



2023 Corporate Governance Statement

September 2023

01

Overview



Overview

The Board and management of AVADA Group Limited (“the Company”) are committed to ensuring the Company has an appropriate corporate governance framework to protect and enhance the Company’s performance, overall shareholder value and investor confidence.

The Board is responsible for establishing the Company’s corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils’ Corporate Governance Principles and Recommendations (ASX Recommendations).

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the ASX Recommendations during the reporting period. The ASX Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the ASX Recommendations, it must identify which ASX Recommendations have not been followed and provide reasons for not following them.

The Company will follow each ASX Recommendation where the Board considers the ASX Recommendation to be an appropriate benchmark for its corporate governance practices given the Company’s size, structure and operations. Where the Company’s corporate governance practices follow an ASX Recommendation, the Board has made appropriate statements reporting on the adoption of the ASX Recommendation. In compliance with the “if not, why not” reporting regime, where, after due consideration, the Company’s corporate governance practices will not follow an ASX Recommendation, the Board has explained its reasons for not following the ASX Recommendation and disclosed what, if any, alternative practices the Company will adopt in lieu of the ASX Recommendation.

This Statement has been approved by the Board of Directors and is current as at 28 September 2023.

02

Governance Structure



Governance structure

The Role of the Board

The board has primary responsibility to shareholders for the welfare of the Company by guiding and monitoring its business and affairs. The board must at all times act honestly, fairly and diligently in accordance with applicable laws and policies. Each Director must act in the best interests of the Company as a whole.

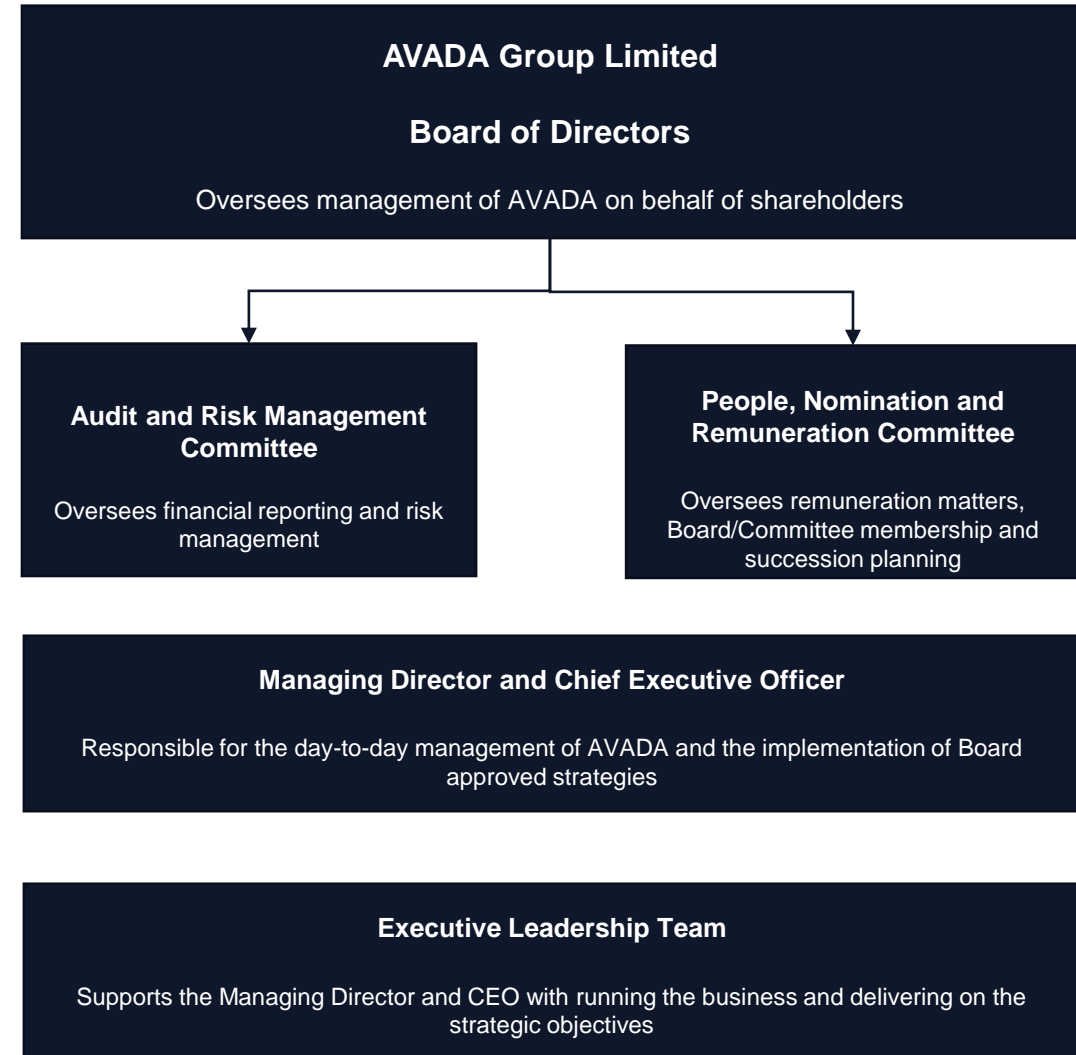
The Role of the Company Secretary

The Company Secretary is accountable to the board, through the Chairman, on all matters to do with the proper functioning of the board. Each director is able to communicate directly with the Company Secretary and vice versa.

Board Evaluation

Under the board charter, the Chairman is responsible for ensuring that board meetings are conducted competently and ethically and that Directors individually and as a group have opportunities to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the board and Company.

In this context, the Chairman undertakes a continuous review of the performance and contribution of individual Directors, whilst the board, as a whole, conducts an ongoing self-assessment of its collective performance and assessment of its committees and of the Chairman..



STRUCTURE AND COMPOSITION OF THE BOARD

The current structure and composition of the Board is set out below.

NAME OF DIRECTOR	POSITION	EXPERIENCE AND EXPERTISE HIGHLIGHTS	DATE OF APPOINTMENT	INDEPENDENT	RATIONALE
Lance Hockridge	Chair ¹	Lance is a globally experienced manufacturing, logistics and transportation executive with a focus on leading the safety, operational and financial transformation of businesses. Lance has over 20 years of experience in leading ASX listed companies.	Appointed 25 March 2021	No	Substantial shareholder.
Ann-Maree Robertson	Non-Executive Director and Deputy Chair	Ann-Maree has developed an extensive understanding of financial reporting, accounting, governance and internal control systems across a wide variety of businesses through her auditing and commercial accounting experience. Ann-Maree's clients include ASX listed public companies, large public unlisted and proprietary companies and not-for-profit entities across a range of industries including exploration, construction, service industries and financial services.	Appointed 9 November 2021	Yes	No relevant relationship or material interests.
Joanne Willoughby	Non-Executive Director	Joanne has a proven ability to deliver profitable and sustainable growth through customer led innovation and change in fast paced, complex and regulated operating environments. Jo's diverse industry experience includes financial services, logistics, retail and professional services. Combining strategic, governance and commercial experience, Joanne brings deep knowledge of marketing and sales, customer and brand experience, digital transformation, financial performance and risk management.	Appointed 9 November 2021	Yes	No relevant relationship or material interests.

¹ Elected Chair on 9 November 2021

STRUCTURE AND COMPOSITION OF THE BOARD

The current structure and composition of the Board is set out below.

NAME OF DIRECTOR	POSITION	EXPERIENCE AND EXPERTISE HIGHLIGHTS	DATE OF APPOINTMENT	INDEPENDENT	RATIONALE
Daniel Crowley	Managing Director & CEO	Daniel is the CEO and founder of Verifact Traffic. Verifact Traffic has operated under Daniel's leadership since 2008 and is one of Australia's market leaders in traffic management. Daniel is the current president of the Traffic Management Association of Australia – Queensland and is a former president of the Traffic Management Association of Australia.	Appointed 25 March 2021	No	Managing Director substantial shareholder.
Courtney Black	Non-Executive Director	Courtney is a seasoned leader in commercial and operational roles across a number of industries, with specialist expertise in customer service, strategy, transformation and change management. Courtney is an experienced commercial lawyer and a Graduate of the Australian Institute of Company Directors, and has been a director on public, private, and not-for-profit Boards.	Appointed 19 June 2023	Yes	No relevant relationship or material interests.
Neil Scales OBE	Non-Executive Director	Neil has more than 40 years' transport industry experience in Australia and the United Kingdom, having recently completed more than 10 years as Director General of the Queensland Department of Transport and Main Roads. Neil led the successful delivery of a number of major transport infrastructure projects including large civil engineering projects on the Bruce highway and the M1, and Gold Coast Light Rail. He also led the transport taskforce for the 2018 Commonwealth Games and responses to several natural disasters and the COVID-19 pandemic.	Appointed 25 July 2023	Yes	No relevant relationship or material interests.

STRUCTURE AND COMPOSITION OF THE BOARD SUB-COMMITTEES

The Board has standing sub-committees to examine particular issues in detail and make recommendations to the Board.

COMMITTEE	AUDIT AND RISK	PEOPLE, NOMINATION AND REMUNERATION
Chair	Ann-Maree Robertson	Joanne Willoughby
Independent Chair	Yes	Yes
Other Members	Joanne Willoughby Lance Hockridge Courtney Black	Ann-Maree Robertson Lance Hockridge Courtney Black
Majority Independent	Yes	Yes
Key Roles/Responsibilities	<ul style="list-style-type: none"> (a) monitoring the establishment of an appropriate internal control framework, including information systems, and enhancements; (b) assessing corporate risk (including economic, environmental and social sustainability risks) and compliance with internal controls; (c) overseeing safety policy and performance; (d) overseeing business continuity planning and risk mitigation arrangements; (e) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Secretary about those requirements; (f) liaising with the external auditors and monitoring the conduct, scope and adequacy of the annual external audit; and (g) reviewing and monitoring compliance. 	<ul style="list-style-type: none"> (a) developing suitable criteria (about experience, expertise, skills, qualifications, contacts or other qualities) for Board candidates; (b) assist the Board and make recommendations on AVADA's remuneration policies and framework for the Executive Team and the Board (c) identifying individuals who, because of their experience, expertise, skills, qualifications, contacts or other qualities, are suitable candidates for appointment to the Board or to any relevant management position; (d) reviewing processes for succession planning for the Board, CEO and other Senior Executives; (e) recommending to the Chairman procedures for the proper supervision of the Board and management; (f) ensuring appropriate induction and continuing professional development programs are implemented for Directors; (g) ensuring that the performance of each Director, and of all members of senior management, is reviewed and assessed each year in accordance with procedures adopted by the Board; and (h) ensuring that any diversity profile identified by the Board is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates.

03

ASX RECOMMENDATIONS



ASX RECOMMENDATIONS:

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT.

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 1.1 – Board and Management Roles</p> <p><i>A listed entity should:</i></p> <p><i>Have and disclose a board charter which establishes the functions expressly reserved to the Board and those delegated to management and disclosure of those functions.</i></p>	Yes	<p>The Board is responsible for the overall corporate governance of AVADA.</p> <p>The role of the Board and delegation to management have been formalised in the Corporate Governance Charter which outlines the main corporate governance practices in place for AVADA.</p> <p>The Board and each Director are committed to the charter. The conduct of the Board is also governed by AVADA's Constitution, and where there is inconsistency with that document, the Constitution prevails to the extent of the inconsistency. The charter will be reviewed and amended from time to time as appropriate taking into consideration practical experience gained in operating as a listed company.</p> <p>A copy of the charter maybe found at http://avadagroup.com.au/Corporate Governance Charter</p>
<p>ASX Recommendation 1.2 – Appointment of Directors</p> <p><i>A listed entity should:</i></p> <p><i>Undertake appropriate checks before appointing a person as a director or senior executive, or putting someone forward as a director, and provide shareholders with all material information relevant to a decision on whether or not to elect or re-elect a director.</i></p>	Yes	<p>The PNRC in making recommendations to the Board assess potential candidates in conjunction with the Board Skills Matrix and assess candidates in line with enhancing the Boards combination of skills.</p> <p>AVADA has completed police checks, insolvency checks and banned Director searches in relation to the appointment of all existing Directors with CV's and relevant experience assessed prior to appointment. All future appointments will continue to have appropriate checks prior to appointment.</p>

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
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<p>ASX Recommendation 1.3 – Appointment Terms</p> <p><i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p>	<p>Yes</p>	<p>AVADA has entered into written agreements with each Director and senior executives.</p>
<p>ASX Recommendation 1.4 – Company Secretary</p> <p><i>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.</i></p>	<p>Yes</p>	<p>This is consistent with the charter and corporate structure of AVADA. AVADA’s Company Secretary has a direct relationship with the Board in relation to these matters.</p>
<p>ASX Recommendation 1.5 – Diversity</p> <p><i>A listed entity should:</i></p> <p><i>Establish a Diversity Policy and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period.</i></p>	<p>Yes</p>	<p>The Company’s Diversity Policy sets out the requirements to establish measurable objectives and the reporting of those objectives.</p> <p>The Board has a target of no less than 30% female directors of which it currently exceeds and is committed to continually to do so.</p> <p>The Diversity Policy is available on AVADA’s website at www.avadagroup.com.au.</p>



ASX Recommendation 1.6 – Board Performance Review

Yes

The Corporate Governance Charter provides for regular performance reviews to be conducted. In accordance with the charter, the Board has agreed to a Board Performance Assessment Framework aligned to the ASX Governance Principles.

A listed entity should:

AVADA intends to evaluate performance of the Board and disclose for each reporting period whether an evaluation has been undertaken.

Have a process for periodically evaluating the performance of the Board, its committees and individual directors, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.

The Board has agreed to an external independent evaluation process every second year with an internal review conducted in every other year. The most recent independent evaluation was completed in October 2022.

ASX Recommendation 1.7 – Executive Performance Review

Yes

The Chairman, with assistance from the People, Nomination and Remuneration Committee, annually assesses the performance of Directors and senior executives, and the Chairman's performance is assessed by the other Directors.

A listed entity should:

The performance of senior executives, including the CEO and Managing Director, is formally reviewed on an annual basis. The Board is responsible for evaluating the performance of the CEO and Managing Director, CFO & Company Secretary. Senior executives are evaluated by the Managing Director taking into account feedback from the Board. During the period the assessment took into account the contribution towards the strategic goals of the Company, including acquisition reviews and integrations. Remuneration results were reviewed and approved by the Board.

Have a process for periodically evaluating the performance of the company's senior executives at least once every reporting period, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 2.1 – Nomination Committee</p> <p><i>The Company should have a nomination committee, which has at least three members, a majority of independent directors and is chaired by an independent director. The functions and operations of the nomination committee should be disclosed.</i></p>	Yes	<p>The Board has established a People, Nomination and Remuneration Committee which is responsible for assisting the Board to fulfil its corporate governance responsibilities in regard to nomination and remuneration matters. The committee is comprised of three independent non-executive Directors and one non-executive Director. The committee is chaired by Joanne Willoughby, who is an independent non-executive Director.</p> <p>The People, Nomination and Remuneration Committee Charter which is outlined within the Corporate Governance Charter outlines the committee’s authority, duties, responsibility and relationship with the Board. A copy of the charter may be found at http://avadagroup.com.au/Corporate Governance Charter.</p> <p>AVADA’s annual report provides details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>
<p>ASX Recommendation 2.2 – Skills Matrix</p> <p><i>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership</i></p>	Yes	<p>AVADA has established charter rules for the People, Nominations and Remuneration Committee as a guide for Board candidates and appointments, including an assessment of skills matrix.</p> <p>The Board is committed to and has undertaken an annual assessment of board skills and capabilities to ensure there is an appropriate balance of skills and competencies amongst the directors to ensure the Board remains aligned with both AVADA’s needs, and with emerging business and governance issues.</p>
<p>ASX Recommendation 2.3 – Independent Directors</p> <p><i>Disclose the names of the Directors that the Board considers to be independent Directors, and an explanation of why the Board is of that opinion if a factor that impacts on independence applies to a Director and disclose the length of service of each Director.</i></p>	Yes	<p>Ann-Maree Robertson and Jo Willoughby (each appointed 9 November 2021) are Independent Directors. Courtney Black (appointed 19 June 2023) is an Independent Director. Neil Scales OBE (appointed 25 July 2023) is an Independent Director.</p> <p>The Board notes the following Directors are deemed not independent for the purposes of the Guidelines:</p> <p>Lance Hockridge (appointed 25 March 2021) – through his related entities, Lance is a major Shareholder of the Company.</p> <p>Daniel Crowley (appointed 25 March 2021) – through his related entities, Dan is a major Shareholder of the Company and is employed in an executive capacity.</p>

ASX Recommendation 2.4 – Majority Independence

A majority of the board of a listed entity should be independent directors.

Yes

The Company has a five-member Board up to 15 June 2023, of whom two (Ann-Maree Robertson and Joanne Willoughby) are independent Non-Executive Directors.

Following the departure of Roberto Cazzolli (resigned 15 June 2023), the Company has appointed two Independent Directors, Courtney Black (From 19 June 2023) and Neil Scales OBE (From 25 July 2023).

The Company currently has a six-member Board, of whom four are independent Non-Executive Directors.

ASX Recommendation 2.5 – Independent Chair

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 presently comply, however, having regard to Lance's background and experience, the Board considers it appropriate that he acts as Chair.

The Chairman, Lance Hockridge, is not an independent Director, however due to his experience and industry reputation the Board believes he is an appropriate appointment.

The Company's Chief Executive Officer, Dan Crowley, is not the same individual as the Chairman.

The Board maintains its compliance commitment and will maintain as the Company grows.

Ann-Maree Robertson (an independent non-executive director) is the Deputy Chair in accordance with the Corporate Governance Charter.

ASX Recommendation 2.6 – Induction, Education and Training

Yes

This is consistent with the Corporate Governance Charter and process for induction and continuous professional development.

There should be a program for inducting new directors and for periodically reviewing whether there is a need for existing Directors to undertake appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 3.1 – Values</p> <p><i>A listed entity should articulate and disclose its values.</i></p>	Yes	<p>The Board recognises the requirement to observe the highest standards of corporate practice and business conduct.</p> <p>The Board has adopted a Code of Conduct which forms part of the Corporate Governance Charter. In addition, it is designed to be followed by all employees, contractors and officers. Codes of conduct are also included as part of an employees employment contract.</p> <p>AVADA’s core values are set out in its Corporate Governance Charter which is available on AVADA’s website at www.avadagroup.com.au</p>
<p>ASX Recommendation 3.2 – Code of Conduct</p> <p><i>A listed entity should:</i></p> <p><i>Have a code of conduct for the Board, senior executives and employees, disclose that code or a summary of that code and ensure that the Board or committee of the Board is informed of any material breaches of that code.</i></p>	Yes	<p>AVADA has adopted a Code of Conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance.</p> <p>The Code of Conduct is available on AVADA’s website at www.avadagroup.com.au.</p>
<p>ASX Recommendation 3.3 – Whistleblower Policy</p> <p><i>Have and disclose a Whistleblower Policy and ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</i></p>	Yes	<p>AVADA has adopted a Whistleblower Policy, which sets out a process to ensure the company has the highest standard of conduct of ethical behaviour, including reporting to the Board any material incidents reported under the policy. Under the policy, disclosures can be made at any time to the Chairman or Company Secretary.</p> <p>The Whistleblower Policy is available on AVADA’s website at www.avadagroup.com.au.</p>

ASX RECOMMENDATIONS**COMPLIANCE****DETAILED DESCRIPTION****ASX Recommendation 3.4 – Anti-bribery and Corruption Policy**

Yes

AVADA has adopted an Anti-Bribery and Anti-Corruption Policy to ensure the highest standard of honesty and integrity.

The Anti-Bribery and Anti-Corruption Policy is available on AVADA's website at www.avadagroup.com.au.

Have and disclose an Anti-Bribery and Anti-Corruption Policy and ensure that the Board or a committee of the Board is informed of any material breaches of that policy.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 4.1 – Audit Committee</p> <p><i>The Company should have an audit committee, which consists of only Non-Executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and has at least three members. The functions and operations of the audit committee should be disclosed.</i></p>	Yes	<p>AVADA has established a combined Audit and Risk Management (“ARM”) Committee, which is responsible for assisting the Board to fulfil its corporate governance responsibilities in regard to audit and risk management matters.</p> <p>The committee is comprised of three independent non-executive Directors and one non-executive Director. The committee is chaired by Ann-Maree Robertson, who is an independent non-executive Director.</p> <p>The ARM Committee Charter which is outlined within the Corporate Governance Charter outlines the committee’s authority, duties, responsibility and relationship with the Board. A copy of the charter maybe found at http://avadagroup.com.au/Corporate Governance Charter.</p> <p>AVADA’s annual report provides details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>
<p>ASX Recommendation 4.2 – Management Assurances</p> <p><i>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.</i></p>	Yes	<p>This is consistent with the approach adopted by the ARM Committee and Board and defined in the CEO and CFO responsibilities of the Corporate Governance Charter.</p> <p>Management provide representation separate confirmation letters to the both Board and Auditors on a range of matters including 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>

ASX RECOMMENDATIONS**COMPLIANCE****DETAILED DESCRIPTION****ASX Recommendation 4.3 – External Auditor Attends AGM**

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.

Does not presently comply. Appropriate procedures will be discussed and agreed with the Board prior to the release of information to the market.

No formal policy or framework is in place to describe the process for verification of market releases.

The ARM Committee will review financial statements and other financial information distributed externally, in accordance with the ARM Committee Charter.

The Board has established a Disclosure Committee comprising of the Chairman, CEO and CFO to review any non-financial releases.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 5.1 – Continuous Disclosure Policy</p> <p><i>A listed entity should have and disclose a written policy for complying with continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.</i></p>	Yes	AVADA has a written Continuous Disclosure Policy which is designed to ensure that all material matters are appropriately disclosed in accordance with the requirements of the Listing Rules and Corporations Act.
<p>ASX Recommendation 5.2 – Market Announcements</p> <p><i>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</i></p>	Yes	AVADA has a written Continuous Disclosure Policy which is designed to ensure that the Board receives copies of all material market announcements promptly after they have been made.
<p>ASX Recommendation 5.3 – Presentation Materials</p> <p><i>Where the Company gives a new and substantive investor or analyst presentation, it releases a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</i></p>	Yes	The Continuous Disclosure Policy requires that only publicly released information may be discussed in such circumstances.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 6.1 – Information and Governance</p> <p><i>A listed entity should provide information about itself and its governance to investors via its website.</i></p>	Yes	The Corporate Governance Charter and other applicable policies are available on AVADA’s website at www.avadagroup.com.au .
<p>ASX Recommendation 6.2 – Investor Relations Program</p> <p><i>Design and implement an investor relations program to facilitate effective two-way communication with investors.</i></p>	Does not presently comply, however, AVADA is in consultation with its advisers to implement an effective program.	<p>AVADA aims to ensure that all Shareholders are well informed of all major developments affecting AVADA and that the full participation by Shareholders at the Company’s AGM is facilitated.</p> <p>An Investor Relations program will be established which will include participation by the Board and Committee Chairpersons with Investors and Investor Representatives as appropriate.</p> <p>The Managing Director and CEO along with the CFO & Company Secretary undertake Investor relations activities as required.</p>
<p>ASX Recommendation 6.3 – Shareholder participation at AGMs</p> <p><i>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</i></p>	AVADA has not disclosed a formal policy or process, but it has engaged the Share Registry to further these objectives.	AVADA intends to facilitate effective participation in the AGM, as well as the ability to submit written questions ahead of the AGM. AVADA intends to adopt appropriate technologies to facilitate the effective participation, communication and conduct of general meetings. This will be disclosed to shareholders in due course.

ASX RECOMMENDATIONS

COMPLIANCE

DETAILED DESCRIPTION

ASX Recommendation 6.4 – Resolutions by Poll

Yes

The Company intends to facilitate effective participation in the AGM. The Company intends to adopt appropriate processes for shareholder meetings by adopting a hybrid model to enhance participation of shareholders and electronic voting.

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

ASX Recommendation 6.5 – Electronic Communications

Yes

AVADA has instructed its Share Registry to facilitate this option for Shareholders.

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 7.1 – Risk Committee</p> <p><i>The Board should have a risk committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the risk committee should be disclosed.</i></p>	Yes	<p>AVADA has a combined Audit and Risk Management (“ARM”) Committee, which is responsible for assisting the Board to fulfil its corporate governance responsibilities in regard to audit and risk management matters.</p> <p>The committee is comprised of three independent non-executive Directors and one non-executive Director. The committee is chaired by Ann-Maree Robertson, who is an independent non-executive Director.</p> <p>The ARM Committee Charter which is outlined within the Corporate Governance Charter outlines the committee’s authority, duties, responsibility and relationship with the Board. A copy of the charter maybe found at http://avadagroup.com.au/Corporate Governance Charter.</p> <p>AVADA’s annual report provides details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>
<p>ASX Recommendation 7.2 – Risk Framework Review</p> <p><i>The Board or a committee of the Board should review the entity’s risk management framework with management 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 disclose, in relation to each reporting period, whether such a review has taken place.</i></p>	Yes	<p>AVADA’s ARM Committee will review AVADA’s risk management framework and policies and monitor their implementation as established under the charter.</p>
<p>ASX Recommendation 7.3 – Internal Audit</p> <p><i>Disclose if the Company has an internal audit function, how the function is structured and what role it performs, or if it does not have an internal audit function, that fact and the processes the Company employs for evaluating and continually improving the effectiveness of its governance risk management and internal control processes.</i></p>	Yes	<p>AVADA does not have a formal internal audit function, however it employs appropriate processes for evaluating and continually improving the effectiveness of its risk management and internal control processes as set out in the ARM Committee Charter. As AVADA grows, the Board will give due consideration to the formation of an internal audit function, with the function likely to be initially externally sourced.</p>

ASX Recommendation 7.4 – Economic and Sustainability Risks

Yes

The Board does not believe that AVADA has any such material risks. All risks will be re-evaluated at least annually in according with the ARM Committee Charter

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 8.1 – Remuneration Committee</p> <p><i>The Board should have a remuneration committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the remuneration committee should be disclosed.</i></p>	Yes	<p>AVADA has a combined People, Nomination and Remuneration Committee. The committee is comprised of three independent non-executive Directors and one non-executive Director.</p> <p>The People, Nomination and Remuneration Committee is responsible for assisting the Board to fulfil its corporate governance responsibilities in regard to remuneration matters.</p> <p>The People, Nomination and Remuneration Committee Charter which is outlined within the Corporate Governance Charter outlines the committee’s authority, duties, responsibility and relationship with the Board. A copy of the charter may be found at http://avadagroup.com.au/Corporate Governance Charter.</p> <p>AVADA’s annual report provides details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>
<p>ASX Recommendation 8.2 – Remuneration Policies and Practices</p> <p><i>The policies and practices regarding the remuneration of Non-Executive Directors, and the remuneration of Executive Directors and other senior executives, should be separately disclosed.</i></p>	Yes	<p>AVADA intends to adopt remuneration policies which comply with the Guidelines including separately disclosing the remuneration of Non-Executive Directors, and the remuneration of Executive Directors and other senior executives.</p> <p>No Director or senior executive is involved directly in deciding their own remuneration.</p>
<p>ASX Recommendation 8.3 – Policy on Limiting Economic Risk of Equity Based Remuneration</p> <p><i>If the Company has an equity-based remuneration scheme, it should 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 disclose that policy or a summary of it.</i></p>	Yes	<p>AVADA does not currently operate a long-term incentive plan, exempt plan or equity based short-term incentive plan.</p> <p>In accordance with AVADA’s Securities Trading Policy, participants are not permitted to enter into transactions which limit economic risk without written clearance from an Authorised Officer as established under AVADA’s Securities Trading Policy (typically the Chairman or Company Secretary).</p>



ABN 57 648 988 783

Contact Us

AVADA Group Limited
Level 2, 116 Ipswich Road
Woolloongabba, 4102
E contact@avadagroup.com.au

avadagroup.com.au



avadagroup.com.au

ABN 57 648 988 783