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Corporate Governance Statement

This corporate governance statement (Statement) indicates Ovato Limited's (Ovato or Company) conformance with the Australian Securities Exchange (ASX) Corporate Governance Councils Corporate Governance Principles and Recommendations (4th Addition) (Principles and Recommendations), as required by the ASX Listing Rules.

The Statement contains specific information in relation to the governance principles adopted by Ovato. In accordance with the "if not, why not" approach, areas of nonconformance are disclosed, and where the Company has not adopted a recommendation, the Statement will explain why.

An assessment of the Company's governance principles against the Principles and Recommendations has been undertaken by the Board and Ovato's management. The Company's governance principles as disclosed in this Statement are expected to achieve good governance outcomes meet the reasonable expectations of most investors in most situations.

Documents supporting the Company's Corporate Governance framework referenced in the Statement are available in the "Investor Relations" section on the Company's website at the following link: <https://www.ovato.com.au/corpgovstatement2021>

This Statement is current as at 28 September 2021, and has been approved by the Board.

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ROLE OF THE BOARD AND MANAGEMENT

The Board acts on behalf of the Company's shareholders and is accountable to them as their agent. It appoints a management team headed by the Chief Executive Officer and Managing Director (CEO) to help run the day-to-day affairs of the Company.

There is a clear division of roles and responsibilities between the Board and Management. The Board is responsible for seeking and identifying the expectations of shareholders, as well as other regulatory and ethical expectations and obligations. In addition, it is also responsible for identified areas of business opportunities and significant business risks and ensuring arrangements are in place to adequately take advantage of the opportunities and manage those risks.

The responsibility for the operation and administration of the consolidated entity is delegated to the CEO and the Executive Management Team. The Board ensures that this team works with an authority limits and delegations and are appropriate qualified and experienced to discharge their responsibilities.

The Board's role and responsibilities are set out in the Board Charter along with delegations to senior management and certain Committees. The Board Charter is available at www.ovato.com.au/investors.

The Board establishes and disbands committees as required in order to support the Board in carrying out its responsibilities. Director appointments to the Board Committees are by formal resolution of the Board. Attendance at Board and Board Committee meetings is set out in the Directors Report of the Annual Report.

ROLE OF COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including advising on governance matters, monitoring that Board policies and procedures are followed, coordinating all Board business including meetings, agendas, Board papers and minutes. The Company Secretary is responsible for lodgments with relevant regulators, management of dividend payments and management of the relationship between shareholders and the share registry.

BOARD COMPOSITION AND MEMBERSHIP

Directors are selected to achieve a broad range of skills, experience and expertise complimentary to the Group's activities.

Full details of the Directors who held office during the 2021 Financial Year are set out in the Directors' Report contained within the 2021 Annual Report, together with details of each current Director's skills, experience and expertise. Board membership changes are also set out in the Directors' Report in the Company's 2021 Annual Report.

The table below identifies the status of each Director in office as at the date of this Statement:

Name	Company Title	Independence Status	Appointed
M Hannan*	Non-Executive Director (Chair)	Not Independent	1 March 2017
J Hannan	Managing Director	Not Independent	4 June 2021
D Karai	Non-Executive Director	Independent	1 June 2016
A McMaster*	Non-Executive Director	Not Independent	4 October 2018

*These Directors are nominated representatives of the Hannan Family as a major shareholder and are therefore deemed to be not independent.

The current Board comprises four Directors: the Non-Executive Chair, the MD / CEO and two other Non-Executive Directors.

The Board reviews the independence of the Directors before they are appointed, on an annual basis and at any other time where the circumstances of a Director changes such as to require reassessment. Such assessment considers the factors relevant to assessing independence consistent with the ASX Principles.

The Directors of Ovato are considered to be independent when they are independent 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 exercise of their unfettered and independent judgment.

In the context of director independence, "materiality" is considered from both the Company and individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to act in an independent manner.

At the date of this Statement, the Board comprises of only one independent Director as two of the Directors were nominated by the Company's major shareholder, the Hannan Family and the other non-independent Director is the CEO of the Company. While Mr McMaster was nominated by the Hannan Family he has no relationships with the Hannan Family which would influence his independent judgment but in that he was nominated the Board consider that he is not independent. Although the composition does not comply with Recommendation 2.4, the Hannan Family's representation on the Board is considered to be fair and reasonable given their shareholding in the Company and the current state of affairs of the Company.

Ovato's Board Charter sets out the role, responsibilities and powers of the Board of Directors and the CEO.

The Board (through the Appointments and Compensation Committee) seeks to ensure that the Board and its Committees continue to have the right balance of skills, knowledge, qualifications, diversity and business experience necessary to direct the Company in accordance with high standards of corporate governance.

When considering appointments, the Board considers the skills, experience and expertise which they believe to be particularly relevant for that available position. In doing so the Board takes into account the existing collective capability of the Board, Ovato's strategy and the prevailing and expected market conditions.

With the recent sales of the retail distribution business in Australia and New Zealand and the marketing services business in Australia, Ovato is now a substantially smaller and print focused business. The Appointments and Compensation Committee has further considered what is the appropriate size and composition of the Board for a printing company of this scale and believe the current size and composition is appropriate for the smaller Ovato with the appropriate cost control, skills & experience.

In respect of diversity on the Board, Directors strongly believe that differences in gender, age, ethnicity and cultural background in Board membership encourage diversity of thought and decision making. This will, in turn, drive and improve business efficiency and results for the Company and shareholders.

CHAIR

The Chair of the Board is Mr Michael Hannan, a substantial shareholder of the Company. Mr Hannan was appointed on 18 November 2019.

Mr Hannan is not an independent Director. Recommendation 2.5 has not been adopted in full however, the Board considers that, at this time and reflective of the Hannan Family shareholding, the Board will continue to function more effectively than with a non-independent Chairman. Mr Hannan is very experienced in running print, distribution and marketing service companies through his previous experience as Chair of IPMG.

The Chair is responsible for leadership and effective performance of the Board and the maintenance of productive relations between the Directors and the management team.

The Chair's responsibilities are set out in more detail in the Board Charter.

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BOARD SKILLS

When reviewing the composition of the Board and making recommendations to the Board regarding the appointment of Directors, the Appointments and Compensation Committee aims to ensure that the Board continues to include Directors with an appropriate balance of skills, experience, expertise and diversity to efficiently and effectively discharge its responsibilities and govern the Company.

Collectively, the Board has a diverse range of skills and experience relevant and adequate for the efficient and effective management of the business. Board members have a combination of experience in the following areas:

- Manufacturing including printing, publishing and logistics;
- Retail & Fast Moving Consumer Goods (business operations, branding and marketing);
- Digital and Data Analytics;
- Corporate strategy;
- Business transformation;
- Finance;
- Mergers and acquisitions;
- Risk management; and
- Health, safety and environment.

The Board considers its current membership represents an appropriate mix of skills, experience, expertise and qualifications to enable the Board to effectively advise and set the Company's strategic direction and govern on behalf of shareholders.

DIRECTOR RETIREMENT AND RE-ELECTION

The Constitution requires Directors to retire at the third AGM following the election or most recent re-election. The appointment of any new Directors will be based on the principle of further strengthening the diversified composition of the Board.

When a Director stands for re-election, the Company will provide such information as is necessary to allow the shareholders to make an informed decision around the Directors appointment including: biographical details and their relevant qualifications and experience and the skills they bring to the Board; details of any other material directorships currently held by the candidate; the term of office currently served by the Director; if the Board considers the Director to be an independent Director, a statement to that effect; and a statement by the Board as to whether it supports the election or re-election of the candidate.

CONFLICTS OF INTEREST

Directors are required to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. A Director who has an actual or potential conflict of interest or a material personal interest in a matter is required to declare that potential or actual conflict of interest to the Board. If the Board determines that there is a material conflict of interest, the Board may require the relevant Director to:

- Not receive the relevant papers;
- Not be present at the meeting while the matter is considered; and
- Not participate in any decision on the matter.

The Board may resolve to permit a Director to have an involvement in a matter involving a potential or actual conflict of interest. In such instances, the Board will minute full details of the basis of the determination and the nature of the conflict, including a formal resolution concerning the matter.

DIRECTOR APPOINTMENT, TRAINING AND CONTINUING EDUCATION

Before the appointment of any Director the Company undertakes, with the consent of the candidate, appropriate checks in relation to the potential Director's character, experience, education, criminal record and bankruptcy history. The Appointments and Compensation Committee will also seek from the candidate details of his or her other commitments and an indication of time involved with those commitments, and acknowledgement that he or she will have sufficient time to fulfil his or her responsibilities as a Director.

When a Director stands for election for the first time, the Company will require such information as is necessary to allow the shareholders to make an informed decision around the Directors appointment including: biographical details, including their relevant qualifications and experience and the skills they bring to the Board; details of any other material directorships currently held by the candidate; any material adverse information revealed by the pre-appointment checks; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement; and if the candidate will qualify as an independent Director.

Each Non-Executive Director has signed a letter of appointment detailing the key terms and conditions of their appointment, including duties, rights and responsibilities and the matters recommended in the ASX Principles.

Induction training is provided to all new Directors. This includes amongst other things an induction manual with information on the Company and its financial position, culture and values, Company policies, rights and responsibilities of Directors and the role of the Board and management. The Board has regular discussions with the CEO and management and is invited to attend tours of Ovato's operational sites.

Directors are expected to maintain the skills required to discharge their obligations to the Company. Ovato undertakes an ongoing program to keep Directors abreast of the nature of its business, current issues and corporate strategy. Directors also have access to, and are encouraged to undertake, continuing education opportunities to update and enhance their skills and knowledge and have a strong working relationship with operational management.

BOARD ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Subject to identification of any conflict of interest, Directors have direct access to senior executives as required and to any Company information in the possession of management it considers necessary to make informed decisions and to discharge its responsibilities.

All Directors have access to the Company Secretary who is accountable to the Board, through the Chair. The Board must approve the appointment and removal of the Company Secretary.

Any Director can seek independent professional advice in the discharge of their duties and responsibilities to Ovato. Ovato will reimburse reasonable expenses incurred in obtaining this advice. Unless the Chair determines otherwise, the advice will generally be circulated to the Board.

BOARD MEETINGS

The Board and the Committees meet on a regular basis and additional meetings are called when required to address specific issues. The Chair, in conjunction with the CEO and the Company Secretary, sets the agenda for each meeting. Any Director may request matters to be included on the agenda.

Directors receive Board papers in advance of the Board meetings and these papers provide them with sufficient information to enable them to participate in informed discussion at each meeting. The Board will also provide for time at board meetings to meet without the presence of management.

Details of Board and Committee meetings held during the 2021 financial year and attendance at those meetings are set out in the Directors' Report in the 2021 Annual Report.

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Board Committees

ROLE, MEMBERSHIP AND CHARTERS

The Board has the ability under the Constitution to delegate its powers and responsibilities to Committees of the Board. This allows the Directors to spend additional and more focused time on specific issues.

The Board has established standing Committees to assist with the effective discharge of its duties, as follows: Audit and Risk Management Committee; and Appointments and Compensation Committee.

Membership of the Committees is based on Directors' qualifications, skills and experience.

All Directors are entitled to attend meetings of the Committees where there is no conflict of interest. Papers considered by the Committees, and minutes of each Committee meeting, are provided to all Directors. The proceedings of each Committee meeting are reported at the next Board meeting by the relevant Committee Chair (if all Directors have not been present at the meeting).

Each Committee operates under a specific Charter approved by the Board, detailing its role, duties and membership requirements.

The Board reviews the appropriateness of the existing Committee structure, as well as the membership and Charter of each Committee.

BOARD CHARTER

The Company's Board is responsible for:

- Overseeing the Company, including reviewing, ratifying and monitoring systems of risk management, internal control, code of conduct and legal compliance, that are designed to ensure compliance with regulatory and prudential requirements;
- Appointing and removing the CEO and ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer ("CFO") and the Company Secretary;
- Providing input into and final approval of management's development of corporate strategy and performance objectives;
- Monitoring performance against Board approved objectives, targets and strategies;
- Succession planning for the CEO and senior executives;
- Approving the progress of major capital expenditure, capital management, acquisitions and divestitures;
- Approving and monitoring financial and other reporting; and
- Approving delegated authority limits for senior executives.

The MD, as CEO, is responsible for:

- Implementing Board and Management decisions;
- Conducting the Company's operational, strategic, management and general business and affairs; and
- Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

The Board has set through the Delegation of Authority Policy specific limits to management's ability to incur expenditure, enter into contracts or acquire or dispose of assets or businesses without Board approval.

AUDIT AND RISK MANAGEMENT COMMITTEE

An Audit and Risk Management Committee ("ARMC") operates under a charter approved by the Board and meets at least quarterly. Details of the Committee's meetings and attendance of the members at those meetings are set out in the

As the ARMC has only two members, it does not technically comply with Recommendation 4.1(a) (1) and (2). The Audit Committee performs the functions required by Recommendation 4.1(a) (3) to (5), and a copy of the charter of the

Committee is disclosed at: www.ovato.com.au/investors. The information referred to in Recommendation 4.1(a) paragraphs (4) and (5) is disclosed in the Directors' Report in the Company's 2021 Annual Report.

The current members of the ARMC are: A McMaster (Chairman) and D Karai.

Mr McMaster was appointed Chair of this Committee on 31 May 2019. He was previously a Partner of KPMG with over 30 years audit experience, and is appropriately qualified for this role. He is not an independent Director by virtue of being nominated by the Hannan Family but other than for the nomination Mr McMaster has no affiliations with the Hannan Family and exercises independent judgement.

The charter provides that the Committee must comprise: at least three directors, a majority of whom are required to be independent; members who are financially literate; at least one member shall have relevant qualifications and experience; some members shall have an understanding of the industry in which Ovato operates; and the Chair must be an independent Non-Executive Director who is not the Chair of the Board. The charter had not been amended during the year to reflect the smaller board pending further appointments to the Committee but following the Board's decision to retain the current number of directors the charter will be amended to reflect the current structure.

The ARMC provides assistance to the Board in relation to its corporate governance and oversight responsibilities by reviewing, assessing and making recommendations in relation to: ethical considerations and compliance with the Code of Conduct; Financial reporting; Internal control structure; risk management framework and systems; policies to reduce exposure to fraud; health, safety and the environment; and Internal and external audit functions.

The ARMC is also responsible for the nomination of the external auditor and for reviewing the adequacy, scope and quality of the annual statutory audit and the half-year statutory review. The Committee has considered the issue of independence of the external auditor and is satisfied that the appointment and conduct of the external auditor and the practices and procedures adopted are appropriate with respect to auditor independence.

The Company's external auditors, CEO and the Chief Financial Officer (CFO) attend each meeting of the Committee. In accordance with the Committee's charter, the external auditors are provided with an opportunity to discuss matters with the Committee in the absence of Management at each meeting. The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Company's external auditor is required to attend the AGM and make themselves available to answer questions from shareholders relevant to the audit.

Ovato combines the roles and responsibilities of the Audit and the Risk Committees in its ARMC.

The ARMC has direct and unlimited access to the external auditors. The external and internal auditors have direct and unlimited access to the ARMC.

APPOINTMENTS AND COMPENSATION COMMITTEE

Composition

The charter provides that the Committee shall consist of a minimum of two Non-Executive Directors. Ms Karai was appointed the Chair of the Committee on 19 November 2019 and Mr McMaster was appointed a member of the committee.

As Appointments and Compensation Committee has only two members, it does not technically comply with Recommendation 8.1(a) (1). The Committee performs the functions required by Recommendation 8.1(a) (3) to (5), and a copy of the charter of the Committee is disclosed at: www.ovato.com.au/investors. The information referred to in Recommendation 8.1(a) paragraphs (4) and (5) is disclosed in the Directors' Report in the Company's 2021 Annual Report.

The Committee's members and their record of attendance in the last financial year are set out in Section 4.

Responsibilities

Ovato combines the roles and responsibilities of the Nomination Committee and

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the Remuneration Committee in its Appointments and Compensation Committee. The Appointments and Compensation Committee has ultimate authority for executive remuneration policy. The Remuneration Report provides further detail on the role of the Committee in respect of compensation.

In relation to appointments, the Committee: reviews Director competence standards and Board succession plans; and evaluates the Board's performance and makes recommendations for appointing or removing Directors. In relation to compensation, the Committee makes recommendations to the Board on: executive remuneration and incentive policies; senior management remuneration packages; recruitment, retention and termination policies for senior management; incentive schemes; superannuation arrangements; and the remuneration framework for Directors.

The Committee is also responsible for evaluating potential candidates for executive positions, including the role of CEO, and overseeing the development of executive succession plans.

The CEO has the authority to employ and remunerate executives within the scope of the policy established by the Committee. In carrying out its duties, the Committee is committed to providing sound remuneration policies and practices that enable Ovato to: attract and retain high quality executives and Directors who are dedicated to the interests of Ovato shareholders; and fairly and responsibly reward executives, while taking into account the interests of shareholders, the Company's performance, performance of the relevant executive and market conditions.

In executing its responsibilities, the Committee has unlimited access to senior management. It also has the Board's authority to seek information it requires from employees and external parties and obtain outside legal or other professional advice at the expense of the Company.

Full details of the Company's remuneration philosophy and structure, and payments to Directors and KMP are set out in the Company's 'Remuneration Report' section of the Company's 2021 Annual Report. Director's fees paid to Non-Executive Directors are determined by the Board, and are within the aggregate limits approved by shareholders.

Company Values and Code of Conduct

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. It has in place a number of policies to assist staff when performing their duties by providing guidance on matters that relate to ethical and responsible decision making. The following are amongst a number of documents that are published on the Company's Policy and Procedures intranet site:

- Code of Conduct;
- Conflicts of Interest;
- Diversity Policy;
- Whistleblower Policy;
- Securities Trading Policy.

Risk Management

Ovato recognises that shareholder value is driven by taking considered risks, and that effective risk management is a fundamental driver to achievement of its strategic, operational and compliance objectives, and to the Board meeting its corporate governance responsibilities.

The Board is responsible for overseeing the implementation of an effective system of risk management and internal control.

The responsibility for designing, implementing and maintaining a sound system of risk management and internal control has been delegated to management through the CEO.

The ARMC assists the Board with its oversight responsibility by reviewing, assessing and making recommendations to the Board in relation to the risk management framework and internal control structures put in place by management.

APPROACH TO RISK MANAGEMENT

The Board has adopted a risk management policy that sets out Ovato's objectives for risk management and the responsibilities of all Ovato staff in relation to management of risk.

The Policy is supplemented by a risk management framework, which provides a consistent and systematic process to identify, evaluate, mitigate, monitor and report material risks throughout Ovato.

The risk management framework is periodically reviewed by the ARMC to provide assurance as to its adequacy and effectiveness, with the last review being undertaken in June 2021.

RISK MANAGEMENT FRAMEWORK

The CEO meets at least quarterly with the CFO and senior business managers to oversee the implementation and effective operation of the systems of risk management and internal controls, and to review the existing and emerging material strategic, operational and compliance risks. Further assessment and identification of risks is performed during the annual strategic planning cycle, and the quarterly forecasting cycle.

Management is responsible for completing, on a six-monthly basis, the internal control questionnaire supporting the Section 295A Corporations Act compliance statements, and also attends Audit and Risk Management Committee meetings as required, to assist the Committee in its oversight of risk.

In addition to the risk management framework, Ovato's approach to risk management also incorporates input and mitigating controls from a range of existing systems, programs and policies including:

- Comprehensive health, safety and environmental management programme;
- A Delegation of Authority Policy, including guidelines and approval limits for operational and capital expenditure and investments;
- A comprehensive annual insurance program;
- A Board approved finance policy to manage exposure to credit and liquidity risks;
- Annual budgeting and monthly reporting systems for all divisions to monitor performance against budget targets;
- Detailed policies and internal controls over management of financial reporting, management accounting and maintenance of financial records; and
- Extensive Board involvement in recent restructuring activities.

MATERIAL ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

Ovato believes there are a number of inherent material Economic, Environmental and Social Sustainability risks, both specific to the industry in which it operates, and of a general nature, which may impact its ability to achieve its business strategies and objectives.

The identification of these risks is provided to assist stakeholders to understand the nature of risks faced by Ovato, and the broad approach Ovato takes to mitigate these risks. The risks are not listed in order of significance, and it is not an exhaustive list.

COVID-19 Global Pandemic

The COVID-19 global pandemic has significantly impacted Ovato's business. The most significant economic risk currently faced by Ovato is the uncertainty relating to the extent, and the continued duration of the pandemic.

COVID-19 also poses a significant risk to the health and wellbeing of Ovato employees, customers, suppliers and contractors, and to the availability of employees. To mitigate this risk, Ovato has acted swiftly to implement staff work from home arrangements, a staff travel ban, increased cleaning and disinfection at all production and office sites, a ban on external visitors and site meetings, and completion of daily health check questionnaires by all staff continuing to work at production sites.

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Economic Conditions

Ovato's business segments were during financial year 2021 primarily in marketing services, printing and distribution of publications including catalogues, magazines, and books. Under normal economic and operating conditions, there is a risk that Ovato's product demand and pricing could be subject to adverse impact from:

- Reductions in demand volume and the effect of consumer confidence on retail marketing;
- Pagination reductions and title closures by magazine and newspaper publishers;
- Competitive market pricing pressure; and
- Migration of advertising, entertainment and information media from print to digital platforms.

The adverse impact of COVID-19 has seen activity and demand volumes reduce. This represents a significant acceleration in the anticipated timing of volume declines which were previously forecasted as likely to have occurred, of which the timing and extent of recovery is uncertain.

The Company has undertaken actions to mitigate these risks and their future impacts through restructuring of the business to reduce operational capacity.

Operations and Service Continuity

There is a risk of:

- Lack of continuity of supply of utilities, raw material inputs and distribution services;
- Industrial action;
- Loss of, or material damage to, an operating site; and
- Increased cost of supply of utilities, raw material inputs and distribution services not being promptly passed on to customers.

These risks could result in unanticipated circumstances causing inability to meet customer commitments, or significant increase in the cost of doing business, which could adversely impact upon Ovato's achievement of its financial performance objectives.

Ovato mitigates these risks through:

- Management of raw material purchase lead times and safety stock levels;
- Endeavouring to promptly pass on material input price increases to customers;
- Ability to reschedule work across multi-site operations;
- Business interruption and asset insurance programmes in place; and
- Effective workplace industrial relations.

Other Health and Safety

In addition to COVID-19 health risks, there is a risk of a major health and safety incident which could result in a serious injury or fatality at an Ovato workplace. Ovato mitigates this risk by implementing training, policies, procedures and systems to comply with health and safety requirements, which are supported by the Board-approved Group Safety Plan.

Financial Management

Ovato is exposed to credit risk, and adverse movements in foreign currency exchange rates and interest rates. This could adversely impact Ovato's ability to achieve its financial performance objectives and reduce its ability to access financing facilities. Information on how Ovato mitigates these risks is included in the Notes to the Financial Statements in the Financial Report section of the Annual Report.

Regulatory and Legislative Requirements

There is a risk of a major change to, or a major breach of, existing regulations or legislation, which could impact Ovato's ability to continue its current business operations or achieve its financial performance objectives. To the extent possible, Ovato mitigates these risks by implementing policies, procedures and systems to comply with regulatory requirements, and by planning contingency actions.

Technology and Cyber Security

There is a risk of outage, disruption, or security breach of IT systems. This could result in significant business disruption or a loss of confidential business data. Ovato mitigates this risk through IT security and infrastructure solutions. This is supported by IT policies and procedures governing security and usage of IT systems.

INTERNAL AUDIT

Following the recent restructuring and downsizing of the business, the Company ceased its internal audit function with the departure of the Group Assurance manager in March 2021. The ARMC continues to evaluate its risk management and internal controls through the interactions the Committee has with management through the process of monthly reporting and with the assistance of its external auditors (where appropriate). The Board is also closely monitoring recent restructuring activities from a risk management perspective.

MANAGEMENT REPRESENTATION

Detailed and comprehensive questionnaires are completed by all business units and functional management on a six-monthly basis. These questionnaires include management's assessment of risk management, financial reporting and the internal control environment operating within each business unit. The questionnaires are reviewed by executive management as part of the half-yearly reporting to the market and to achieve compliance with Section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

Based on the questionnaires, the Board has received written assurance from the CEO and the CFO that, to the best of their knowledge and belief, the declaration provided to them is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

PERIODIC CORPORATE REPORTING

Ovato has processes and procedures in place to ensure that reports published, which are not reviewed or audited by the external auditor would be consistent with the preparation of the half year and full year results before such reports are published to the market. This includes internal checks to ensure both accuracy and compliance with the relevant accounting standards, as well as seeking appropriate review and approval from the ARMC and Ovato Board.

CONTINUOUS DISCLOSURE

The Company has a Continuous Disclosure Policy designed to ensure compliance with ASX Listing Rule 3.1. This policy is reviewed periodically. This policy ensures that shareholders have equal and timely access to material information concerning the Company. Any price sensitive information for public announcement is reviewed by the CEO, CFO and Company Secretary before being approved by the Board for release. Announcements are available on the Company's website.

The Company ensures that the Board receives copies of all material market announcements promptly after they have been made.

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

The Continuous Disclosure Policy is available in the 'Investor Relations' section of the Company's website at: www.ovato.com.au/investors

SHAREHOLDER COMMUNICATION

The Board aims to ensure that shareholders to whom they are accountable are informed of all information necessary to assess the performance of the Company. Information is communicated to shareholders through the following avenues:

- the annual report, which is made available to all shareholders;
- the half yearly report;
- the AGM and other shareholder meetings so called to obtain approval for Board action as appropriate; and

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- media releases and continuous disclosure announcements made through the ASX and reporting to shareholders from time to time on the performance of the Company.

Copies of this information are available on the 'Investor Relations' section of the Company's website.

Shareholders have the option of receiving communications from or sending communications to the Company and its share registry electronically. Each year the share registry mails out to shareholders, who have not already elected for electronic communications, an option to elect to receive communications electronically

Requests to the Company can be made via the Company's website at www.ovato.com.au.

INVESTOR RELATIONS

Ovato engages its shareholders at its Annual General Meeting ("AGM"), providing presentations following the full year and half-year results, and upon request. The presentations are lodged with the ASX and the contents of those presentations are available from the Company's website.

Ovato facilitates participation at shareholder meetings by arranging for the meetings to be at convenient times and locations and provides for direct voting to allow shareholders to vote ahead of the meeting without having to attend, or to appoint a proxy. The Chair at the AGM provides reasonable time for shareholders to ask questions or make comments about the management of the Company.

At any other times, shareholders can email their questions or contact the CFO if they have any questions about the Company. Ovato does not undertake scheduled investor briefings. Given the size of Ovato, its current shareholder base, and with the restructuring being undertaken there has not been a demand for briefings. This is a departure from Recommendation 6.2.

Ovato provides its shareholders with the option to receive and send communications electronically to the Company and its share registry.

Governance Policies

CODE OF CONDUCT

Ovato recognises that its reputation is an essential element to its continued success and that its reputation is directly attributable to the ethical behaviour of those who represent it. Ovato has developed a Code of Conduct which sets out certain basic principles that all Directors, employees, contractors and consultants are expected to follow in all dealings related to Ovato, to ensure that Ovato's business is conducted in accordance with the laws and regulations of all areas in which it operates.

The Code of Conduct is fully endorsed by the Board and is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in Ovato's integrity.

Any breach of the Code of Conduct is considered a serious matter which may result in disciplinary action, including termination of employment. The Code of Conduct is Ovato's cornerstone corporate governance policy. The Code of Conduct provides a consistent understanding of the expected behaviour towards each stakeholder.

It stipulates that:

- Ovato is to conduct its business with honesty, integrity and respect for the interests of its stakeholders;
- Ovato employees will avoid any personal, financial or other real or apparent conflicts of interest that could compromise the performance of their duties;
- Ovato will continually strive to be a good corporate citizen, including complying with laws and regulations of Australia and New Zealand and in each state and territory in which it operates;
- Ovato employees will ensure that resources of Ovato are used for their intended use;
- Ovato is to respect the privacy of private information, including customer, business partner and fellow employee information;

- Ovato is to continually strive to provide a safe and healthy work environment for all employees;
- Ovato is to recognise and act upon its responsibility to limit negative impacts on the environment and the communities within which it operates; and
- Ovato is to ensure that there is a clear communication process for material items of concern between employees and the Board via open and non-hierarchical communications including whistle blower provisions.

A copy of the Code is available online at ovato.com.au/investors/

Supporting the Company's Code of Conduct are the Whistle Blower Policy, and Probity Policy Guidelines, which further set out the Company's commitment to high standards of conduct and ethical behaviour in all areas of business activity.

WHISTLE BLOWER POLICY

Key elements of Ovato's Whistle Blower Policy are as follows:

- Ovato encourages employees to report, in good faith, any violations of the standards, requirements and expectations described in the Code of Conduct;
- Require appropriate action be taken in response to any such violations; and
- Require that where an employee reports, in good faith, an actual or suspected violation of this Code of Conduct, the position of the reporting officer will be protected and remain confidential unless disclosure is required by law.

TRADING IN OVATO SHARES

Ovato's Securities Trading Policy reinforces the Corporations Act 2001 restrictions in relation to insider trading and prohibits Directors, Executives and other employees from dealing in Ovato securities at any time if that person is in possession of price sensitive information that has not been made publicly available. Under its share purchasing policy, Ovato Directors and executives are not permitted to buy and sell shares in the Company when they are in possession of information that is not generally available and if it were available, it would - or would be likely to - influence investors in trading Ovato shares. They also may not trade in Ovato shares during specific black-out periods. The black-out periods are:

- The period from 1 January through to the day half-year results are announced (including the day half-year results are announced);
- The period from 1 July through to the day full year results are announced (including the day full year results are announced); and
- The period of 30 days immediately leading up to the Annual General Meeting (including the day of the Annual General Meeting).

The Board of Ovato may also declare a black-out period for a specified period at other times (such as prior to the announcement to the ASX of a significant event such as change in control transaction or capital raising). At all other times these officers are permitted to trade in Ovato shares where such trading has received the prior approval from the CEO.

Directors, Executives and other employees are prohibited from engaging in short-term or speculative trading in Ovato securities and trading in derivatives in respect of Ovato securities, including performance rights issued under Ovato incentives schemes. This includes entering into any hedging arrangements or acquiring financial products (such as equity swaps, caps and collars or other hedging products) over unvested performance rights which have the effect of reducing or limiting exposure to risks associated with the market value of Ovato securities. The Policy also applies to parties related to the Directors, Executives and employees of the Company.

DISCLOSURE

Ovato recognises the importance of open and effective communication with all stakeholders. Therefore, Ovato requires its officers and employees to act at all times with integrity and in accordance with the law, including the disclosure requirements of the ASX Listing Rules, ASX Principles and the Corporations Act. Ovato has a Disclosure Committee comprising the CEO, CFO and Company Secretary/General Counsel, which meet as and when required.

Corporate Governance Statement

For the year ended 30 June 2021

DISCLOSURE AND SHAREHOLDER COMMUNICATION POLICY

Ovato's Disclosure Policy requires any price sensitive information concerning Ovato that is required to be disclosed to the market, be communicated to the ASX immediately and before any other person. The policy prevents selective disclosure by: ensuring only authorised spokespeople comment on behalf of Ovato; and providing a process for issuing any external statement or press release that has been previously channelled through the CEO.

It also sets out protocols for handling trading halts, responding to market speculation and avoiding inadvertent disclosure. The Policy ensures shareholders can make informed decisions about their investment in Ovato by providing them with:

- The annual and half-year reports;
- Disclosures made to ASX;
- Notices and explanatory memoranda of General Meetings;
- The AGM, where the external auditor will be available to answer questions about the audit; and
- Its website ovato.com.au.

DIVERSITY POLICY

Diversity Policy Statement

Ovato supports workforce diversity by:

- Integrating diversity principles in all aspects of human resources management policies such as recruitment, selection and training;
- Considering options to enable flexible working practices;
- Facilitating equal employment opportunities based on merit; and
- Striving to build safe working environments by taking action against inappropriate workplace and business behaviour that does not value diversity including discrimination, harassment, bullying, victimisation and vilification.

The Company produced its public report to the Workplace Gender Equality Agency for the reporting period, a copy of which can be found on Ovato's website. As a diverse business, Ovato employs a broad range of occupational groups to staff its creative, print and distribution businesses. Consequently, Ovato seeks to attract talent from different labour markets, trades and professions.

Ovato's current gender profile reflects our reliance on trades and engineers in our print business and the associated lack of gender balance in that sector. Ovato does not comply with recommendation 1.5 as the Board has not set measurable objectives for obtaining gender diversity, while it is restructuring its business as there is little opportunity to meaningfully change the gender profile where the workforce is established.

The proportion of females employed in the Company under the following classifications is set out as follows:

Non-Executive Directors	33%
Ovato Executive Management*	0%
Ovato Group Employees	15.4%

* These are the senior executives included in the CEO's executive management team.

ENVIRONMENTAL REGULATION PERFORMANCE

Ovato is committed to conducting its business activities with respect for the environment, while continuing to meet its obligations to its shareholders, employees, customers and suppliers. Ovato believes its operations are in compliance with all environmental regulations to the extent material to its financial position or results of its continuing operations. As of the date of this report, there were no material legal proceedings concerning environmental matters pending against Ovato or against any of its properties.

Ovato completed the required Australian Federal Government Environmental Indicators Survey and the National Pollution Inventory report.

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Appendix 4G

Key to Disclosures

Corporate
Governance Council
Principles and
Recommendations

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

OVATO LIMITED

ABN / ARBN:

39 050 148 644

Financial year ended:

30 JUNE 2021

Our corporate governance statement² for the above period above can be found at:³

- This URL on our website:
www.ovato.com.au/corpgovstatement2021

The Corporate Governance Statement is accurate and up to date as at 28 September 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 28 September 2021

Name of Director or Secretary authorising lodgement: Alistair Clarkson

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Annexure – Key To Corporate Governance Disclosures

Corporate Governance Council recommendation

We have followed the recommendation in full for the whole of the period above. We have disclosed ...

We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...⁴

Principle 1 – Lay solid foundations for management and oversight

<p>1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> in our board charter which can be found at www.ovato.com.au</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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Corporate Governance Council recommendation

We have followed the recommendation in full for the whole of the period above. We have disclosed ...

We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...⁴

<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at www.ovato.com.au /investors</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why measurable objectives have not been set is set out in our Corporate Governance Statement under the heading "Diversity Policy"</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> Directors Report in 2021 Annual Report</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> Directors Report in 2021 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation

We have followed the recommendation in full for the whole of the period above. We have disclosed ...

We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...⁴

Principle 2 - Structure the Board to add value

<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.ovato.com.au/investors</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> Directors Report in 2021 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p>for</p> <p><input checked="" type="checkbox"/> (a)(1) an explanation why the nomination committee does not have 3 members with the majority independent is set out in our Corporate Governance Statement under the heading "Appointments and Compensation Committee"</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

For personal use only

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.4 A majority of the board of a listed entity should be independent directors	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement under the heading "Board Composition and Membership"
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement under the heading "Board Composition and Membership"
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Principle 3 – Act ethically and responsibly

3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input checked="" type="checkbox"/> at https://www.ovato.com.au/investors	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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Principle 4 – Safeguard integrity in corporate reporting

4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at https://www.ovato.com.au/investors ... and the information referred to in paragraphs (4) and (5): <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at https://www.ovato.com.au/investors and in the Directors Report in the 2021 Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> for (a) (1) and (2) an explanation why the committee only has two member and the chair is not independent is set out in our Corporate Governance Statement under the heading "Audit and Risk Management Committee"
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Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

For personal use only

Corporate Governance Council recommendation

We have followed the recommendation in full for the whole of the period above. We have disclosed ...

We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...⁴

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable

Principle 5 – Make timely and balanced disclosure

5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement and <input type="checkbox"/> at https://www.ovato.com.au/investors	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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Principle 6 – Respect the rights of security holders

6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at https://www.ovato.com.au/investors	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement under the heading "Investor Relations"
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation

We have followed the recommendation in full for the whole of the period above. We have disclosed ...

We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...⁴

Principle 7 – Recognise and manage risk

<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.ovato.com.au/investors</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors Report in the 2021 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> for (a) (1) and (2) an explanation why the committee only has two member and he chair is not independent is set out in our Corporate Governance Statement under the heading "Audit and Risk Management Committee"</p>
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement under the</p>

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

For personal use only

Corporate Governance Council recommendation

We have followed the recommendation in full for the whole of the period above. We have disclosed ...

We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...⁴

7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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Principle 8 – Remunerate fairly and responsibly

8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.ovato.com.au/investors</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors Report of the 2021 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> for (a)(1) an explanation why the nomination committee does not have 3 members with the majority independent is set out in our Corporate Governance Statement under the heading “Appointments and Compensation Committee”</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Directors Report of the 2021 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>not applicable</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

For personal use only

Corporate Governance Council recommendation

We have followed the recommendation in full for the whole of the period above. We have disclosed ...

We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...⁴

Additional disclosures applicable to externally managed listed entities

Alternative to Recommendation 1.1 for externally managed listed entities:

The responsible entity of an externally managed listed entity should disclose:

- (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;
- (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.

... the information referred to in paragraphs (a) and (b):

- in our Corporate Governance Statement OR
- at [insert location]

an explanation why that is so in our Corporate Governance Statement

Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:

An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

... the terms governing our remuneration as manager of the entity:

- in our Corporate Governance Statement OR
- at [insert location]

an explanation why that is so in our Corporate Governance Statement