

# MYFIZIQ LIMITED

## Audit and Risk Management Committee Charter

### Responsibilities of the Audit and Risk Management Committee

- 1 The Audit and Risk Management Committee is entrusted by the Board to provide appropriate quality assurance regarding procedures and processes in relation to the following responsibilities:
  - 1.1 external audit function:
    - 1.1.1 review and oversee the planning process for external audits;
    - 1.1.2 review the overall conduct of the external audit process including the independence of all parties to the process;
    - 1.1.3 review the performance of the external auditors;
    - 1.1.4 consider the reappointment and proposed fees of the external auditor;
    - 1.1.5 where appropriate seek tenders for the audit and where a change of external auditor is recommended this will be reported to the Board for submission to security holders for shareholder approval;
  - 1.2 reviewing the quality and accuracy of published financial reports (including ensuring that the Chief Executive Officer and Chief Financial Officer have made a declaration in relation to the maintenance and compliance of the financial statements);
  - 1.3 reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures; and
  - 1.4 review the Company's risk management framework including in relation to economic, environmental and social sustainability risk at least annually; and
  - 1.5 any other matters that the Board may refer to the Audit and Risk Management Committee from time to time.

### Authority

- 2 The Company's Audit and Risk Management Committee has the following authority:
  - 2.1 to request management to attend meetings and to provide advice or information in the form required by the Audit and Risk Management Committee, and to request attendance by or information from a Company director with prior authority of the Chairperson;
  - 2.2 through the Chairperson of the Audit and Risk Management Committee to contact external regulatory agencies directly in circumstances where the Audit and Risk Management Committee considers it is appropriate with all such contact documented clearly by the Audit and Risk Management Committee Chairperson; and

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- 2.3 for the Audit and Risk Management Committee Chairperson on behalf of the Audit and Risk Management Committee to seek independent legal advice at the expense of the Company in circumstances where the Audit and Risk Management Committee Chairperson considers it is appropriate.

## **Secretary of the Audit and Risk Management Committee**

- 3 The Secretary to the Board shall be the Secretary to the Audit and Risk Management Committee

## **Conduct of meetings**

- 4 The Audit and Risk Management Committee shall meet at least two times each year. Beyond this the Audit and Risk Management Committee Chairperson will arrange meetings as often as required as to allow the Audit and Risk Management Committee to fulfil its obligations.
- 5 The Audit and Risk Management Committee Chairperson is required to call a meeting of the Audit and Risk Management Committee if requested to do so by the Chairperson of the Board, by any Audit and Risk Management Committee member or by the external auditor.
- 6 The quorum for an Audit and Risk Management Committee meeting shall be a minimum of two members.
- 7 Audit and Risk Management Committee meeting agendas will be sent to Audit and Risk Management Committee members in advance of meetings wherever practicable.
- 8 The Secretary shall maintain minutes of all meetings of the Audit and Risk Management Committee and these minutes shall be signed by the Chairperson of the Audit and Risk Management Committee and approved by the Audit and Risk Management Committee at the next Audit and Risk Management Committee meeting or sooner if required.
- 9 The minutes of each Audit and Risk Management Committee meeting will be tabled at the next Board meeting.
- 10 The Secretary shall assist the Audit and Risk Management Committee Chairperson in dealing with the meeting agenda, providing documentation to Audit and Risk Management Committee members and any communications with Audit and Risk Management Committee members.

## **Voting**

- 11 Each member of the Audit and Risk Management Committee shall have one vote.
- 12 In the case of equality of voting, the Audit and Risk Management Committee Chairperson shall have a casting vote in addition to his deliberative vote.

## **Who attends Audit and Risk Management Committee Meetings**

- 13 All Audit and Risk Management Committee members are expected to attend Audit and Risk Management Committee meetings.

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- 14 Any members of the Board may attend Audit and Risk Management Committee meetings.
- 15 The Audit and Risk Management Committee Chairperson may request the Audit and Risk Management Committee to meet with only non-executive directors present and may require that only Audit and Risk Management Committee members be present at all or part of a meeting.
- 16 The Audit and Risk Management Committee Chairperson may invite representatives of the external auditor and the Company management to attend all or part of any Audit and Risk Management Committee meeting. The external auditor shall attend an Audit and Risk Management Committee meeting at least once in each annual reporting cycle.

## **Audit and Risk Management Committee review and reporting**

- 17 The Audit and Risk Management Committee is required to undertake an annual performance review of its own activities and the Chairperson of the Audit and Risk Management Committee shall report to the Board on the Audit and Risk Management Committee's performance annually. This review will assess the performance of the Audit and Risk Management Committee against the objectives contained in this document and other relevant criteria as approved by the Board.
- 18 The Audit and Risk Management Committee activities and functions shall be reviewed annually by the Board and its activities and functions may be revised in the interests of better meeting the needs of the security holders as owners of the Company as a whole.
- 19 The Audit and Risk Management Committee will report to security holders through the Annual Report. Information to be provided will include:
  - 19.1 full description of the Audit and Risk Management Committee's composition;
  - 19.2 an outline of Audit and Risk Management Committee responsibilities; and
  - 19.3 any other information required by law or the ASX Listing Rules.

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## Board Charter

### 1. Role of the Board

The Board guides and monitors the business and management of the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

In order to fulfil this role, 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. 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.

### 2. Responsibilities of the Board

The Board is responsible for the following:

- 2.1 ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- 2.2 setting the strategic direction of the Company and monitoring the Company's performance against its stated objectives;
- 2.3 providing input into and final approval of corporate strategy and monitoring implementation of corporate strategy, business plans and performance objectives;
- 2.4 setting the risk profile for the Company and reviewing, ratifying and monitoring systems of risk management;
- 2.5 reviewing and monitoring codes of conduct, and legal and regulatory compliance;
- 2.6 the appointment of the Company's Chief Executive Officer (or equivalent), a right of veto in relation to the appointment of the Chief Financial Officer, Company Secretary and other senior executives, and monitoring senior executives' performance and implementation of strategy;
- 2.7 determining appropriate remuneration policies;
- 2.8 allocating resources and ensuring appropriate resources are available to management;
- 2.9 approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- 2.10 approving and monitoring financial and other reporting.

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## 3. **Chairperson**

The Chairperson is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairperson should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairperson is responsible for briefing directors on issues arising at Board meetings and ultimately is responsible for communications with shareholders and arranging Board performance evaluation.

## 4. **Chief Executive Officer**

The Chief Executive Officer (or equivalent) is responsible for running the affairs of the Company under delegated authority from the Board. In carrying out his or her responsibilities the Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

## 5. **Company Secretary**

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. All directors are to have access to the Company Secretary.

## 6. **Board's relationship with Management**

The role of management is to support the Chief Executive Officer or equivalent and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

## 7. **Appointment and Election of Directors**

The Company shall ensure 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**.

The following information about a candidate standing for election or re-election as a director should be provided to security holders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- 7.1 biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- 7.2 details of any other material directorships currently held by the candidate; in the case of a candidate standing for election as a director for the first time:
  - (a) any material adverse information revealed by the checks the entity has performed about the director;

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- (b) details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally; and
- (c) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;

7.3 in the case of a candidate standing for re-election as a director:

- (a) the term of office currently served by the director; and
- (b) if the Board considers the director to be an independent director, a statement to that effect;

7.4 a statement by the Board as to whether it supports the election or re-election of the candidate.

A candidate for appointment or election as a non-executive director should provide the Board with the information above and a consent for the Company to conduct any background or other checks the entity would ordinarily conduct. The candidate should also provide details of his or her other commitments and an indication of time involved, and should specifically acknowledge to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a director.

## 8. **Written Agreements with Directors and Senior Executives**

The Company shall enter into a written service contract with each of its executive 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.

The Company shall provide each non-executive director a letter of appointment which sets out at a minimum:

- a) their term of appointment;
- b) expected commitments;
- c) remuneration;
- d) requirements to disclose directors' interests which may affect the director's independence;
- e) requirements to comply with Company policies;
- f) the Company's policy on when directors may seek independent advice;
- g) the circumstances in which the director's office becomes vacant;
- h) indemnity and insurance arrangements;
- i) ongoing rights of access to corporate information; and
- j) confidentiality obligations.

## 9. **Diversity**

The Board has adopted a policy on achieving gender, age and ethnic diversity in the Company's Board and employees.

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The Chief Executive Officer and the Company Secretary are responsible for ensuring the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

## **10. Performance Evaluation**

The Chairperson shall review the performance of the Chief Executive Officer, each Director and each Board committee at least once every calendar year and 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.

## **11. Composition of the Board**

The Board should be of a size and composition that is conducive to making appropriate decisions. The Board should be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual security holders or interest groups. Subject to the Company's constitution.

The Board shall adopt and disclose a Board skill matrix. The composition of the Board should be reviewed regularly against the Company's board skills matrix to ensure the appropriate mix of skills and expertise is present.

## **12. Procedure for selection of new directors**

The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills, experience, expertise and diversity.

## **13. Independent Directors**

The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.

Where possible the Company will endeavour to ensure that the majority of its directors are independent at all times, subject to the right of security holders in general meeting to elect and remove directors.

All directors – whether independent or not - should bring an independent judgement to bear on Board decisions. Directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairperson. Non-executive directors should inform the Chairperson before accepting any new appointments as directors.

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## **14. Induction and education**

The Board will ensure that all new directors are provided with the information and opportunity to gain an understanding of:

- a) the Company's financial, strategic, operational and risk management position;
- b) the culture and values of the Company;
- c) the rights, duties and responsibilities of the directors;
- d) the roles and responsibilities of senior executives;
- e) the role of any Board committees in operation;
- f) meeting arrangements; and
- g) director interaction with each other, senior executives and other stakeholders.

## **15. Access to information**

The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

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## Code of Conduct

### Introduction

This Code of Conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, the Company's security holders and the broader community.

### Responsibilities to security holders

The Company aims:

- 1.1 to increase shareholder value within an appropriate framework which safeguards the rights and interests of security holders; and
- 1.2 to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

The Board, management and employees of the Company shall act in the best interests of the Company.

### Responsibilities to clients, employees, suppliers, creditors, customers and consumers

The Company is to comply with all legislative and common law requirements which affect its business.

### Employment practices

The Company will employ the best available staff with skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

### Responsibility to the community

The Company will recognise, consider and respect environmental, native title and cultural heritage issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

### Responsibility to the individual

The Company recognises and respects the rights of individuals and will comply with the applicable legal rules regarding privacy and confidential information.

### Obligations relative to fair trading and dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

### Business courtesies, bribes, facilitation payments, inducements and commissions

Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

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## **Conflicts of interest**

The Board, management and employees shall report any situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises, the matter should be brought to the attention of the Chairperson in the case of a Board member or the Chief Executive Officer, the Chief Executive Officer in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner.

If requested by the Chairperson, a Board member who has a conflict of interest (or in the case of the Chairperson, if requested by the Deputy Chairperson) shall leave a Board meeting but only for such period as the Board meeting is addressing the specific matter in relation to which the Board member has a conflict of interest.

## **Compliance with the Code of Conduct**

Any breach of compliance with this Code of Conduct is to be reported directly to the Chairperson.

## **Periodic review of Code**

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct can be made at any time to the Chairperson.

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## Disclosure Policy

### Disclosure Requirements

- 1 The Company recognises its duties pursuant to the continuous disclosure rules of the ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.
- 2 Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

### Responsibilities of directors, officers and employees

- 3 The Board as a whole is primary responsibility for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.
- 4 Every director, officer and employee of the Company is to be informed of the requirements of this policy by the Chairperson (in the case of directors) and by the Chief Executive Officer (in the case of other officers and employees) and must advise the Chief Executive Officer, Chairperson or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

### Authorised Disclosure Officer

- 5 The Board has delegated its primary responsibilities to communicate with ASX to the following Authorised Officer:
  - 5.1 the Company Secretary; or
  - 5.2 in the absence of the Company Secretary, the Chief Executive Officer or a designated Executive Director who is authorised to act in that capacity by the Board.

### Responsibilities of Authorised Disclosure Officer

- 6 Subject to Board intervention on a particular matter, the Authorised Officer is responsible for the following:
  - 6.1 monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;
  - 6.2 ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;
  - 6.3 requesting a trading halt in order to prevent or correct a false market;
  - 6.4 providing education on these disclosure policies to the Company's directors, officers and employees; and
  - 6.5 ensuring there are vetting and authorisation processes designed to ensure that Company announcements:
    - 6.5.1 are made in a timely manner;

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- 6.5.2 are factual;
  - 6.5.3 do not omit material information;
  - 6.5.4 are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
- 6.6 An authorised Disclosure Officer must be available to communicate with the ASX at all reasonable times, and are responsible for providing contact details and other information to ASX to ensure such availability.

## Measures to avoid a false market

- 7 In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.
- 7.1 If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.
  - 7.2 If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorised Disclosure Officer may do so.

## ASX Announcements

- 8 Company announcements of price sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:
- 8.1 The Authorised Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.
  - 8.2 Proposed announcements must be approved by the Chairperson or in his or her absence, urgent announcements may be approved by the Chief Executive Officer or other person expressly authorised by the Board.
  - 8.3 Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.
  - 8.4 Wherever practical, all announcements must be provided to the directors, Chief Executive Officer and Company Secretary prior to release to the market for approval and comment.

## Confidentiality and unauthorised disclosure

- 9 The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such information is inadvertently disclosed, the Authorised

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Disclosure Officer must be informed of the same and must refer it to the Chairperson and Chief Executive Officer (or equivalent) as soon as possible.

## **External communications and Media Relations**

10 The Chairperson or Chief Executive Officer (or equivalent) are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairperson or Chief Executive Officer (or equivalent).

10.1 All requests for information from the Company must be referred to the Authorised Disclosure Officer for provision to the Chairperson and Chief Executive Officer.

## **Breach of Disclosure Policy**

11 Serious breaches of this disclosure policy may be treated with disciplinary action, including dismissal, at the discretion of the Board.

11.1 Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach and any disciplinary action for the Company to take.

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## Diversity Policy

### Introduction

- 1 The Company recognises the positive advantages of a diverse workplace and is committed to:
  - 1.1 creating a working environment conducive to the appointment of well qualified employees senior management and board candidates; and
  - 1.2 identifying ways to promote a corporate culture which embraces diversity when determining the composition of employees, senior management and the Board.

### Objectives

- 2 This Diversity Policy provides a framework for the Company to achieve:
  - 2.1 a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
  - 2.2 a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
  - 2.3 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
  - 2.4 awareness of all staff of their rights and responsibilities with regards to fairness, equality and diversity for all aspects of diversity.

### Measurable Objectives

- 3 The Board will set measurable objectives at least annually for workplace diversity including gender diversity and assess annually the objectives and the progress towards achieving them.

### Recruitment

- 4 The Chief Executive Officer will:
  - 4.1 review the recruitment and selection processes to ensure that current and potential employees are not discriminated against; and
  - 4.2 ensure that the selection process of its employees, senior management and the board takes into account the following factors:
    - 4.2.1 attract and retain people from equal employment opportunity target groups, and others who together make up a diverse workforce; and
    - 4.2.2 facilitate the employment of indigenous Australian people.

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## **Awareness, skills and development**

- 5 To embrace diversity in the Company and assist in the development of a broader pool of skilled and experienced board candidates the Company will:
  - 5.1 provide induction, education and training to staff who are from diverse backgrounds to enhance the retention of new employees and promotion of existing employees to senior management and board positions; and
  - 5.2 ensure that employees, senior management and the board attend programs to increase awareness of issues in relation to the employment of staff from diverse backgrounds.

## **Evaluating and managing diversity**

- 6 The Chief Executive Officer will regularly and at least annually gather information on demographics in the Company and conduct staff surveys or diversity audits to identify areas of weakness and to assess the Company's progress towards achieving the measurable objectives.

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## Risk Management Policy

### Overview

The Company operates in the smart phone application development industry where there are a number of risk factors inherent to its operations.

The Company mitigates its risk factors primarily by ensuring it has a suitably qualified and experienced Board of Directors with a range of professional qualifications appropriate to the industry and business sector in which it operates.

Recognition of these risk factors and subsequent effective management, control and reporting of risk are an essential part of the Company's day to day operations to minimise potential losses and create medium to long term shareholder wealth.

This Policy sets out the Company's risk management framework which includes its approach to risk, the Company's risk profile and register, the responsibilities of the Board, management and others in relation to risk management, the Company existing risk management structures and its annual program of risk management activities.

### Establishment and review of policies

The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has established an Audit and Risk Management Committee pursuant to an Audit and Risk Management Committee Charter whose mandate includes overseeing the implementation of the Company's risk management program and reporting to the Board as to the effectiveness of the Company's management of its material risks.

### Risk profile

Risk management policies and procedures shall be adopted to identify, assess and minimise material risks affecting the Company including the following categories:

- operational;
- environmental;
- sustainability;
- compliance;
- strategic;
- ethical conduct;
- reputation or brand;
- technological;
- product or service quality;
- human capital;
- financial reporting;
- market-related risks.

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## **Risk register**

The individual risks which fall within the Risk profile are included in the Company's Risk register.

The management of individual risks will be allocated to senior management and individuals within the organisation and noted in the Risk register.

All risks identified in the Risk register will be reviewed and assessed by management and the Board at least annually.

## **Management responsibility**

The Company's risk management program will be implemented by senior management under the direction of the Audit and Risk Management Committee as follows:

- ensuring that matters affecting the goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards;
- obtaining and regularly reviewing insurance for the Company relevant to managing material risks;
- implementing and maintaining internal control systems which will be identified in conjunction with the external auditors;
- monitoring and verifying the Company's compliance with record keeping and operating requirements, including all requirements of law including indigenous and community rights and environmental obligations; and
- minimising the potential for loss or damage resulting from risks affecting the Company.
- the Audit & Risk Management Committee shall report to the Board at least once a year as to the effectiveness of the Company's management of its material risks.

## **Review by the Board**

The Board must review the effectiveness of implementation of the risk management system at least annually.

When reviewing risk management policies the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

## **Chief Executive Officer**

The Chief Executive Officer is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

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## Verification of financial reports

The Chief Executive Officer and Chief Financial Officer (or equivalent) are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:

- that the Company's financial reports 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
- that the declaration provided in accordance with section 295A of the Corporations Act 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.

The Board notes that due to its nature, internal control assurance from the Chief Executive Officer and Chief Financial Officer can only be reasonable and not absolute. This is due to such factors as the need to apply judgment, reasonable enquiry and practical and efficient internal control systems, inherent limitations to internal control and because much of the evidence available is persuasive and changing rather than conclusive and set and therefore is not and cannot be designed to detect all weaknesses in control procedures.

## Audit & Risk Management Committee

The Company has formed a separate Audit & Risk Management Committee which is entrusted by the Board to provide appropriate quality assurance regarding procedures and processes in relation to:

- the external audit function;
- reviewing the quality and accuracy of published financial reports;
- reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures; and
- any other matters that the Board may refer to the Audit and Risk Management Committee from time to time including Risk Management.

The role of the Audit & Risk Management Committee is set out in the Company's *Audit & Risk Management Committee Charter*.

## Audit and role of Auditor

The Company's internal preparation for the Half Yearly audit review and the Financial Year audit includes preparing the Financial Statements and accompanying explanatory notes, conducting a series of routine reviews and financial tests and reviewing the carrying values of all assets.

The Company's Auditor is required to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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## Risk management structures

The Company maintains a number of policies and practices designed to manage specific business risks. These include:

- Regular budgeting and financial reporting;

Executive management report to the Board each month in respect of operations and the financial position of the Company and ensuring all legal, reporting, compliance matters and other obligations are met.

- Clear limits and authorities for expenditure levels;

The Company's Policy on Authorised Expenditure Limits and Capital Expenditure Guideline sets out the authorities and expenditure levels of senior management and is required to be approved by the Board.

- Compliance with continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company's *Disclosure policy* sets out the procedures, roles and responsibilities of directors, officers and employees for ensuring compliance with continuous disclosure obligations.

## Risk Management Program

The Company's yearly risk management activities are divided into quarters as follows:

### ***Quarter One commencing 1 July***

Senior management undertakes the following activities:

- documents and/or reviews the Company's *Risk Management Policy*;
- publishes any updates to the Company's *Risk Management Policy* on the Company's website;
- reviews the Company's *Board Charter* and role descriptions for management to ensure accountability for all risk management is included;
- identifies or reviews material business risks, develops risk management strategies and presents full company risk profile by completing a risk register; and
- allocates and/or reviews owners of critical material business risks in the risk register.

The Board determines the Company's overall risk tolerance levels, approves senior management's risk management policy and provides input into the Company's risk profile.

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## ***Quarter Two commencing 1 October and Three commencing 1 January***

Senior management reviews the status of risk management strategies and reviews and updates the risk register and/or completes an individual risk report for critical material business risks and provides the register and/or the report to the Board.

The Board notes the updated risk register / individual risk reports and questions management as it considers necessary.

## ***Quarter Four commencing 1 April***

Senior management undertakes the following activities:

- reviews and updates the risk register and/or completes an individual risk report for critical material business risks and provides the register and/or the report to the Board;
- the CEO/CFO provide a certification that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks, in accordance with the requirements of Recommendation 7.3;
- the CEO provides a summary of the Company's management of its material business risks and report to the Board on the effectiveness of whether those risks are being managed effectively, in accordance with the requirements of Recommendation 7.2; and
- prepares the annual report disclosure with respect to Recommendation 7.4 for the Board's approval.

The Board undertakes the following activities:

- notes the updated risk register and/or individual risk reports and questions management if required;
- notes the CEO/CFO certification for the purposes of Recommendation 7.3;
- notes the CEO summary regarding the effectiveness of the Company's management of material business risks for the purposes of Recommendation 7.2; and
- approves the annual report disclosure with respect to Recommendation 7.4.

## **Continuous improvement**

The Company's risk management system is evolving. It is an on-going process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities.

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## Policy for trading in Company securities

### Introduction

- 1 Myfiziq Limited (“MYQ or the Company”) recognises and enforces legal and ethical restrictions on trading in its securities by relevant persons within and external to the Company. The terms of this securities dealing policy apply to the Company’s directors, senior executives, employees and consultants (**Relevant Persons**).

### Communication

- 2 This policy will be communicated to all Relevant Persons and will be placed on the Company website.

### Securities Trading Guidelines

- 3 The Company recognises the benefit of directors, managers and other employees of the company holding securities in the company. However trading in such securities will only be permitted in compliance with current legislation, regulations, the highest ethical standards and the present policy.

Trading by Relevant Persons in the Company’s securities is subject to the following limitations:

#### 3.1 Clearance

Clearance to trade must be received from the Chairman or Chief Executive (if the Chair is unavailable) (or the board in the case of the Chairman) prior to undertaking a trade. Clearance if received will apply for 5 business days from the date provided.

#### 3.2 Trading Window

Relevant Persons may trade in the Company’s securities on ASX in the period of 10 business days commencing 24 hours following:

- the holding of the Annual General Meeting or any other General Meeting;
- the announcement of Annual or Half-Year results;
- the announcement of Quarterly Reports; and
- any other public announcement on ASX (with the exception of an Appendix 3Y to which a trade relates).

**Except** where the Relevant Person is in possession of unpublished price sensitive information or the Company is in possession of unpublished price sensitive information and notifies the Relevant Person they may not trade during all or part of the trading window.

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## Trading outside a trading window

- 4 If a Relevant person wishes to trade in the Company's securities outside of the period noted at 3.2 (trading window) then approval must be received from the Chairman or Chief Executive (if the Chair is unavailable). Clearance to trade in the Company's securities outside of the defined Trading Windows may be granted at the discretion of the Chairman and generally in exceptional circumstances. Exceptional circumstances would include, but not be limited to cases of severe financial hardship, where court orders exist or other overriding legal or statutory circumstance requiring the sale or transfer of the securities.

Clearance to trade outside a trading window will apply for a period of 5 business days from the communication to the Relevant Person of the clearance to trade

## Directors' trading and disclosures

- 5 Within 24 hours of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications can occur.
- 6 All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

## Prohibition on Hedging

- 7 Directors, Officers and employees must not engage in hedging arrangements (including, for example, the use of put and call options or other derivative instruments) over unvested Securities issued pursuant to any employee or Director option or share plan. In addition, any hedging over vested Securities must comply with this Policy.

## Excluded trades

- 8 The following trades are excluded from the operation of this policy:
- 8.1 dividend reinvestment plans;
  - 8.2 share purchase plans;
  - 8.3 rights issues;
  - 8.4 accepting takeover offers;
  - 8.5 margin calls.

The Share Trading policy does not apply where there is no change in beneficial interest in the securities.