

# OpenDNA Limited Corporate Governance Statement

## **ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices in place throughout the year are outlined below and in detail in the table following. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website [www.opendna.ai](http://www.opendna.ai).

## **Board of directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

## **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting.

## **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### ***Independent professional advice***

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### ***Ethical standards***

The Board is committed to the establishment and maintenance of appropriate ethical standards.

### ***Remuneration arrangements***

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

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. 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 \$350,000 per annum.

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.

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.

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.

### ***Diversity policy***

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.

### ***Trading policy***

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors, Employees and Consultants. The policy generally provides that the written acknowledgement of the Chairman, or Managing Director if the Chairman is not available, (or the Board in the case of the Chairman) must be obtained prior to trading.

### ***External audit***

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

### ***Audit committee***

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.

In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee pursuant to the Audit and Risk Management Committee Charter, 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.

### ***Remuneration committee***

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.

The full Board will carry out the duties that would ordinarily be assigned to that committee, ensuring that the level and composition of remuneration provided to attract and retain high quality directors and employees is commercially appropriate and targeted to align with the interests of the Company whilst not resulting in a conflict with the objectivity of its Independent Directors.

The Board will ensure that no Director or Senior Executive will be involved in deciding his or her own remuneration.

The Board has not adopted a formal Remuneration Committee Charter.

### ***Nomination committee***

The Company will not have a separate nomination 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.

The full Board will carry out the duties that would ordinarily be assigned to that committee ensuring that the composition of the Board is appropriate, consider succession issues and inducting and evaluating the performance of the Board and its Committees.

The Board has not adopted a formal Nomination Committee Charter.

### ***Risk committee***

The Company will not initially form a separate committee to oversee risk and internal control.

Ultimate responsibility for risk management will rest with the full Board which monitors and manages material risks at each Board Meeting where it considers the Company's Risk Matrix.

The Company manages risk pursuant to the Audit and Risk Management Charter and its Risk Management Policy.

## ***Departures from Recommendations***

The Company's compliance and departures from the Recommendations as at 4 September 2019 are set out in the table below.

Principles and Recommendations	Company's Policies	Degree of compliance
<b>Principle 1 – Lay solid foundations for management and oversight</b>		
<p>1.1</p> <p>(a) Disclosure of the respective roles and responsibilities of the board and management; and</p> <p>(b) Disclose matters expressly reserved for the board and those delegated to management.</p>	<p>(a) The Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and executives.</p> <p>The Board relies on Senior Executives to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring financial and other reporting.</p> <p>(b) The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management. A copy of the Board Charter is available on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>.</p> <p>The Board regularly monitors the divisions of functions between the Board and management to ensure the appropriateness to the needs of the Company.</p>	Complies
<p>1.2</p> <p>(a) Complete appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) Provide to shareholders all material information in the listed entity's possession relevant to a decision on whether to elect or not elect or re-elect a director.</p>	<p>(a) The Company ensures that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.</p> <p>The details are documented in the Board Charter which is available on the Company's website.</p> <p>(b) All material information considered relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p>	Complies

Principles and Recommendations	Company's Policies	Degree of compliance
<p>1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company enters into a written service contract with each of its directors and senior executives which sets out at a minimum a description of their position; duties; responsibilities; to whom they report; circumstances in which their service contract may be terminated; and any entitlement upon termination.</p>	<p>Complies</p>
<p>1.4</p> <p>The Company Secretary is accountable to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary.</p> <p>The Company Secretary reports to the Board and is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agenda and briefing material.</p> <p>All directors are to have access to the Company Secretary.</p>	<p>Complies</p>
<p>1.5</p> <p>(a) Establish a diversity policy with measurable objectives to achieve gender diversity and assess annually both the objectives and the entity's progress in achieving them.</p> <p>(b) Disclose the policy or a summary of that policy.</p> <p>(c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act (which is not applicable to the Company as at the date of this Prospectus), the entity's</p>	<p>(a) The Board has adopted a policy on achieving gender, age and ethnic diversity in the Company's Board and employees.</p> <p>The Chief Executive Officer is responsible for ensuring the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.</p> <p>(b) The Company's Diversity Policy is available on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>.</p> <p>(c) The Board adheres to reporting annually and providing progressive results regarding performance against measurable objectives. The Board has not yet set measurable objectives as the Company and its operations are still in its infancy. As the number of employees develops further, the Board will consider the measurable objectives and report accordingly.</p> <p>(c) The total number of employees in the Company including directors is 18 of which 7 are female. There are currently no female directors of the Company.</p>	<p>Partially Complies</p>

Principles and Recommendations	Company's Policies	Degree of compliance
<p>most recent "Gender Equality Indicators", as defined in and published under that Act.</p>		
<p>1.6</p> <p>(a) Have and disclose a process for periodically evaluating performance of the board, its committees and individual directors.</p> <p>(b) Disclose at the end of each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>(a) The Chairperson shall review the performance of the Chief Executive Officer, each Director and each Board committee (if applicable) at least once every calendar year.</p> <p>The details are documented in the Board Charter which is available on the Company's website.</p> <p>(b) The Company was listed on the ASX in November 2016. New executives were appointed to the Company during the year along with other Board changes, and as such the board have not yet undertaken a review. A review will be undertaken once the newly constituted Board has operated for a sufficient period of time.</p>	Complies
<p>1.7</p> <p>(a) Have and disclose a process for periodically evaluating performance of Senior executives.</p> <p>(b) Disclose at the end of each reporting period whether the evaluation was undertaken in accordance with that process.</p>	<p>(a) The Chief Executive Officer shall review the performance of executive management at least once every calendar year with reference to the terms of their employment contract.</p> <p>(b) The Company was listed on the ASX in November 2016. Given the small number of employees, and with changes to executive management during the year, the performance of senior executives are monitored on monthly basis with appropriate discussions with each relevant employee as and when required.</p>	Complies
<b>Principle 2 – Structure the Board to add value</b>		
<p>2.1</p> <p>(a) The board should have a nomination committee with at least 3 members (a majority of whom are independent directors), be chaired by an independent director, disclose the charter, members and, as at the end of each reporting period, the number of times met and individual attendance at meetings.</p> <p>(b) If the listed entity does not have a nomination committee, disclose that fact and disclose what processes the board 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</p>	<p>(a) The Board does not consider that the Company is of a relevant size or complexity to warrant the formation of a Nomination Committee to deal with the selection and appointment of new Directors and as such, a Nomination Committee has not been formed.</p> <p>A dedicated Nomination Committee Charter has not been adopted by the Board.</p> <p>(b) Nominations of new Directors are and will be considered by the full Board. If any vacancies arise on the Board, all Directors will be involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as and when required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a</p>	Does not Comply

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to discharge its duties and responsibilities effectively.	<p>person, or putting forward to Shareholders a candidate for election is stringent.</p> <p>Full details of all Directors will be provided to Shareholders in the Company's annual reports and on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>.</p>																																			
<p>2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board considers the current mix of skills and experience of members of the Board and its senior management, along with the addition of new directors as announced to the ASZ, is sufficient to meet the requirements of the Company.</p> <p>The Board will ensure that it continues to have the mix of skills and experience necessary to conduct OPNs' activities, and that appropriate directors are selected and appointed as required. The following table sets out the mix of skills and diversity that the Board currently has:</p> <table border="1" data-bbox="692 1010 1294 1733"> <thead> <tr> <th></th> <th>No# of Directors</th> </tr> </thead> <tbody> <tr> <td><b>Expertise</b></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>CEO/CFO/Senior Exec</td> <td>4</td> </tr> <tr> <td>Legal</td> <td>1</td> </tr> <tr> <td>Financially Knowledgeable</td> <td>4</td> </tr> <tr> <td>IT/Technical background</td> <td>4</td> </tr> <tr> <td>Sales and Marketing</td> <td>3</td> </tr> <tr> <td>Financial Expert</td> <td>1</td> </tr> <tr> <td>Mergers and Acquisitions</td> <td>3</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><b>Competencies</b></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Strategic Leadership</td> <td>4</td> </tr> <tr> <td>Vision and Mission</td> <td>4</td> </tr> <tr> <td>Networking</td> <td>4</td> </tr> <tr> <td>Governance</td> <td>2</td> </tr> </tbody> </table>		No# of Directors	<b>Expertise</b>				CEO/CFO/Senior Exec	4	Legal	1	Financially Knowledgeable	4	IT/Technical background	4	Sales and Marketing	3	Financial Expert	1	Mergers and Acquisitions	3			<b>Competencies</b>				Strategic Leadership	4	Vision and Mission	4	Networking	4	Governance	2	Complies
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<p>2.3</p> <p>(a) Disclosure of names of independent directors on the board;</p> <p>(b) Disclose any independent director's interest, position association or relationship with the entity if it is described in Box 2.3 of the Recommendations and disclose why the board still considers such director to be independent;</p> <p>(c) Disclose the length of service of each director.</p>	<p>(a) The Company's Board includes Independent Directors: Mr Grant Pestell (Non-Executive Chairman) and Mr Evan Cross (Non-Executive Director).</p> <p>(b) None of the Independent Directors hold more than 5% of the Shares in the Company and each Independent Director is not related to any other Director or senior executive of the Company.</p> <p>The Board assesses whether Directors are independent of management or other relationships that could materially interfere with objective, unfettered or independent judgement by the Director or the Director's ability to act in the best interest of the Company. The Board retains ultimate discretion in their judgement to determine if a Director is independent.</p> <p>Information regarding the independence of Directors are documented in the Board Charter which is available on the Company's website.</p> <p>Mr Pestell is a Partner of the legal firm Mucia Pestell Hillard (MPH). The Company engages the services of MPH from time to time however the quantum of fees associated with the services are not considered material to both the Company and MPH. As such, the provision of services by MPH are not considered to interfere, or might reasonably be seen to interfere with Mr Pestell's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.</p> <p>(c) the length of service of each director is set out in the Company's Directors Report contained within the Annual Report</p>	<p>Complies</p>
<p>2.4</p> <p>The majority of the Board should be independent directors.</p>	<p>The Board does comprise of an equal majority of independent directors.</p> <p>The Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met.</p>	<p>Complies</p>



Principles and Recommendations	Company's Policies	Degree of compliance
<p>2.5</p> <p>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 Chief Executive Officer.</p>	<p>Mr Pestell is the Independent Non-Executive Chairman and does not act as the Chief Executive Officer.</p>	<p>Complies</p>
<p>2.6</p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge required to perform their roles as directors effectively.</p>	<p>Upon appointment, new Directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfill their role effectively.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>	<p>Does not comply</p>
<p><b>Principle 3 – Act Ethically and Responsibly</b></p>		
<p>3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose the code or a summary of the code.</p>	<p>(a) The Company has developed a Code of Conduct for Directors, management and staff, underlying the Company's commitment to high ethical standards in the conduct of the Company's business. The Board is responsible for ensuring the Company's compliance with the Code and the good and fair management of reports of any breaches.</p> <p>(b) The Code of Conduct and Securities Trading Policy are available on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>.</p>	<p>Complies</p>
<p><b>Principle 4 – Safeguard integrity in corporate reporting</b></p>		
<p>4.1</p> <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>(a) The Board has not established a separate Audit Committee.</p> <p>However the full board operates under the adopted Audit &amp; Risk Management Charter, which is available for review on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>, and carries out the functions delegated under that charter.</p> <p>(b) The Board does not consider that the</p>	<p>Does not comply</p>

Principles and Recommendations	Company's Policies	Degree of compliance
<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>Company is of a size nor are the affairs of a complexity sufficient to warrant the formation of a separate Audit Committee. The full board is considered to be able to meet the objectives of the best practice recommendations and discharge its duties in this area.</p> <p>External audit recommendations, internal control matters and any other matters that arise from half yearly reviews and the annual statutory audit will be discussed directly between the Board and the Audit Engagement Partner.</p> <p>The Board encourages contact between Non-Executive Directors and the Company's external auditors ,independently of executive management.</p>	
<p>4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Chief Executive Officer and Chief Financial Officer 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>The Chief Executive Officer and Chief Financial Officer (or equivalent) prepare a declaration to state the following in writing prior to the Board approving the Company's financial statements for a financial period that in their opinion:</p> <ul style="list-style-type: none"> <li>o the Company's financial reports have been properly maintained and contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and</li> <li>o that the opinion is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.</li> </ul>	Complies
<p>4.3</p> <p>Ensure external auditor attend the AGM and is available to answer questions from shareholders relevant to the audit.</p>	<p>The Company's Board ensures that the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Complies

Principles and Recommendations	Company's Policies	Degree of compliance
<b>Principle 5 – Make timely and balanced disclosure</b>		
<p>5.1</p> <p>(a) Establish written policies for complying with ASX continuous disclosure obligations under the Listing Rules; and</p> <p>(b) Disclose those policies or a summary of those policies.</p>	<p>(a) The Company has established a Disclosure Policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act.</p> <p>(b) The Disclosure Policy is available on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>.</p>	Complies
<b>Principle 6 – Respect the rights of security holders</b>		
<p>6.1</p> <p>Provide information about the Company and its governance via a website.</p>	<p>The Company has adopted a Shareholder Communications Strategy that is available for review on its website <a href="http://www.opendna.ai">www.opendna.ai</a></p> <p>Information regarding the Company's management, corporate governance, operations and other information relevant to investors and prospective investors is also updated regularly on its website.</p>	Complies
<p>6.2</p> <p>Design and implement an investor relations program to facilitate communication with shareholders.</p>	<p>The Company had not adopted a formal investor relations program throughout the year, however it does seek to inform investors of developments regularly by communicating through ASX announcements and by providing information on its website.</p> <p>Advise was sought from an Investor Relation firm through the year on an as needs basis.</p> <p>Investors are encouraged to attend the Company's security holder meetings, and are able to contact management by email or by phone.</p>	Does not Comply
<p>6.3</p> <p>Disclose policies and processes to facilitate and encourage shareholder participation at meetings.</p>	<p>The Company has not adopted a formal policy regarding participation at its security holder meetings.</p> <p>The Company does provide meeting documents in a timely manner and seeks to hold meetings that may be attended by security holders in convenient locations and at times considered to be reasonable.</p> <p>Security holders attending such meetings are encouraged to attend and participate, both during and after the formal notified business.</p>	Complies
<p>6.4</p>	<p>All security holders are encouraged to provide the Company's share registry with email addresses to</p>	Complies

Principles and Recommendations	Company's Policies	Degree of compliance
Provide the option for security holders to receive communications from, and send communications to, the Company and its security registry electronically.	enable electronic communication. In addition provision is made, where possible, for security holders to be able to vote on AGM and general meeting matters electronically.  Security holders may contact the Company electronically by email <a href="#">or the Company's share registry</a> .	
<b>Principle 7 – Recognise and manage risk</b>		
<p>7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul 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,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <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> </ul> <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>The Board has not established a separate Risk Management Committee. However the full Board operates under the adopted Audit &amp; Risk Management Charter and carries out those functions delegated in the charter.</p> <p>The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are also considered at each Board meeting.</p> <p>The Board has adopted an Audit and Risk Committee Charter and a Risk Management Policy.</p> <p>Under the Risk Management Policy, responsibility and control risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer, supported by the senior executive team, having ultimate responsibility to the Board for the implementation of the risk management and control framework.</p> <p>The Risk Management Policy is available on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>.</p>	Does not Comply
<p>7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>(a) The Company has established policies as a risk management framework for the oversight and management of material business risks and the Board monitors, identifies and reviews risks within the business and that framework in the ordinary course of business at each Board Meeting.</p> <p>(b) Key operational and financial risks are presented to and reviewed by the Board at each Board meeting and reported in the appropriate periods.</p>	Complies

Principles and Recommendations	Company's Policies	Degree of compliance
<p>7.3</p> <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 risk management and internal control processes.</p>	<p>The Board believes that for efficiency purposes and the Company is not of a size to justify having an internal audit function.</p> <p>(b) Refer to 7.1 above.</p>	<p>Does not Comply</p>
<p>7.4</p> <p>Disclose any material exposure to economic, environmental and social sustainability risk and how it manages those risks.</p>	<p>The Company's risk management systems are intended to assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks.</p> <p>The Board ensures a pro-active and structured approach to potential material business sustainability and compliance risk. It regularly assesses risk which include and are not limited to, credit, economic, foreign exchange variation risk, liquidity, operational, environmental, OH&amp;S, regulatory, market related, technology, social sustainability, HR, product, brand and reputation.</p> <p>Risks are identified, analysed monitored and reported in accordance with the Company's Risk Management Policy. Management reports regularly to the Board as to the effectiveness of the Company's management of its material business risks.</p> <p>The Risk Management Policy is available on the Company's website.</p> <p>The Board considers the various economic, environmental and social responsibilities that face the organisation. Below outlines the key risk to the Company in each category of risk, as identified by the Board:</p> <p><i>Economic sustainability</i></p> <p>Economic sustainability is the ability of a listed entity to continue operating at an effective economic level over the long term. A range of factors can influence the level of OpenDNA's sustainability.</p> <ul style="list-style-type: none"> <li>▪ Funding Risk: - The economic success of the Company is dependent on the Company being able to raise sufficient funds either</li> </ul>	<p>Complies</p>

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	<p>through debt or equity in order to develop and commercialise its technology. The Board assesses funding on an ongoing basis and ensures the Company is adequately funded. Funding initiatives are considered by the Board and decisions are made based on the circumstances facing the Company.</p> <ul style="list-style-type: none"> <li>▪ Developing Intellectual Property – the company has a track record of developing conceptual proprietary knowledge, continued development is an important part of the economic sustainability of the Company.</li> <li>▪ Maintaining ownership of existing Intellectual Property – the company has rights to exploit certain proprietary and non-proprietary intellectual property which it maintains by commercial and legal arrangements.</li> <li>▪ Developing additional technology</li> <li>▪ Achieving sufficient sales revenue</li> </ul> <p><i>Environmental sustainability</i></p> <p>Environmental sustainability is the ability of a listed entity to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. At this time OpenDNA has no active operations and therefore no impact from operations on the environment.</p> <p><i>Social sustainability</i></p> <p>Social sustainability is the ability of a listed entity to continue operating in a manner that meets accepted social norms and needs over the long term. Considerations include:</p> <ul style="list-style-type: none"> <li>▪ Alleged bribery and corruption – the company operates with a culture of zero acceptance of corruption and inappropriate behaviour and activities.</li> <li>▪ OH&amp;S compliance – the company's current operations do not involve considerable exposure to OH&amp;S risks, however it has policies in place which will continue to be developed as the company moves into development and operations of its projects.</li> </ul>	

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<b>Principle 8 – Remunerate fairly and responsibly</b>		
<p>8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="padding-left: 20px;">(1) has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">(2) is chaired by an independent director,</p> <p>and disclose:</p> <p style="padding-left: 20px;">(3) the charter of the committee;</p> <p style="padding-left: 20px;">(4) the members of the committee; and</p> <p style="padding-left: 20px;">(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>(a) The Board has not established a separate Remuneration Committee, and has not adopted a dedicated Remuneration Committee Charter.</p> <p>(b) The full Board will meet to consider both the level and structure of remuneration and incentive policies for the Executive Directors and key executives within the Company and decide on the Company's remuneration policies.</p> <p>The affected Director or Executive will not participate in the decision-making process.</p>	Does not comply
<p>8.2</p> <p>The Company 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>The Company has separate policies relating to the remuneration of Non-Executive Directors and that of Executive Directors and senior executives.</p> <p>This information will be detailed in the Remuneration Report, which forms part of the Directors' Report in the Company's Annual Reports.</p>	Complies
<p>8.3</p> <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>(a) The Company's Securities Trading Policy prohibits the hedging of risk of fluctuation of the value of the Company's unvested securities.</p> <p>(b) The Securities Trading Policy is available on the Company's website <a href="http://www.opendna.ai">www.opendna.ai</a>.</p> <p>The Company's Securities Trading Policy applies to all Directors, Officers and Employees and sets out the</p>	Complies

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(b) disclose that policy or a summary of it.	prohibition against insider trading and prescribes certain requirements for dealing in the Company's securities.	