

Corporate Governance Statement

The Board of Directors of Audeara Limited (**Audeara** or the **Company**) ABN 27 604 368 443 is responsible for:

- the corporate governance of the Company; and
- guiding and monitoring the Company's business on behalf of its shareholders.

The Company and its Board continue to be fully committed to achieving and demonstrating the highest standards of accountability and transparency in their reporting and see the continued development of the Company's corporate governance policies and practices as fundamental to the Company's successful growth.

To the extent applicable, in light of the Company's operational size and complexity, the Board has adopted the Corporate Governance Principles and Recommendations (Fourth Edition) as published by ASX Corporate Governance Council (Recommendations). However, the Board also recognises that full adoption of the Recommendations may not be practical or provide the optimal result given the particular circumstances of the Company.

The Company's Charters and Policies are available from the Company's website at <https://audeara.com/pages/corporate-governance>

Any references to various Charters or Policies within the statement below, are references to those published on the Company's website. Information published on the Company's website includes a copy of this corporate governance statement.

This Corporate Governance Statement was approved by the Board of Directors and is current as at 29 September 2023.

Recommendation		Comply	Comment
Principle 1: Lay solid foundations for management and oversight <i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.</i>			
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>	Yes	<p>The Company has a Board Charter which sets out the functions and responsibilities of the Board and the matters expressly reserved to the Board and those delegated to management and details the manner in which the Board operates.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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>	Yes	<p>The process for the selection, appointment and re-appointment of Directors and senior executives is set out in both the Remuneration Committee Charter and the Nomination Committee Charter.</p> <p>The Company undertakes appropriate checks before appointing a director or senior executive or putting someone forward for election as a director.</p> <p>New Director candidates are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, and credibility within the Company's scope of activities.</p> <p>Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting.</p> <p>The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Director (including whether Directors support the election or re-election) is disclosed in the notice of meeting provided to shareholders</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>The Company's Nomination Committee Charter requires that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has written agreements with each of its Directors and senior executives setting out the terms of their employment.</p>
1.4	<p>The company secretary of a listed entity should be accountable director to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	<p>The Company Secretary is accountable directly to the Board (through the Chairman) for facilitating the Company's corporate governance processes and proper functioning of the Board.</p> <p>Each Director is entitled to access the advice and services of the Company Secretary. In accordance with the Company's Constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole.</p> <p>The details and experience of the Company Secretary are set out within the Directors' Report contained in the 2023 Annual Report.</p>

	Recommendation	Comply	Comment
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (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 (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set out for that period to achieve gender diversity; (2) the entity’s progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) 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 (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. 	No	<p>The Company’s Diversity Policy provides a framework for the Company to achieve:</p> <ul style="list-style-type: none"> (a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals; (b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff; (c) an inclusive workplace where discrimination, harassment, vilification and victimisation cannot and will not be tolerated; (d) improved employment, talent management and career development opportunities for women; (e) enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent; (f) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and (g) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity, <p>(Collectively, the Objectives).</p> <p>The Board is responsible for developing measurable objectives and strategies to meet the objectives of the Diversity Policy (Measurable Objectives) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below. The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.</p> <p>The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.</p> <p>The Company’s diversity strategies include:</p> <ul style="list-style-type: none"> (a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board; (b) reviewing succession plans to ensure an appropriate focus on diversity; (c) identifying specific factors to take account of in recruitment and selection processes to encourage diversity; (d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; (e) developing a culture which takes account of domestic responsibilities of employees; and (f) any other strategies the Board develops from time to time. <p>The Board supports achieving gender diversity but the Board has not yet established Measurable Objectives for achieving gender diversity due to the Company’s level of</p>

Recommendation	Comply	Comment								
		<p>operations.</p> <p>The proportion of women employees (not including contract or temporary staff) across the organisation, in senior executive positions and women on the Board as at the date of this Statement is as follows:</p> <table border="1" data-bbox="1144 252 2107 427"> <thead> <tr> <th></th> <th>Proportion of Women</th> </tr> </thead> <tbody> <tr> <td>Whole Organisation (Excluding NEDs)</td> <td>6 out of 17 (35%)</td> </tr> <tr> <td>Snr Executive Positions</td> <td>0 out of 3 (0.00%)</td> </tr> <tr> <td>Non-Executive Directors</td> <td>1 out of 3 (33%)</td> </tr> </tbody> </table> <p>Senior Executive's are those executives noted as Key Management Personnel as disclosed within the Annual Report but excluding Non-Executive Directors.</p> <p>No entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 and therefore no Gender Equality Indicators to be disclosed.</p>		Proportion of Women	Whole Organisation (Excluding NEDs)	6 out of 17 (35%)	Snr Executive Positions	0 out of 3 (0.00%)	Non-Executive Directors	1 out of 3 (33%)
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<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 accordance with that process during or in respect of that period.</p>	<p>Yes</p>	<p>The Board, in accordance with the Remuneration Committee Charter, the Nomination Committee Charter and the Performance Evaluation Policy is responsible for the performance evaluation of individual Directors on an annual basis. To assist in this process, an independent adviser may be used.</p> <p>In the normal course of events the Board reviews performance of the management, Directors, and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly at Board meetings on an informal basis.</p> <p>A formal Board performance evaluation was undertaken during the year by way of self-assessment.</p>								
<p>1.7 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 was undertaken in accordance with that process during or in respect of that period.</p>	<p>Yes</p>	<p>The Board, in accordance with the Remuneration Committee Charter, the Nomination Committee Charter and the Performance Evaluation Policy is responsible for the performance evaluation of senior executives on an annual basis.</p> <p>A senior executive, for these purposes, means key management personnel as disclosed within the Annual Report other than a non-executive director.</p> <p>The Company's Board aims to review and evaluate the remuneration and performance of the Company's senior Executive Team annually. No performance reviews were undertaken in the past year.</p>								

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<p>Principle 2: Structure the Board to be effective add value</p> <p><i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i></p>		
<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>	Yes	<p>Audeara does not have a nomination committee as the Board considers the Company will not currently benefit from its establishment. The Board carries out the duties that would ordinarily be carried out by the nomination committee, including the following process to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <ul style="list-style-type: none"> • devoting time to discuss Board succession issues; and • all Board members being involved in the Company’s nomination process. <p>The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a Nomination Committee to assist the Board in relation to the appointment of Directors and senior management as required.</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>	Yes	<p>The Company has developed a Board skills matrix setting out the mix of skills that the Board currently has and this is one of the tools considered by the Board when looking to appoint new directors.</p> <p>The Directors’ skills matrix is available on the Company’s website within the Corporate Governance tab at https://audeara.com/pages/corporate-governance</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 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>	Yes	<p>The Board may determine that a director is independent notwithstanding the existence of an interest, position, association or relationship of the kind identified in the examples listed under Recommendation 2.3 of the ASX Principles and Recommendations.</p> <p>The Company has one independent director being Dr Elaine Saunders, who is a non-executive director of the Company.</p> <p>Messrs Trimboli and Peng are not considered to be independent due to their substantial holdings in the Company. Messrs Peng and Fielding also hold executive positions in the Company.</p> <p>The details of the Directors’ and their length of service is as follows:</p>

Recommendation	Comply	Comment
(c) the length of service of each director.		<p>Current Directors David Trimboli – Chairman (appointed 27 August 2015) Dr James Fielding – Managing Director (appointed 23 February 2015) Dr Elaine Saunders – Non-executive Director (appointed 1 January 2022) Bill Peng – Executive Director (appointed 5 August 2022)</p> <p>Former Directors Pasquale Rombola – Non-executive Director (appointed 31 March 2021; Ceased 25 August 2023)</p>
2.4 A majority of the board of a listed entity should be independent directors.	No	<p>Audeara’s Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of four Directors, one of whom is considered to be independent – Dr Elaine Saunders. As such, independent Directors are not currently a majority of the Board.</p> <p>Messrs Trimboli and Peng are not considered to be independent due to the substantial holdings in the Company. Messrs Peng and Fielding also hold executive positions in the Company.</p> <p>The Board does not currently consider an independent majority of the Board to be appropriate given the Company’s present scale of activities.</p> <p>Directors have been selected to bring specific skills and industry experience to the Company. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise to meet its objectives.</p>
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.	No	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>David Trimboli, who is not independent for reasons noted in 2.4 above, is Chairman of the Company but he does not hold the position of CEO of the entity.</p>
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.	No	<p>The Company does not have a formal structured induction program. However, to familiarise themselves with the Company and its practices and procedures, each new appointee typically spends time with the Managing Director and the Company Secretary/CFO to be briefed on the Company’s corporate and project history, and the state of its finances and accounting practices.</p> <p>In addition, Directors may request from the Company Secretary:</p> <ul style="list-style-type: none"> ● any past minutes of Directors’ meetings of the Company; ● any existing policies or procedures of the Company which are in place; ● any minutes of meeting of shareholders of the Company; ● copies of the audited financial statements of the Company; and ● any other information, financial or otherwise, about the affairs of the Company that Directors request. <p>The Company recommends and encourages all Directors to attend relevant external seminars, conferences, and educational programs for expanding their knowledge base and</p>

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		professional skills. Directors also have the right, in connection with the discharge of their duties and responsibilities, to seek independent professional advice at the Company's expense in accordance with the agreed procedure set up by the Board.

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<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly <i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i></p>		
3.1	A listed entity should articulate and disclose its values.	<p>Yes</p> <p>The Company outlines its values within its Corporate Code of Conduct Policy which is to deliver maximum shareholder value through profitable growth and development of stable and sustainable projects whilst acting lawfully, ethically and responsibly.</p> <p>It is the Company's expectation that all staff will:</p> <ul style="list-style-type: none"> a) behave honestly and with integrity and report any employees or Directors who are behaving dishonestly; b) treat fellow employees or Directors with respect and not engage in bullying, harassment or discrimination; c) disclose and deal appropriately with any conflicts between your personal interests and your duty as a Director, senior executive or employee (as applicable); d) not take advantage of the property or information of the Company or its customers for personal gain or to cause detriment to the Company or its customers; e) not take advantage of your position for the opportunities arising therefrom for personal gain; f) carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services; g) operate within the law at all times; h) act in the best interests of the Company; i) follow the policies of the Company and adhere to the Company's values; and j) act in an appropriate business-like manner when representing the Company in public forums and deal with customers and suppliers fairly.
3.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> (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 	<p>Yes</p> <p>The Corporate Code of Conduct (Code) applies to all Directors, senior executives and employees 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 the Company's integrity and to take into account legal obligations and the reasonable expectations of stakeholders.</p> <p>Material breaches of this Code of Conduct must be reported to the Board or a committee of the Board (if one is established).</p>
3.3	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (c) ensure that the board or committee of the board is informed of any material incidents reported under that policy. 	<p>Yes</p> <p>The Board has established a Whistleblower Policy that sets out the procedure for making disclosures of information that qualifies for protection under the Corporations Act or the Whistleblower Policy. It applies to Directors, management and employees of the Company (and their relatives), as well as suppliers of the Company (and their employees, contractors, suppliers, consultants and service providers).</p> <p>Given the Company's present size and scope, it is currently not the Company's policy to have a separate committee and all Whistleblower matters will be considered by the board (excluding any implicated board member in a report).</p>

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3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (d) ensure that the board or committee of the board is informed of any material breaches of that policy	Yes	The Board takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, ethically and with integrity in all of its business dealings and relationships. This extends to implementing and enforcing effective systems to counter bribery and corruption, and the Board has established an Anti-Bribery and Corruption Policy. Given the Company's present size and scope, it is currently not the Company's policy to have a separate committee and all anti-bribery and corruption matters will be considered by the board (excluding any implicated board member in a report).

Recommendation	Comply	Comment
<p>Principle 4: Safeguard the integrity of corporate reports <i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i></p>		
<p>4.1 A 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>Yes</p>	<p>Audeara does not have an audit and risk committee as the Board considers Audeara will not currently benefit from its establishment. The Board shall initially carry out the duties that would ordinarily be carried out by the audit and risk committee including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <ul style="list-style-type: none"> the Board devotes time at Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and integrity of all financial reporting.
<p>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.</p>	<p>No</p>	<p>Audeara has a small staff complement and is thus unable to provide a complete and robust system of internal controls. Segregation of duties is not possible considering the size of the company.</p> <p>Considering the above, prior to the approval of the Group's financial statements each year, the Chief Executive Officer and the Chief Financial Officer confirm in writing to the Board that to the best of their knowledge and belief, the financial reports of the Company for the financial year:</p> <ul style="list-style-type: none"> present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; the statement given in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal compliance and control appropriate for the size of the Company; and the Company's risk management and internal compliance and control system is operating appropriately in all material respects in relation to financial reporting risks.

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Recommendation		Comply	Comment
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.	Yes	The Company is required to lodge Quarterly Cash Flow Statements throughout the year which are not audited. This information is prepared by the Company's accounting staff, checked by the CFO and circulated to the Board before release to the market.

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<p>Principle 5: Make timely and balanced disclosure</p> <p><i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities</i></p>		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<p>Yes</p> <p>The Company has adopted a Continuous Disclosure Policy to ensure compliance with the continuous disclosure requirements of ASX's Listing Rules and the Corporations Act. The Policy sets out the rules and procedures for ASX information disclosure, the responsibility of the Board, senior executives, and staff to ensure that price sensitive information is identified, reviewed by management, and disclosed to ASX in a timely, clear, and objective manner and that all information provided to ASX is posted on the Company's website as soon as possible after its disclosure to ASX.</p> <p>The Company Secretary manages the Company's compliance with its continuous disclosure obligations and is delegated responsibility for communications with, and coordinating disclosure of information to, ASX. Directors receive copies of all announcements released to ASX and copies of announcements, including related information, such as financial statements and public presentations, and are aware of and accountable for the Company's compliance with regard to continuous disclosure.</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<p>Yes</p> <p>Copies of all material market announcements are circulated by the Company Secretary promptly to the Board to ensure the Board has timely oversight of the nature and quality of information being disclosed to the market.</p>
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	<p>Yes</p> <p>In order to ensure the equality of information among investors and in accordance with the Company's Continuous Disclosure Policy, the Company releases to the market a copy of all new and substantive investor or analyst presentations ahead of delivery.</p>

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<p>Principle 6: Respect the rights of security holders <i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively</i></p>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>Yes</p> <p>Information about the Company and its operations is located on the Company’s website (www.audeara.com). Information about the Company’s Corporate Governance policies can be found on the Company’s website.</p>
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<p>Yes</p> <p>The Company is committed to informing shareholders of all major developments affecting the operations of the Company and the state of its affairs. Communications with shareholders include:</p> <ul style="list-style-type: none"> ● annual reports which are distributed or otherwise made available to all investors; ● quarterly activities and cash flow reports; ● half-year financial reports; ● AGMs and other general meetings called to obtain shareholder approval for significant corporate actions, as appropriate; ● Company announcements; and ● all of the information available on the Company’s website. <p>Conference and investor presentations, including videos where applicable, are made available on the Company’s website. The Company operates a Twitter account and a LinkedIn Account.</p> <p>The Company welcomes questions from shareholders at any time and these are answered promptly unless the information requested is market sensitive and not in the public domain. All announcements made by the Company to the market are posted to the Company’s website.</p> <p>The Managing Director, the Company Secretary, and the Marketing Manager are responsible for this area of the Company’s activities.</p>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<p>Yes</p> <p>The Company encourages shareholder participation at its general meetings, whether they are face-to-face or virtual meetings. Accordingly, meetings are held during normal business hours using appropriate technology to facilitate the meeting and at a location considered to be most convenient for the greatest possible number of shareholders to attend.</p> <p>Shareholders are encouraged to submit written questions ahead of and during the meeting, or through the appointment of a proxy.</p>

Recommendation		Comply	Comment
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.	Yes	The Company's Shareholder Communication Strategy provides that all substantive resolutions at shareholder meetings will be decided by a poll rather than a show of hands.
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.	Yes	<p>The Company's register is maintained by a professional security registry, Computershare. Shareholders are able to communicate with the Computershare via email and can register to receive communications and shareholder materials from the Company via its security registry electronically.</p> <p>The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report and half yearly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholder queries are referred to the Company Secretary in the first instance.</p>

Recommendation	Comply	Comment
<p>Principle 7: Recognise and manage risk <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p>		
<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), disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Yes</p>	<p>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management.</p> <p>The Board carries out the duties that would ordinarily be carried out by the risk committee. This includes devoting time at Board meetings to fulfil the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk 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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Yes</p>	<p>The Board, at least annually, considers the overall risk management framework and risk profile and twice per year reviews its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks.</p> <p>The Company's Board is focused on the management of risk and reviews the Risk Register as appropriate. The Risk Register is monitored and updated by management periodically.</p> <p>Audeara has a small staff complement and is thus unable to provide a complete and robust system of internal controls. Segregation of duties is not possible considering the size of the company. There has been no formal review process undertaken in the past year.</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 governance, risk management and internal control processes.</p>	<p>Yes</p>	<p>The Company does not have a formal internal audit function due to its current size. The Board monitors the need for an internal audit function. The Company's management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement, these systems are developed. The Company's external auditors are consulted for advice by the Board.</p> <p>At this stage the Company's operational and financial functions are not complex, and all expenditure authorizations include the Managing Director and the CFO. All suppliers are known to the Company, and any irregular and unrecognized expenses are routinely queried and discussed with one or more of the personnel noted above.</p>

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Recommendation		Comply	Comment
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.	Yes	<p>The Company's Corporate Governance Plan requires the Company to 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> <p>The Company's exposure to material economic, environmental and social sustainability risks, if any, is included in the Operations Review, Directors' Report and the financial statements all contained in the Annual Report and under its continuous disclosure obligations.</p>

Recommendation	Comply	Comment
<p>Principle 8: Remunerate fairly and responsibly <i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</i></p>		
<p>8.1 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>Yes</p>	<p>The Board as a whole performs the function of the Remuneration Committee, which includes setting the Company's remuneration structure, determining eligibility to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Board shall initially carry out the duties that would ordinarily be carried out by the remuneration committee including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <ul style="list-style-type: none"> ● the Board devotes time at appropriate Board meetings to assess the level and composition of remuneration for Directors and senior executives; ● items that are usually required to be discussed by a remuneration committee are marked as separate agenda items at Board meetings when required; and ● the Board may seek external advice and benchmarking to inform their decisions. <p>The Board consider that the Company is not currently of a size nor are its affairs of such complexity to justify having a separate Remuneration Committee.</p>
<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>	<p>Yes</p>	<p>The Board of the Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.</p> <p>Disclosure of the remuneration details for Directors and executives occurs each year in the Remuneration Report forming part of the Directors' Report contained within the 2023 Annual Report. Details of the Managing Director's remuneration arrangements are announced to market at the time of establishment and at the time of any material change thereafter.</p> <p>The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The total aggregate remuneration currently determined by the Company to be paid to Directors (excluding salaries of executive Directors) shall be no more than \$380,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.</p>

Recommendation	Comply	Comment
		<p>All Directors have the opportunity to qualify for participation in the Directors' and executive officers' option plan, subject to the approval of shareholders. The remuneration of the executives may from time to time be fixed by the Board, which will comprise a fixed remuneration component and also may include offering specific short and long-term incentives in the form of performance-based salary increases and/or bonuses, and/or the issue of options. Details of the Company's remuneration arrangements for Non-Executive Directors, Executive Directors, and senior executives (including fee rates), are set out within the Remuneration Report forming part of the Directors' Report contained within the 2023 Annual Report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (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 (b) disclose that policy or a summary of it. 	<p>Yes</p>	<p>The Company's policies and practices regarding the remuneration of Directors and senior executives, including equity-based remuneration, is disclosed in the Remuneration Report in the 2023 Annual Report.</p>