

**CONNECTED IO LIMITED**  
**CORPORATE GOVERNANCE STATEMENT**

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 3<sup>rd</sup> edition of the ASX Corporate Governance Councils’ Corporate Governance Principles and Recommendations (**Principles and Recommendations**).

In accordance with ASX Listing Rule 4.10.3, the corporate governance statement discloses the extent to which the Company intends to follow the recommendations as at the date of reinstatement of the Company’s securities to the Official List. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company’s corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the “if not, why not” reporting regime, where, after due consideration, the Company’s corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

This corporate governance statement is current as at 31 August 2021 and has been approved by the Board.

The following governance-related documents can be found on the Company’s website at <http://www.connectedio.com.au/investor-relations/corporate-governance>

- (a) Statement of Values;
- (b) Board Charter;
- (c) Board Performance Evaluation Policy;
- (d) Code of Conduct;
- (e) Audit Committee Charter;
- (f) Remuneration and Nomination Committee Charter;
- (g) Security Trading Policy;
- (h) Continuous Disclosure Policy;
- (i) Shareholder Communication and Investor Relations Policy;
- (j) Risk Management Policy;
- (k) Diversity Policy;
- (l) Whistleblower Policy;
- (m) Anti-Bribery and Corruption Policy, and
- (n) Related Party Transactions and Conflicts of Interest Policy.

**Principle 1: Lay solid foundations for management and oversight**

***Recommendation 1.1***

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- (a) setting and reviewing the strategic direction of the Company;
- (b) overseeing implementation of the Company's strategic objectives;
- (c) approving operating budgets;
- (d) reviewing financial and operational performance of the Company;
- (e) reviewing the principal business risks and reviewing risk management strategies;
- (f) considering and reviewing significant capital investments by the Company and material transactions;
- (g) monitoring the management processes that support the integrity of financial and other reporting by the Company;

- (h) selecting and appointing suitable Executive Directors and determining their remuneration; and
- (i) developing and reviewing corporate governance policies.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

***Recommendation 1.2***

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

***Recommendation 1.3***

The Company enters into written agreements with each of its Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

***Recommendation 1.4***

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- (a) ensuring a good flow of information between the Board, its committees, and Directors;
- (b) monitoring policies and procedures of the Board;
- (c) advising the Board through the Chairman of corporate governance policies; and
- (d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

***Recommendation 1.5***

The Company has a Diversity Policy, the purpose of which is:

- (a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- (b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board maintains full transparency of board processes, reviews and appointments and encourages gender diversity.

Given the Company's size the Board does not consider it appropriate to set quantitative objectives regarding gender diversity at this time. As the operations grow, the Board will give consideration to the setting of such objectives and their achievement through the appointment of appropriate candidates to the Board and senior executive positions as they become available.

***Recommendation 1.6***

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- (a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- (b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- (c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed periodically.

During the current reporting period, the Company has not conducted an evaluation of the Board. An evaluation will be conducted during the current financial year.

#### ***Recommendation 1.7***

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

During the current reporting period, the Company has not conducted an evaluation of its Chief Executive Officer. An evaluation will be conducted during the current financial year.

## **Principle 2: Structure the board to add value**

#### ***Recommendation 2.1***

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

The attendance of the members of the Remuneration and Nomination Committee is shown in the Directors' Report.

#### ***Recommendation 2.2***

The mix of skills and diversity which the Board is looking to achieve in its composition is:

1. Management and Leadership:
  - Directorships of listed companies other than the Company
2. Strategy and Strategic Planning
  - Capital markets/funding
  - Investor relations
3. Governance
  - Legal and risk
  - Compliance
4. Finance
  - Financial Acumen

### ***Recommendation 2.3***

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- (a) Adam Sierakowski (Non-Executive Chairman);
- (b) Dougal Ferguson (Chief Executive Officer, Executive Director), and
- (c) Davide Bosio (Non-Executive Director);

The Company considers a director to be independent if the director is independent of management and is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

When assessing the independence of a director, the Board considers the matters potentially affecting the independence status of a director as described in Box 2.3 of the ASX Principles. Materiality is assessed on a case-by-case basis by reference to each director's individual circumstances rather than by applying general materiality thresholds.

Adam Sierakowski was appointed to the Board on 3 December 2018. He is a director and shareholder of Trident, a provider of material professional services, and accordingly, is not independent. Dougal Ferguson was appointed to the Board on 15 July 2020 was appointed CEO on 18 February 2021, and accordingly, is not independent. Davide Bosio has been a director of the Company since 12 March 2019 and is an independent non-executive director.

### ***Recommendation 2.4***

Currently, the Board considers that membership weighted towards technical expertise is appropriate at this stage of the Company's operations. Accordingly, the Board does not have a majority of independent directors.

### ***Recommendation 2.5***

Mr Sierakowski is not an independent Chairman, however is considered to be the most appropriate person to Chair the Board because of his public company experience.

### ***Recommendation 2.6***

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

## **Principle 3: Act ethically and responsibly**

### ***Recommendation 3.1***

The Company has adopted a Statement of Values which sets out the following core values and fundamental principles of the Company:

- (a) Integrity – to act fairly and ethically, to comply with the law at a times and act accordingly, to be honest and transparent in our dealings.
- (b) One Team – to respect others, both inside and outside of our workplace, to promote diversity. Work together proactively and collaboratively across boundaries.
- (c) Customer First – to listen and deliver exceptional experiences with empathy, always.
- (d) Be the Change – to drive innovation and move fast for commercial success, be adaptable and curious.

### ***Recommendation 3.2***

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. The Code is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

### ***Recommendation 3.3***

The Company adopted a Whistleblower Policy which sets out:

- (a) who is entitled to protection as a Whistleblower;
- (b) the protections available to Whistleblowers; and
- (c) how the Group will handle disclosures made by Whistleblowers.

### ***Recommendation 3.4***

The Company adopted an Anti-Bribery & Corruption Policy which sets out the that the Company will:

- (a) not engage in corrupt business practices;
- (b) implement measures to prevent bribery and corruption by all personnel;
- (c) at a minimum, endeavour to comply with all applicable laws, regulations and standards, including Anti-Bribery and Corruption Laws; and
- (d) when dealing with third parties, undertake reasonable due diligence to ensure that such parties are suitable for the Company to associate with and will not make bribes or perform corrupt acts on the Company's behalf or for which the Company may be or become responsible or liable.

## **Principle 4: Safeguard integrity in corporate reporting**

### ***Recommendation 4.1***

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

#### ***Recommendation 4.2***

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated 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.

#### ***Recommendation 4.3***

The Company has an effective system of internal control, review and approval which it applies to public documents that are not reviewed or audited by its external auditor.

### **Principle 5: Make timely and balanced disclosure**

#### ***Recommendation 5.1***

The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- (c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

#### ***Recommendation 5.2***

The Company ensures that Directors are provided with a copy of all material market releases promptly after lodgement.

#### ***Recommendation 5.3***

The Company ensures that for any new and substantive investor or analyst presentation, it shall release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

### **Principle 6: Respect the rights of security holders**

#### ***Recommendation 6.1***

The Company provides information about itself and its governance to investors via its website at [www.connectedio.com.au](http://www.connectedio.com.au). The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- (a) relevant announcements made to the market via ASX;

- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements; and
- (f) copies of annual and half yearly reports including financial statements.

### ***Recommendation 6.2***

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- (a) reports to Shareholders;
- (b) ASX announcements;
- (c) annual general meetings; and
- (d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

### ***Recommendation 6.3***

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

### ***Recommendation 6.4***

In order to ascertain the true will of the Company's security holders attending and voting at any of its General Meetings including the Annual General Meeting, whether they attend in person, electronically or by proxy or other representative, in most situations where this can be achieved the Company will conduct the voting procedure by a poll.

### ***Recommendation 6.5***

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

## **Principle 7: Recognise and manage risk**

### ***Recommendation 7.1***

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- (a) operational risk;
- (b) financial reporting;
- (c) compliance / regulations; and
- (d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

### ***Recommendation 7.2***

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- (b) quarterly rolling forecasts prepared.

During the reporting period, the Board reviewed the risk management framework.

### ***Recommendation 7.3***

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

### ***Recommendation 7.4***

Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks.

The Company monitors its exposure to risks in order to identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and will disclose how it intends to manage those risks.

## **Principle 8: Remunerate fairly and responsibly**

### ***Recommendation 8.1***

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items relating to remuneration are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

***Recommendation 8.2***

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

***Recommendation 8.3***

The Company's Security Trading Policy includes the Company's policy prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

The Company's Security Trading Policy is available on the Company's website.

**Security Trading Policy**

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- (a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- (b) trading in the Company's securities which is not subject to the Company's trading policy; and
- (c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.