



**CORPORATE**

**GOVERNANCE**

**STATEMENT**

Approved by the Board of Helios on 30 September 2022

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## Introduction

Helios Energy Ltd, its wholly owned subsidiaries (“**Helios Energy**” or the “**Group**”) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

The disclosure of corporate governance practices can be viewed on the Company’s website at <https://www.heliosenergyltd.com/corporate-governance>.

The directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day to day management of the Group’s affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board.

## Corporate Governance Compliance

The Group supports the principles of good corporate governance and the best practice recommendations as published in the *ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations 4th Edition* (Feb 2019) (the “**Principles**” or “**Recommendations**”).

ASX Listing Rule 4.10.3 requires Helios Energy to disclose the extent to which the Group have followed the Principles and Recommendations, and if the recommendations have not been followed, the Group have provided an explanation as to why not.

This Corporate Governance Statement (“**statement**” or “**CSG**”) outlines the Group’s key corporate governance practices related to the Principles. Whilst some of the Principles are more relevant to larger listed companies, the Group has considered the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) to determine an appropriate system of control and accountability to best fit its business and operations, to commensurate with these guidelines.

A description of the Group’s main corporate governance practices are set out below.

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 1 – Lay Solid Foundations for Management and Oversight</b>			
Recommendation 1.1	<p>A listed entity should have and disclose a board charter setting out:</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>	<b>Yes</b>	<p>The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.</p> <p>Day to day management of the Group’s affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Managing Director (who acts in the capacity as CEO).</p> <p>The matters that the Board has specifically reserved for its decision are:</p> <p>(a) the appointment and management of the CEO;</p> <p>(b) approval of the overall strategy and annual budgets of the business;</p> <p>(c) overseeing the accounting and corporate reporting systems, including the external audit; and</p> <p>(d) compliance with constitutional documents.</p> <p>The CEO is delegated the authority to ensure the effective day-to-day management of the business and the Board monitors the exercise of these powers. The CEO is required to report regularly to the Board on the performance of the Business.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 1 – Lay Solid Foundations for Management and Oversight</b>			
Recommendation 1.2	A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</li> <li>(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.</li> </ul>	<b>Yes</b>	<p>In determining candidates for the Board, consideration is given to the mix of skills, experience, and diversity of the existing Board in addition to the balance of independent Directors.</p> <p>The Company undertakes checks on any person who is being considered as a director. These checks may include obtaining a character reference, police clearance certificate, bankruptcy search, review experience and education before appointing or re-appointing a person and when putting forward a candidate for election as a Director.</p> <p>No Board appointment was made during, or subsequent to, the financial year ended 30 June 2022.</p> <p>Directors are re-elected in accordance with the Company’s Constitution and the ASX Listing Rules. Shareholders will be provided with all material information for a Director’s election in the Notice of Meeting that would be relevant for shareholders to make a decision on whether or not to elect or re-elect a Director, such as the Director’s qualifications, experience and contribution to the Board to enable an informed decision to be made.</p>
Recommendation 1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<b>Yes</b>	Each senior executive and executive director has a formal employment contract and the non-executive directors have a letter of appointment including a director’s interest agreement with respect to disclosure of security interests.
Recommendation 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.	<b>Yes</b>	The Company Secretary has a direct reporting line to the Board, through the Chair. The main functions of the role are to assist in advising the Board on governance matters and monitoring compliance with Board procedures.

Corporate Governance Council Principles and Recommendations	Compliant	Explanation of Compliance / Non-compliance
<b>Principle 1 – Lay Solid Foundations for Management and Oversight</b>		
<p>Recommendation 1.5</p>	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period:               <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity’s progress towards achieving those objectives; and</li> <li>(3) either:                   <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</li> <li>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><b>No</b></p> <p>The Company’s Diversity Policy does not include measurable objectives as the Board believes that the Company will not be able to successfully meet these given the current size and stage of development of the Company. If the Company’s activities increase in size, nature and scope in the future, then appropriate measurable objectives will be set and put into place.</p> <p>There are currently no women employees in the organisation.</p> <p>Notwithstanding the above, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Company’s Diversity Policy.</p> <p>The Company is a not a ‘relevant employer’ under the <i>Workplace Gender Equality Act 2012</i>.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 1 – Lay Solid Foundations for Management and Oversight</b>			
Recommendation 1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<b>No</b>	<p>The Chairman is responsible for evaluating the performance of the Board, its committees and individual directors. This is generally done through a meeting with the Chair.</p> <p>The review is currently informal and is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance. There was no formal performance evaluation during the financial year.</p>
Recommendation 1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<b>No</b>	<p>The Board is responsible for evaluating the senior executives. Induction procedures are in place and senior executives have formal job descriptions which includes the process for evaluating their performance.</p> <p>There was no formal performance evaluation of the senior executives during the financial year, with the performance evaluation undertaken via information and ongoing discussions.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 2 - Structure the Board to be Effective and Add Value</b>			
Recommendation 2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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</li> </ol> <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>	<b>No</b>	<p>The full Board currently performs the function of the Nomination Committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.</p> <p>The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.</p> <p>The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.</p> <p>The Company's objective is to have an appropriate mix of expertise and experience on the Board, and where appropriate its committees, so that the Board can effectively discharge its corporate governance and oversight responsibilities.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance																																				
<b>Principle 2 - Structure the Board to be Effective and Add Value</b>																																							
Recommendation 2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<b>Yes</b>	<p>The Company recognises the importance of having an appropriate mix of expertise and experience on its Board and Committees to enable it to effectively discharge its corporate governance and oversight responsibilities. The Board accordingly seeks to achieve a balance in its structure that best reflects the needs of the Company at any particular time.</p> <p>The Board Charter provides that the Board will review capabilities, technical skills and personal attributes of its directors. It will normally review the Board’s composition against those attributes and recommend any changes in Board composition that may be required.</p> <p>Current skills and attributes are listed as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Non-executive Chairman</th> <th>Managing Director</th> <th>Non-executive Directors</th> </tr> </thead> <tbody> <tr> <td>Leadership</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Strategy / Risk</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Communication</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Fundraising</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Mining Industry</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Governance</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Health, safety and environment</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Financial acumen</td> <td>X</td> <td>X</td> <td>X</td> </tr> </tbody> </table>		Non-executive Chairman	Managing Director	Non-executive Directors	Leadership	X	X	X	Strategy / Risk	X	X	X	Communication	X	X	X	Fundraising	X	X	X	Mining Industry	X	X	X	Governance	X	X	X	Health, safety and environment		X		Financial acumen	X	X	X
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Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance															
<b>Principle 2 - Structure the Board to be Effective and Add Value</b>																		
Recommendation 2.3	<p>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, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<b>Yes</b>	<p>The Company has accepted the definition of “independence” in the Recommendations in making the below assessments of independence.</p> <p>In making the independence assessment, the Board considers Mr Robert Bearden and Mr Nicholas Ong as independent directors. Messrs Hui Ye and Richard He are deemed as being non-independent as they are substantial security holders of the Company and/or act in an executive capacity with the Company.</p> <p>Their interest holdings are contained within the Directors’ Report in the Company’s 2022 Annual Report.</p> <p>The dates of appointment and length of time as a director are as per below:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Position Held</th> <th>Length of Service</th> </tr> </thead> <tbody> <tr> <td>Mr Hui Ye</td> <td>Non-executive Chairman</td> <td>4 years and 9 months (appointed 1/12/2017)</td> </tr> <tr> <td>Mr Richard He</td> <td>Managing Director</td> <td>4 years and 11 months (appointed 19/10/2017)</td> </tr> <tr> <td>Mr Robert Bearden</td> <td>Non-executive Director</td> <td>4 years and 7 months (appointed 14/2/2018)</td> </tr> <tr> <td>Mr Nicholas Ong</td> <td>Non-executive Director</td> <td>5 years and 1 month (appointed 4/8/2017)</td> </tr> </tbody> </table>	Name of Director	Position Held	Length of Service	Mr Hui Ye	Non-executive Chairman	4 years and 9 months (appointed 1/12/2017)	Mr Richard He	Managing Director	4 years and 11 months (appointed 19/10/2017)	Mr Robert Bearden	Non-executive Director	4 years and 7 months (appointed 14/2/2018)	Mr Nicholas Ong	Non-executive Director	5 years and 1 month (appointed 4/8/2017)
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Recommendation 2.4	A majority of the board of a listed entity should be independent directors.	<b>No</b>	<p>The Group does not have a majority of independent directors.</p> <p>Consistent with the size of the Group and its activities, the Board is comprised of four directors, two of whom are currently considered to be independent directors.</p> <p>The Board’s policy is that the majority of directors shall be independent, non-executive directors. The composition of the Board does not currently conform to its policy. It is the Board’s intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.</p>															

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<b>Principle 2 - Structure the Board to be Effective and Add Value</b>			
Recommendation 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.	<b>No</b>	Mr Hui Ye acts as Chair of the Board. He is not independent. It is the Board's intention to comply with its policy at a time when the size of the Group and its activities warrants such a structure.
Recommendation 2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<b>Yes</b>	The Board Charter provides for induction and professional development for the Board.
<b>Principle 3 – Instil a Culture of Acting Lawfully, Ethically and Responsibly</b>			
Recommendation 3.1	A listed entity should articulate and disclose its values.	<b>Yes</b>	The Company has a Code of Conduct, Whistleblower policy and Anti-bribery and Corruption policy, which encourages a culture of respect and no fear of repercussions.

Corporate Governance Council Principles and Recommendations	Compliant	Explanation of Compliance / Non-compliance
<b>Principle 3 – Instil a Culture of Acting Lawfully, Ethically and Responsibly</b>		
Recommendation 3.2	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>	<p style="text-align: center;"><b>Yes</b></p> <p>The Board is committed to the establishment and maintenance of appropriate ethical standards.</p> <p>To that end, the Board has established a Code of Conduct for its directors, senior executives and employees. The Code of Conduct consists of the following:</p> <ul style="list-style-type: none"> <li>(a) Conflict of Interest                             <ul style="list-style-type: none"> <li>• The Board maintains a Conflict of Interest register and Directors are expected to declare any new conflict of interest at the start of each board meeting.</li> </ul> </li> <li>(b) Continuous Disclosure Policy                             <ul style="list-style-type: none"> <li>• The Board continues to disclose to the market of any maintains a Conflict of Interest register and Directors are expected to declare any new conflict of interest at the start of each board meeting.</li> </ul> </li> <li>(c) Share Trading Policy                             <ul style="list-style-type: none"> <li>• The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.</li> </ul> </li> <li>(d) Diversity and Inclusion Policy                             <ul style="list-style-type: none"> <li>• The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.</li> </ul> </li> </ul> <p>To ensure that the Board is informed of any material breaches of the Code, the Board requires a report on compliance with the Code on a regular basis.</p>

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Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 3 – Instil a Culture of Acting Lawfully, Ethically and Responsibly</b>			
Recommendation 3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<b>Yes</b>	The Board has in place a Whistleblower Policy, which is available on the Company's website and provided to all employees. The Board requires a report on any incidents (subject to anonymity requests) on a regular basis.
Recommendation 3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<b>Yes</b>	The Board has in place an Anti-bribery and Corruption Policy, which is available on the Company's website and provided to all employees. The Board requires a report on any breaches on a regular basis.

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 4 – Safeguard the Integrity of Corporate Reports</b>			
Recommendation 4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<b>No</b>	<p>An audit committee has not been established.</p> <p>The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.</p> <p>In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 4 – Safeguard the Integrity of Corporate Reports</b>			
Recommendation 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.	<b>Yes</b>	<p>The financial statements for the Half Year and Year End periods are tabled by the MD and CFO at the Board meeting for review and approval.</p> <p>In respect of each statutory financial reporting period, the Board was provided with a declaration in accordance with S.295A of the <i>Corporations Act</i> which is consistent with Recommendation 4.2. The Company complied with this recommendation.</p>
Recommendation 4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<b>Yes</b>	<p>The Company is committed to providing clear, concise and factual disclosure of material information to all investors in its corporate reports. The Company has adopted a process for the preparation, verification and approval of corporate reports to confirm the accuracy of those reports.</p> <p>The financial or other factual information in the Quarterly Cash Flow reports and statutory reports are prepared by the Company's external accountants and are verified by the CFO and MD, before being submitted to the Board for review and approval.</p> <p>The Board then approves and authorises the Company Secretary to release the publication of the report to the ASX for further dissemination.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 5 – Make Timely and Balanced Disclosure</b>			
Recommendation 5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<b>Yes</b>	<p>The Board Charter contains the policies designed to ensure compliance with ASX Listing Rule disclosure.</p> <p>The Company is committed to promoting investor confidence and the rights of all shareholders by complying with the disclosure obligations contained in the Corporations Act and the ASX Listing Rules.</p> <p>The aim is to ensure that all market announcements are presented in a factual, clear and balanced way.</p>
Recommendation 5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<b>Yes</b>	The Company Secretary and/or MD is responsible for providing its Board with copies of all material market announcements promptly after they have been made.
Recommendation 5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<b>Yes</b>	The Company Secretary is responsible for uploading new and substantive investor or analyst presentations on the ASX Market Announcements Platform ahead of the presentation.

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 6 – Respect the Rights of Security Holders</b>			
Recommendation 6.1	A listed entity should provide information about itself and its governance to investors via its website.	<b>Yes</b>	The Company has a website at <a href="http://www.heliosenergyltd.com">www.heliosenergyltd.com</a> for making information available to shareholders and investors.
Recommendation 6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<b>Yes</b>	The Company encourages shareholders to attend and participate in general meetings and will make itself available to meet shareholders and regularly responds to enquiries made via telephone and in writing.
Recommendation 6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<b>Yes</b>	The Company encourages shareholders to attend and participate in general meetings. As a junior company, shareholder attendance numbers are low however, if a shareholder wishes to provide a comment or question and is not able to attend the meeting, the Company will address this as part of the meeting.
Recommendation 6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands	<b>Yes</b>	The Company confirms that it will ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.  At the Company's 2021 Annual General Meeting, all resolutions were decided on a poll.
Recommendation 6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<b>Yes</b>	The Company provides shareholder materials directly to shareholders through electronic means. A shareholder may request a hard copy of the Company's annual report to be posted to them.  The Company's share registry is maintained electronically by Computershare Registry. Their contact details are disclosed in the Corporate Directory of the 2022 Annual Report.



Corporate Governance Council Principles and Recommendations	Compliant	Explanation of Compliance / Non-compliance
<b>Principle 7 – Recognise and Manage Risk</b>		
Recommendation 7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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</li> </ol> <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><b>No</b></p> <p>The Board has adopted a Risk Management Policy. There is no risk management committee and this role is undertaken by the Board who consider this at Board meetings. The overall basis for risk management is to provide recommendations about:</p> <ol style="list-style-type: none"> <li>(a) Assessing the internal processes for determining and managing key risk areas, particularly:             <ul style="list-style-type: none"> <li>• non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;</li> <li>• litigation and claims; and</li> <li>• relevant business risks other than those that are dealt with by other specific Board Committees.</li> </ul> </li> <li>(b) Ensuring that the Group has an effective risk management system and that major risks to the Group are reported at least annually to the Board.</li> <li>(c) Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.</li> <li>(d) Evaluating the process the Group has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.</li> <li>(e) Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.</li> <li>(f) Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Group's control environment.</li> </ol>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 7 – Recognise and Manage Risk</b>			
Recommendation 7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	<b>Yes</b>	The Board meets to discuss the operating activities and risk assessment is part of this process. Risks are considered including but not limited to strategic, operational, legal, reputation and financial risks. This is an on-going process rather than an annual formal review.
Recommendation 7.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(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 governance, risk management and internal control processes.</li> </ul>	<b>No</b>	<p>The Company does not have an internal audit function but reviews its risk management and internal control processes on a regular basis.</p> <p>The Board recognises that no cost-effective internal control system will preclude all errors and irregularities. The Company’s risk management and internal control system is based upon written procedures, policies and guidelines, an organisational structure that provides an appropriate division of responsibility, and the selection and training of qualified service providers and personnel.</p>
Recommendation 7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<b>Yes</b>	<p>The Company is of the view that it has adequately disclosed the nature of its operations and relevant information on exposure to economic, environmental and social sustainability risks.</p> <p>Other than general risks associated with the oil and gas exploration industry, the Company does not currently have material exposure to environmental and social sustainability risks.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 8 – Remunerate Fairly and Responsibly</b>			
Recommendation 8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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</li> </ol> <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>	<b>No</b>	<p>A Remuneration Committee has not been established. T</p> <p>The Company will not have a separate remuneration committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.</p> <p>The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.</p> <p>The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable.</p> <p>The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.</p> <p>In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.</p> <p>Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.</p> <p>The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.</p>

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 8 – Remunerate Fairly and Responsibly</b>			
Recommendation 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.	<b>Yes</b>	<p>The Company provides disclosure of all Directors and executives remuneration in its annual report.</p> <p>Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Group. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation).</p> <p>Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares and / or options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p>
Recommendation 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>	<b>Not Applicable</b>	The Company does not have an equity-based remuneration scheme which is affected by this recommendation.

Corporate Governance Council Principles and Recommendations		Compliant	Explanation of Compliance / Non-compliance
<b>Principle 9 – Additional Recommendations that Apply only in Certain Cases</b>			
Recommendation 9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<b>Not Applicable</b>	The Company does not have a director in this position and this recommendation is therefore not applicable.
Recommendation 9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<b>Not Applicable</b>	The Company is established in Australia and this recommendation is therefore not applicable
Recommendation 9.3	A listed entity established outside Australia, and an externally managed 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.	<b>Yes</b>	The Company's Auditor receives a Notice of Meeting and attends the Annual General Meeting.

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

HELIOS ENERGY LIMITED

ABN/ARBN

61 143 932 110

Financial year ended:

30 JUNE 2022

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.heliosenergyltd.com/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 30 September 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 30 SEPTEMBER 2022

Name of authorised officer authorising lodgement: RICHARD HE

<sup>1</sup> "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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> 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.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: www.heliosenergy ltd.com	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p>[insert location]</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: our Corporate Governance Statement  and, where applicable, the information referred to in paragraph (b) at: the Company's Directors' Report within the 2022 Annual Report and the length of service of each director at: Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="https://www.heliosenergyLtd.com/corporate-governance">https://www.heliosenergyLtd.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://www.heliosenergyLtd.com/corporate-governance">https://www.heliosenergyLtd.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://www.heliosenergyLtd.com/corporate-governance">https://www.heliosenergyLtd.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://www.heliosenergyLtd.com/corporate-governance">https://www.heliosenergyLtd.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://www.heliosenergy ltd.com/corporate-governance">https://www.heliosenergy ltd.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://www.heliosenergy ltd.com/corporate-governance">https://www.heliosenergy ltd.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <a href="https://www.heliosenergy ltd.com/corporate-governance">https://www.heliosenergy ltd.com/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.	<input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: ..... <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: ..... <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed 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 at:	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

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Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>www.heliosenergytld.com</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>www.heliosenergytld.com</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>the Company's Directors' Report within the 2022 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></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><input type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> 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; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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