual attendances of the members at those meetings in its Annual Report.</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>	Complies	<p>The Audit and Risk Committee reviews the Company'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.</p> <p>The Company confirms that this review has occurred during the reporting period ending on 30 June 2023.</p>
7.3	<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</p>	Complies	The Company does not have an internal audit function. The Company's Audit and Risk Committee in conjunction with executive management review and oversee the operation of systems of risk management in order to ensure that risks are identified and managed properly.

	governance, risk management and internal control processes.		
7.4	A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.	Complies	The Company is not exposed to environmental or social risks.
8.	Remunerate fairly and responsibly		
8.1	<p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, (3) and disclose: (4) the charter of the committee; (5) the members of the committee; and (6) as at the end of each reporting period, the number of times the committee met through 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>	Complies	<p>The Board has a Remuneration and Nomination Committee which has two independent members. The Chair of the Committee is independent.</p> <p>The Committee has a charter which is disclosed on the Company's website.</p> <p>The relevant qualifications and experience of the members is set out in the Company's Annual Report.</p> <p>At the end of each reporting period the Board reports on the number of times the Committee met throughout the period and the individual attendance of the members at those meetings in its Annual Report.</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.	Complies	<p>The policies and practices for remuneration of executive and non-executive directors are disclosed in the Company's Annual Report. The Company's Board Policy requires the Board to be responsible for remuneration policies and practices for non-executive directors, executive directors and other senior executives.</p> <p>The Board Policy is disclosed on the Company's website.</p>
8.3	<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>	Complies	<p>The Company has a Share Trading Policy which restricts participants entering into transactions which limit the economic risk of participating in the equity based remuneration scheme.</p> <p>The Share Trading Policy is disclosed on the Company's website.</p>

