

## 2022 Corporate Governance Statement

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The Board of Alcidion Group Limited (the **Company**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The 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 Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which Alcidion Group Limited has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website [www.alcidion.com](http://www.alcidion.com), including the 2022 Annual Report.

This Statement is current as at 30 August 2022 and has been approved by the Board of Directors of Alcidion Group Limited.

### **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### **Recommendation 1.1 - Role of the Board and Management**

The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Company's affairs. The Board aims to protect and enhance the interests of its shareholders, while taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

The Board has a formal Board Charter which is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/) that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

The Board delegates responsibility for the day-to-day management of the Company and its businesses to the Managing Director (**MD**)/ Chief Executive Officer (**CEO**). The MD/CEO is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities and transactions via a formal 'delegation of authority'. The Board maintains ultimate responsibility for strategy, control and risk profile of the Company.

#### **Recommendation 1.2: Appointment of Directors**

The Remuneration and Nomination Committee facilitates the selection and appointment of Directors. Before the Board appoints a new Director or puts forward a candidate for election, the Remuneration and Nomination Committee will ensure that appropriate background checks are undertaken. The Board provides its shareholders with all material information in its possession that is relevant to its decision on whether or not to elect or re-elect a director through a number of channels, including via the notice of meeting and other information contained in the 2022 Annual Report.

#### **Recommendation 1.3: Appointment Terms**

Upon appointment, each Director receives a letter of appointment which sets out the formal terms of their

appointment. Directors also receive a deed of indemnity, insurance and access.

Each senior executive has a written contract with the Company, setting out the terms of their appointment, including remuneration entitlements and performance requirements.

#### **Recommendation 1.4: Company Secretary**

The Board is supported by its Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Company. The Board and individual Directors have access to its Company Secretary.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2022 Annual Report.

#### **Recommendation 1.5: Diversity Policy**

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. To demonstrate the Company's commitment to developing measurable objectives to achieve diversity and inclusion in its workplace, the Company has implemented a Diversity Policy which can be viewed at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/). The Company's policy has meritocracy as a guiding principle and seeks to align the Company's management systems with its commitment to continue to develop a culture that values and achieves diversity in its workforce and on its Board.

The Board and management considers building a diverse and inclusive workforce as paramount to gaining the best insight into the needs of our customers and stakeholders. A diversity of perspectives and backgrounds also strengthens creativity and innovation in teams. Particular focus is paid to achieving a balance of men and women in senior management positions across the Company.

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 30 June 2022 was as follows:

- Women on the Board – 50%
- Women in senior executive positions – 55%
- Women across the entire organisation – 40%

The portion of women who joined the Company during the COVID-19 pandemic in the period January 2020 to December 2021 was 37%.

Due to the current size and composition of the organisation the Board does not consider it appropriate to provide measurable objectives at this time. However, the Company is committed to cultivating an inclusive workplace of fairness and equality which fosters the unique skills and talents of a diverse range of people and to encourage diversity in skill set, experience, qualifications and age of our workforce. With a diverse mix of professionals, we will continue to encourage diversity in the hiring of candidates.

### **Recommendation 1.6: Board Performance Assessment**

The Board is committed to formally evaluating its performance, the performance of its committees and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

The review process involves:

- completion of a survey by each Director and nominated Senior Executives who have regular interaction with the Board, facilitated by the Company Secretary;
- the preparation and provision of a report to each Director with feedback on the performance of the Board based on the survey results; and
- the Board meeting to discuss any areas and actions for improvement.

In the case of the MD/CEO, this review is conducted by the Chair and the results are reported to the Board.

An internal Board assessment took place over the months of April and May 2022. An analysis of the data collected indicated that the Board is functioning effectively against the majority of its criteria. It was also noted that there were some opportunities identified to improve Board effectiveness.

### **Recommendation 1.7: Senior Executive Performance Assessment**

Senior Executives are appointed by the MD/CEO and their Key Performance Indicators (**KPI's**) contain specific financial and non-financial objectives.

These KPI's are reviewed annually by the MD/CEO. The performance of each Senior Executive against these objectives is evaluated annually.

In the case of the MD/CEO, this review is conducted by the Chair and the results are reported to the Board.

Performance evaluations were undertaken during the reporting period by the Company in accordance with the process.

## **PRINCIPLE 2 – BOARD STRUCTURE**

### **Recommendation 2.1: Nomination Committee**

The Company's Remuneration and Nomination Committee Charter provides for the creation of a committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Remuneration and Nomination Committee Charter is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/)

The Board has established a Remuneration and Nomination Committee, which consists of three members, all of whom are independent Directors, being Simon Chamberlain, Rebecca Wilson and Danny Sharp. The Committee is chaired by Simon Chamberlain. All Directors have relevant experience as shown in their biographies in the Directors Report. Following the resignation of Mr Dignam on 17 December 2021, Danny Sharp was appointed as a member of the Committee.

Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

In accordance with the Company's Nomination Committee Charter the function of the Committee is to assist the Board to carry out the following:

- review Director competence standards;
- review Board succession plans;

- evaluate the Board’s performance;
- make recommendations for the appointment and removal of Directors to the Board; and
- make recommendations to the Board on recruitment, retention and termination policies for senior management.

### Recommendation 2.2: Board Skills Matrix

Our objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board’s view that the current Directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company’s strategic objectives. This mix is subject to review on a regular basis as part of the Board’s performance review process.

The skills and experience represented in the Board and relevant to the Company’s business are set out in the matrix below and following the Company’s annual performance and skills review, it is satisfied that it meets expectations in all the below categories:

#### **Skills and experience**

Strategy and leadership	Health, safety, social and environmental responsibility
Policy development	Stakeholder communication and engagement
Corporate governance	Operational leadership
Financial analysis and capital markets expertise	Global leadership
Risk and compliance oversight	Critical and innovative thinking
People management	Negotiation and influence
Commercial	Enabling innovation and technology
Legal and regulatory	

To the extent that any skills noted are not directly represented on the Board, they are augmented through management and external advisors. Full details of each Directors’ relevant skills and experience are set out in the Company’s 2022 Annual Report.

### Recommendation 2.3: Independent Directors

An independent director is a non-executive director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the Director’s terms of appointment, the Corporations Act 2001, the Board Charter and Related Party Policy.

When appointing an independent director or reviewing the independence of its Directors’, the Board will have regard to the definition of independent director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

The Board’s assessment of each current Director is set out below.

<b>Name</b>	<b>Position</b>	<b>Appointment Date</b>	<b>Status</b>
Rebecca Wilson	Non-Executive Chair	1 August 2017	Independent
Kate Quirke	Managing Director	3 July 2018	Non-Independent
Malcolm Pradhan	Executive Director	22 February 2016	Non-Independent
Nick Dignam*	Non-Executive Director	22 February 2016	Independent

<b>Name</b>	<b>Position</b>	<b>Appointment Date</b>	<b>Status</b>
Simon Chamberlain	Non-Executive Director	1 July 2019	Independent
Victoria Weekes	Non-Executive Director	1 September 2021	Independent
Daniel Sharp	Non-Executive Director	1 September 2021	Independent

*\*Nick Dignam resigned as a Director of the Company on 17 December 2021*

Reviews of each Director and their relationships with the Company were conducted in FY2022 with the Board concluding that it considers Victoria Weekes, Daniel Sharp, Simon Chamberlain and Rebecca Wilson are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement and is able to fulfil the role of independent director for the purpose of the Recommendations.

Nick Dignam was also deemed to be independent and he has now resigned as a Director of the Company on 17 December 2021.

In considering Ms Wilson's independence the Board considered the related party relationship between the Company, WE Worldwide and Ms Wilson as outlined in the Related Party Note included in the 2022 Annual Report. The Board considered:

- the Company's protocols in place to ensuring commercial relationships are made on normal terms and conditions;
- consideration of each of the independence criteria under the ASX principals and recommendations;
- review of costs and services provided by related party WE Worldwide;
- whether WE Worldwide was considered a material supplier for FY22.

Kate Quirke is considered by the Board not to be independent being Managing Director and Chief Executive Officer of the Company.

In addition, Malcolm Pradhan is considered not to be independent being an Executive Director and substantial shareholder of the Company and as such is not considered by the Board to be independent.

#### **Recommendation 2.4: Majority Independence**

As at the date of this Statement, two of our six Directors are deemed non-independent. The current Board composition reflects an appropriate balance of skills, expertise and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders. The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure independent thought and decision making.

It is noted that the composition of the Board will be reassessed in the future in line with changes in the Company's operations and will be adjusted as deemed appropriate. The Board will consider the Recommendations in assessing any future changes in board composition.

Further information regarding our directors', including their experience and qualifications, is set out in the Directors' Report of our 2022 Annual Report.

#### **Recommendation 2.5: Board Chair**

On 30 August 2019 Rebecca Wilson was appointed as Non-Executive Chair of the Company and is considered an independent Director. The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. The role of Chair is set out in more detail in the Board Charter.

The roles of Chair and Managing Director /Chief Executive Officer are exercised by different individuals, being Rebecca Wilson and Kate Quirke, respectively.

### **Recommendation 2.6: Induction, Education and Training**

New Directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management, at the time of joining the Board. All Directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge. Directors are also encouraged to personally undertake appropriate training and refresher courses as appropriate to maintain the skills required to discharge their obligations to the Company.

## **PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**

### **Recommendation 3.1: Statement of Values**

The Company's values are the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors.

#### **CORE VALUES**

We are Brave  
We are Optimistic  
We are Creative and Innovative  
We Amaze our Customers  
We are a Team  
We Celebrate our Achievements

The Company's Executive Team are responsible for instilling these values across the organisation.

### **Recommendation 3.2: Code of Conduct**

The Board recognises the need to observe the highest standards of corporate practices and business conduct. Accordingly, the Board has adopted a Code of Conduct designed to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image; and
- make Directors' and employees aware of the consequences if they breach the Code of Conduct.

The Code of Conduct can be found on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

The key aspects of this Code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of shareholders;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use the Company's resources and property properly.

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy and security of information.

### **Recommendation 3.3: Whistleblower Policy**

The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised and reviewed at each Board Meeting.

The Whistleblower Policy is available on the Company's website [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

#### **Recommendation 3.4: Anti-bribery and Corruption Policy**

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed maintain high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised at the Audit and Risk Committee level, with the latter reporting on them at the next Board meeting.

The Anti-Bribery and Corruption Policy is available on the Company's website [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

### **PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

#### **Recommendation 4.1: Audit Committee**

The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Board Chair. The Audit and Risk Committee Charter is available on our website at [www.alcidion.com](http://www.alcidion.com).

The Board has established an Audit and Risk Committee, which consists of three members, all of whom are independent Directors. During the period the members consisted of Victoria Weekes, Danny Sharp and Simon Chamberlain. The Committee is chaired by Victoria Weekes. Following the resignation of Mr Dignam on 17 December 2021 as a Director, Victoria Weekes and Danny Sharp were appointed as Directors and as the Chair and a member of the Committee, respectively.

Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

In accordance with the Company's Audit and Risk Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review and monitor the integrity of the Company's financial reports and statements;
- monitor the performance and independence of the external auditor; and
- reviewing the consolidated accounts of the company.

It also has risk management and internal control functions as set out under Recommendation 6.1.

#### **Recommendation 4.2: Assurances**

The MD/CEO and Chief Financial Officer (**CFO**) provide an annual declaration to the Board prior to the Board's approval of the Company's full year financial results. This process was followed for the 2022 full year financial results, where the MD/CEO and CFO provided a declaration to the Board that, in their opinion, the financial records 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 Company, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. On this basis, the 2022 full year financial results were approved by the Board.

**Recommendation 4.3: Verification of integrity of periodic corporate reports**

Our external auditor, William Buck, was appointed following our 2016 Annual General Meeting (**AGM**). William Buck attends our AGM each year and a representative is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

William Buck's independence declaration is contained in the Directors' Report in our 2022 Annual Report.

Any periodic corporate report the company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. Following review by the Board of Directors the report is formally approved prior to release.

**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE****Recommendation 5.1: Continuous Disclosure Policy**

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy, which is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/). This policy sets out the key obligations of directors and employees in relation to the Company's continuous disclosure requirements.

The Board has overarching responsibility for compliance with continuous disclosure obligations and the Board approval is required for certain key matters (as set out in the Continuous Disclosure Policy) and matters may be referred to the Board for approval by the Managing Director or the Company Secretary.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy (as applicable). In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

**Recommendation 5.2: Provide Board with copies of all material market announcements**

The Company ensures that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

**Recommendation 5.3: Investor Presentations**

In accordance with the recommendation, the Company ensures that all substantive presentations are released to the market to enable security holders the opportunity to participate in the presentation.

**PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS****Recommendation 6.1: Information and Governance**

Information about the Company and its corporate governance policies is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

The Company also maintains a separate investor page on our website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.



### **Recommendation 6.2: Investor Relations**

We endeavour to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications, we aim to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Company's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Company.

Our Company policy for Shareholder Communications is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

### **Recommendation 6.3: Shareholder Meeting Participation**

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable our external auditor.

### **Recommendation 6.4: All substantive resolutions at a security holder meeting are decided by poll**

In order to ascertain the true will of the Company's security holders attending and voting at its security holder meetings, 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: Electronic Communication with Shareholders**

Shareholders are encouraged to take advantage of the benefits of electronic communications by electing to receive communication from the Company and its share registry electronically.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

### **Recommendation 7.1: Risk Committee**

The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director who is not the Board Chair. The Audit and Risk Committee Charter is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

The Board has established an Audit and Risk Committee, which consists of three members, all of whom are independent Directors. During the period the members consisted of Victoria Weekes, Danny Sharp and Simon Chamberlain. The Committee is chaired by Victoria Weekes. Following the resignation of Mr Dignam on 17 December 2021 as a Director, Victoria Weekes and Danny Sharp were appointed as Directors and as the Chair and a member of the Committee, respectively.

Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

In accordance with the Company's Audit and Risk Committee Charter the Committee also has delegated responsibilities in relation to risk management which includes assisting the Board to:

- review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and
- reviewing compliance with relevant laws and regulations.

### **Recommendation 7.2: Risk Management Framework**

The Company's risk management framework is supported by the Board of Directors, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. Management are responsible for monitoring compliance with and the effectiveness of risk management systems and controls at a divisional level including financial and non-financial risks. Senior management regularly reports to the Board on the adequacy of its risk management systems, processes and key matters for consideration.

The Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control. The Company's risk management framework including risk profile and risk registers are reviewed on a periodic basis, and a review was undertaken by the Audit and Risk Committee during this past financial year.

### **Recommendation 7.3: Internal Audit**

The Company does not currently have an internal audit function as, in light of cost/benefit considerations, the size and scope of the Company's operations does not currently support the operation of such a function.

During the past financial year, the Company employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

- the Audit and Risk Committee monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations;
- senior management facilitate the periodic review of financial and non-financial systems and processes and present to the Board the objectives and scope, proposed outcomes and any recommendations arising from the review; and
- the Board reviews risk management and internal compliance procedures at each Board meeting and any risk matters raised for consideration by Senior Management.

### **Recommendation 7.4: Economic, Environmental and Social Sustainability Risk**

The Company is not subject to any particular or significant single economic, environmental and social sustainability risk. The Company is subject to a range of general economic risks, including macro-economic risks, government policy (including policy regarding technology and research and development), general business conditions, changes in technology and many other factors.

In late FY022, the Company commenced an initiative examining the setting up of a formal ESG program. It is in the preliminary stages and involves a review of its current ESG practices and materiality thresholds before determining formal targets and undertaking additional initiatives within the Company.

The Board does not believe the Company has any material exposure to economic and social sustainability risks at the present time.

## **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY**

### **Recommendation 8.1: Remuneration Committee**

The Company's Remuneration and Nomination Committee Charter provides for the creation of a committee, with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. The Remuneration and Nomination Committee Charter is available on our website at [www.alcidion.com/investor-centre/corporate-governance/](http://www.alcidion.com/investor-centre/corporate-governance/).

The Board has established a Remuneration and Nomination Committee, which consists of three members, all of whom are independent Directors, being Simon Chamberlain, Rebecca Wilson and Danny Sharp. The Committee is chaired by Simon Chamberlain. All Directors have relevant experience as shown in their biographies in the Directors Report. Following the resignation of Mr Dignam on 17 December 2021 as a Director, Danny Sharp was appointed as a Director and member of the Committee.

Details of meetings held by the Committee during the year and member attendance are set out in the 2022 Directors' Report.

In accordance with the Company's Remuneration Committee Charter the Committee has delegated responsibilities in relation to remuneration matters which includes assisting the Board to:

- make recommendations to the Board on:
  - executive remuneration and incentive policies;
  - the remuneration packages of senior management;
  - incentive schemes;
  - superannuation arrangements; and
  - the remuneration framework for directors.

### **Recommendation 8.2: Remuneration Policies and Practices**

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration policies for the directors and senior executives. If necessary, it obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Details of the Company's remuneration practices for its directors and senior executives are disclosed in the Remuneration Report in the Company's Annual Report. The Remuneration Report highlights the balance between fixed pay, short term incentive and long term incentives, and includes details of the remuneration paid and the relationship to the Company's performance.

### **Recommendation 8.3: Equity Based Remuneration Scheme**

The Company's Securities Trading Policy prohibits relevant personnel from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Further, all relevant personnel are prohibited from entering into margin lending arrangements to fund the acquisition of any of the Company's securities or from entering into arrangements whereby their securities in the Company are used as collateral.

The Securities Trading Policy is available on our website at [www.alcidion.com](http://www.alcidion.com).