

## Appendix 4G

### Key to Disclosures

#### Corporate Governance Council Principles and Recommendations

Name of entity

Nova-Eye Medical Limited

ABN/ARBN

007 702 927

Financial year ended:

30 June 2020

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

- These pages of our annual report:
- This URL on our website:  
[www.nova-eye.com](http://www.nova-eye.com)

The Corporate Governance Statement is accurate and up to date as at 30 June 2020 and has been approved by the board.

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

Date: 28 August 2020

Simon Gray

Company Secretary

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<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

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

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

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

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

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

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

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

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

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

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

<sup>5</sup> If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

**Appendix 4G**  
**Key to Disclosures Corporate Governance Council Principles and Recommendations**

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. Our reasons for not doing so are: <sup>5</sup>
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period:           <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either:               <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> and we have disclosed a copy of our diversity policy at: ..... [insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at: ..... [insert location]</p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: Corporate Governance Statement .....</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: ... Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

**Appendix 4G**  
**Key to Disclosures Corporate Governance Council Principles and Recommendations**

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<b>Corporate Governance Council recommendation</b>		<b>Where a box below is ticked,<sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:</b>	<b>Where a box below is ticked, we have NOT followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. Our reasons for not doing so are:<sup>5</sup></b>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: ... Corporate Governance Statement.]</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Corporate Governance Statement ]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <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, and disclose:</li> <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 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> </ul>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: <a href="http://www.nova-eye.com">www.nova-eye.com</a>. and the information referred to in paragraphs (4) and (5) at: 2020 Annual Report]</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at: ..... [insert location]</p>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: ...Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: 2020 Annual Report and, where applicable, the information referred to in paragraph (b) at: 2020 Annual Report and the length of service of each director at: 2020 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>Corporate Governance Council recommendation</b>		<b>Where a box below is ticked,<sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:</b>	<b>Where a box below is ticked, we have NOT followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. Our reasons for not doing so are:<sup>5</sup></b>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: ...www.Nova-eye.com.	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: www.Nova-eye.com	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: www.Nova-eye.com	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>Corporate Governance Council recommendation</b>		<b>Where a box below is ticked,<sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:</b>	<b>Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:<sup>5</sup></b>
3.4	A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="http://www.Nova-eye.com">www.Nova-eye.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(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</li> </ul> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):]  and we have disclosed a copy of the charter of the committee at:  <a href="http://www.Nova-eye.com">www.Nova-eye.com</a>  and the information referred to in paragraphs (4) and (5) at:  2020 Annual Report  [If the entity complies with paragraph (b):]  and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:  .....  [insert location]</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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

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

<b>Corporate Governance Council recommendation</b>		<b>Where a box below is ticked,<sup>4</sup> we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:</b>	<b>Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:<sup>5</sup></b>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <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, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </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><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: <a href="http://www.Nova-eye.com">www.Nova-eye.com</a> and the information referred to in paragraphs (4) and (5) at: 2020 Annual Report [If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: ..... [insert location]</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<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 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><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Corporate Governance Statement</p>	<input type="checkbox"/> set out in our Corporate Governance Statement

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7.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</li> </ul>	<input type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: ..... <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: ..... <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<input type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: ..... <i>[insert location]</i> and, if we do, how we manage or intend to manage those risks at: ..... <i>[insert location]</i>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <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, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):]  and we have disclosed a copy of the charter of the committee at:  <a href="http://www.nova-eye.com">www.nova-eye.com</a> ]  and the information referred to in paragraphs (4) and (5) at:  ...2020 Annual Report  [If the entity complies with paragraph (b):]  and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:  .....  [insert location]</p>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: 2020 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: <a href="http://www.nova-eye.com">www.nova-eye.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

**Appendix 4G**  
**Key to Disclosures Corporate Governance Council Principles and Recommendations**

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</li> <li>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</li> </ul>	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

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

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<input type="checkbox"/> <p>and we have disclosed the terms governing our remuneration as manager of the entity at: ..... [insert location]</p>	<input type="checkbox"/> set out in our Corporate Governance Statement

This statement reports Nova Eye Medical Limited's (Nova Eye Medical or the Company) compliance against the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as at June 2020 and it has been approved by the Board of the Company. As at the date of the approval, the Company was known by its former name, Ellex Medical Lasers Limited prior to the name change to Nova Eye Medical on 1 July 2020.

Where the Company's compliance with the Principles and Recommendations is reflected in a separate document or policy, a reference to the location of that document or policy is included in this statement.

References in this statement to "reporting period" are to the financial year ended 30 June 2020.

This statement refers to the Company's 2020 Annual report. A copy of the 2020 Annual Report can be found at [www.nova-eye.com](http://www.nova-eye.com).

The charters, codes and policies relating to Nova Eye Medical corporate governance practices referred to in this Statement are available on the corporate governance section of Nova Eye Medical website [www.nova-eye.com](http://www.nova-eye.com).

### **Principle 1: Lay solid foundations for management and oversight**

#### **Recommendation 1.1**

*A listed entity should have and disclose a board charter setting out:*

- (a) *the respective roles and responsibilities of its board and management; and*
- (b) *those matters expressly reserved to the board and those delegated to management.*

The Company's Board Charter sets out (amongst other things) the roles and responsibilities of the Board and of management and matters reserved to the Board.

A copy of the Board Charter is located in the Investors section of Nova Eye Medical website [www.nova-eye.com](http://www.nova-eye.com)

The Board Charter sets out the following objectives of the Board:

- Provide strategic guidance for Nova Eye Medical and effect oversight of management.
- Optimise Nova Eye Medical's performance and shareholder value within a framework of appropriate risk assessment and management and
- Recognise Nova Eye Medical's legal and other obligations to all legitimate stakeholders.

The Nova Eye Medical Board (Board) is responsible for the overall corporate governance of Nova Eye Medical. The Board derives the authority to act from the Company's Constitution and the Board's responsibilities are encompassed in a formal Charter which the Board is responsible for reviewing and amending as required.

The matters that the Board has specifically reserved for its decision are:

- Oversight of the Company, including its controls and accountability systems
- Providing input into, reviewing and approving Nova Eye Medical's strategic performance objectives and monitoring performance against those plans;
- Protecting Nova Eye Medical's financial position and its ability to meet its debts as and when they fall due;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Reviewing and monitoring the progress of Nova Eye Medical's systems of risk management and internal control.
- Appointing, approving terms of engagement and termination benefits, and monitoring the performance of the CEO and, if required, terminating the appointment of the CEO.
- Ratifying the appointment and removal of the Company Secretary, approving their terms of engagement and monitoring their performance.
- Monitoring the timeliness and effectiveness of communications with shareholders and other stakeholders.

While at times the Board retains full responsibility for guiding and monitoring Nova Eye Medical, in discharging its responsibilities it makes use of Board Committees.

Specialist committees can focus on a particular area of responsibility, and report and provide recommendations to the Board. The Board has established the following standing Committees:

- Audit and Risk Committee (see principles 4 and 7)
- Remuneration Committee (see principle 8)
- Nomination Committee (see principle 2)

The Board has delegated to the CEO and, through the CEO, to the Executive Team responsibility for the day-to-day management and operations of Nova Eye Medical and implementation of the Company's strategy and policy initiatives. The CEO and Executive Team are accountable to the Board for performance of these duties.

Specific limits on the authority delegated to CEO and the Executive Team are set out in the Board-approved Delegation of Authority Policy. This policy is reviewed and approved annually in line with the approved budget and strategies.

The Executive Team comprises of the CEO and the direct reports to the CEO. (see Recommendation 1.3)

## **Recommendation 1.2**

*A listed entity should:*

- (a) *undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and*
- (b) *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

When a vacancy arises, the Nomination Committee will assess the current gaps in the Board Skills Matrix and considers candidates with a broad range of skills, experience and expertise. Candidates are considered on merit and against objective criteria, and with due regard for the benefits of diversity on the Board.

When the Nomination Committee considers that a suitable candidate has been found, that person is recommended to the Board. The Board appoints that person to fill a casual vacancy in accordance with Nova Eye Medical's Constitution, but must stand for election by Shareholders at the next Annual General Meeting (AGM).

New directors are given a thorough briefing by the Nomination Committee on key Board issues and provided with appropriate induction documentation in compliance with Australian Quality Standard AS/NZS ISO 13485-2016, Australian governance training and policies.

The director's interest register is reviewed annually by the Board directors and updated with current and previous positions, directorships and any potential conflicts of interests.

All material information relevant to a shareholder's decision whether to elect or re-elect a director is provided to shareholders in the Company's Notice of Annual General Meeting. The following information is provided to Shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidates.

- Biographical details, including their relevant qualifications and experience and the skills they bring to the board;
- Details of other material directorships held by the candidate;
- The term of office currently served by the director; and
- A statement by the board as to whether it supports the election or re-election of the candidate.

## **Recommendation 1.3**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The Company has a written agreement with each director and executive setting out the terms of their appointment.

**Recommendation 1.4**

*The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The Company Secretary has a direct line of reporting to the Chairman and is responsible for:

- monitor that Board policy and procedures are followed;
- organise Board meetings and Director attendance;
- co-ordinate the completion and dispatch of the Board agenda and briefing materials;
- prepare minutes of meetings and resolutions of the Board and take these to the Chair for approval and circulation and;
- ensure Nova Eye Medical's compliance with its requirements under the Corporations Act regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission and ASX

The responsibilities of the Company Secretary are set out in the Board Charter.

**Recommendation 1.5**

*A listed entity should:*

- (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:*
  - 1 *the measurable objectives set for that period to achieve gender diversity;*
  - 2 *the entity's progress towards achieving those objectives; and*
  - 3 *either:*
    - (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.*

Given the size of the Company and the nature of its operations, the directors believe that it is not appropriate at this stage to set measurable objectives in relation to diversity that may constrain the Company's ability to recruit solely on merit.

The Company is the only publicly listed ophthalmic laser manufacturer in Australia, and one of only a dozen such manufacturers worldwide. Recruiting qualified and experienced staff is, and has been, a significant challenge during the Company's 30 plus years history. With an extremely limited pool of

appropriate candidates for many roles throughout the organisation, the Company considers that it would be detrimental to shareholder interests to recruit on any basis other than merit.

Notwithstanding this, as an international employer across four continents, the Company's consistent practice is to hire and promote the best available person for any given role, irrespective of gender, age, ethnicity or cultural background. The Company is an equal opportunity employer and this is reflected in the current diversity of its workforce.

As the Company grows and diversifies, the Board will continue to consider whether it is appropriate to implement a formal diversity policy.

The entity is a "relevant employer" under the *Workplace Gender Equality Act*. In July 2020, the Company submitted a report for the 2019-20 period which set out its "Gender Quality Indicators". A copy of this report is located at Nova Eye Medical Corporate Governance section [www.nova-eye.com](http://www.nova-eye.com) for the ***Workplace Gender Report***

### **Recommendation 1.6**

A listed entity should:

- (a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) *disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The performance of the Board, of each of its Committees, the Chairman and the directors are reviewed annually.

### **Recommendation 1.7**

A listed entity should:

- (a) *have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and*
- (b) *disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The performance of senior executives is reviewed annually against key performance measures as part of Nova Eye Medical's performance management system, which is in place for managers and employees.

The system includes processes for the setting of key measures at the commencement of the financial year and bi-annual assessment of performance against these measures where applicable. Some performance measures are on Nova Eye Medical's overall financial performance and other performance measures are specifically set in line with the individual role and responsibilities of the team.

The Remuneration Committee review the overall human resources strategy and monitor its implementation and effectiveness and make recommendations to the Board.

The committee will review and determine the remuneration policy, both short and longer term, including but not limited to fixed, performance and equity-based remuneration as well as termination arrangements.

During the reporting period, a performance evaluation of the senior executives was undertaken by the Company in accordance with agreed processes.

Details of the evaluation process and the result of performance evaluations are disclosed in the Remuneration Report in the 2020 Annual Report.

## **Principle 2 – Structure the board to be effective and add value**

### **Recommendation 2.1**

*The board of a listed entity should:*

- (a) *have a nomination committee which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director,*

*and disclose:*

  - (iii) *the charter of the committee;*
  - (iv) *the members of the committee; and*
  - (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have a 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.*

The Company has established a Nomination Committee which comprises 1 Non-Executive Director and 1 Executive Director and 1 Independent Director. The Nomination Committee is chaired by a Director who is not the Chair of the Board, but is not an Independent Director.

Given the size and structure of the Company's Board, the Directors have formed the view that it is appropriate that the Nomination Committee comprises of Directors that are not Independent.

The Nomination Committee's primary responsibilities include:

- Board appointments, re-elections and performance
- Directors induction programs and continuing development
- Succession planning of Senior Executives and CEO.

The Committee members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and attendance of the Committee Members at those meetings is set out in the 2020 Annual Report.

**Recommendation 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.*

An annual review of the board's mix of skill set is undertaken annually to add value to shareholders.

## Skills and Experience (out of 5 directors)

To indicate relevant skill set and experience as per below:

1. Leadership and Governance	
a. Leadership	4
b. Corporate Governance	5
c. Strategy	5
2. Operations	
a. Health & Safety	2
b. Engineering	3
c. Project Delivery	4
3. Sector Experience	
a. Ophthalmology	2
b. Innovation	3
c. Intellectual Property	3
d. Manufacturing	2
4. Geographical Experience	
a. Asia	4
b. Europe	4
c. USA	5
d. Middle East	4
5. Finance & Risk	
a. Accounting	4
b. Finance	5
c. Acquisition	5
d. Risk	5
6. People	
a. Human resources	4
7. Technology	
a. Technology	5

External consultants may be brought in with specialist knowledge to address areas where there is an attribute deficiency in the Board.

### Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director,

*the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and*

- (c) *the length of service of each director.*

Details of the Company's independent directors, and the length of service of each director, is set out in the Director's Report contained in the 2020 Annual Report.

#### **Recommendation 2.4**

*A majority of the board of a listed entity should be independent directors.*

The Company's Board composition are 3 independent directors out of the 5 directors.

Given the size and specialised nature of its operation an in-depth understanding and detailed knowledge of the Company is regarded to add Board value rather than maintaining a majority composition as independent.

In determining whether a director is independent, the Boards consider whether the Director:

- has been employed in an executive capacity by Nova Eye Medical and there has been a gap of more than 3 years between ceasing that employment and serving on the board
- is or has within the last 3 years been:
  - a partner, director, senior employee of a provider of material services to Nova Eye Medical; or
  - in a material business relationship with Nova Eye Medical, or associated with such a relationship;
- is a, or an officer of, a substantial security holder of Nova Eye Medical;
- has a material contractual relationship with Nova Eye Medical other than as director;
- has close family ties with any person that falls within the categories above; or
- has been a director for such a period that independence may be compromised eg. 9 yrs.

#### **Recommendation 2.5**

*The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

The chair of the Board is not the same person as the CEO. The Chair has assisted in management responsibilities with the VP of Global Operations for an interim period during the year.

The chair is not an independent director, as given the size and structure of the Board, the directors have formed the view that an Executive Chair is able to guide and lead the Board effectively. The

position of the chair is not compromised with the day to day role of the Executive Chair as an employee of Nova Eye Medical.

### **Recommendation 2.6**

*A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.*

The Company educates new directors about the nature of its business, current issues, the corporate strategy and the expectations concerning performance of directors. Directors also have the opportunity to visit group facilities and meet with management to gain a better understanding of the Company's business operations.

The Company encourages its directors to perform at their maximum potential through encouraging the philosophy of continuous learning. Continuous learning may include participation in Company provided training programs or externally provided professional development programs.

The Company has discretion to subsidise the cost of its directors to attend work related training courses and seminars, including meeting the reasonable costs associated with education, training and reference books.

## **Principle 3 – Instil a culture of acting lawfully, ethically and responsibly**

### **Recommendation 3.1**

*A listed entity should articulate and disclose its values.*

The Company does not have a formal value statement. The Company Code of Conduct sets out the standards and behaviour expected of all its employees, managers and directors.

### **Recommendation 3.2**

*A listed entity should:*

- (a) *have and disclose a code of conduct for its directors, senior executives and employees; and*
- (b) *ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and*
- (c) *any other material breaches of that code that call into question the culture of the organisation.*

The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, managers and directors. The board is informed of any material breaches of the code. The Code of Conduct is located at: [www.nova-eye.com](http://www.nova-eye.com)

### **Recommendation 3.3**

*A listed entity should:*

- (a) *have and disclose a whistle-blower policy; and*

- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Company has established a whistle-blower policy. The board is informed of any material breaches of the policy.

#### **Recommendation 3.4**

*A listed entity should:*

- (a) have and disclose an anti-bribery and corruption policy; and  
(b) ensure that the board or committee of the board is informed of any material breaches of that policy.

The Company has established an anti-bribery and corruption policy. The board is informed of any material breaches of the policy.

### **Principle 4 – Safeguard integrity in corporate reports**

#### **Recommendation 4.1**

*The board of a listed entity should:*

- (a) have an audit committee which:  
(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and  
(ii) is chaired by an independent director, who is not the chair of the board, and disclose:  
(iii) the charter of the committee;  
(iv) the relevant qualifications and experience of the members of the committee; and  
(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or  
(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has established an Audit & Risk Committee which comprises 2 Non-Executive Director's and 1 Executive Director. The Audit & Risk Committee is chaired by a director who is not the Chair of the Board, but is not an independent director.

Under its Charter, the Audit & Risk committee must be made up of at least 50% of non-executive or independent directors. The Charter requires that at least one member has relevant financial qualifications and expertise (Alex Sundich) whom is the Chair of this Committee.

Given the size and structure of the Company's Board, the directors have formed the view that it is appropriate that the Audit & Risk Committee comprises directors that are not independent.

The Audit & Risk Committee's primary responsibilities include:

- Monitoring the integrity of financial reporting.
- Monitoring the effectiveness of financial risk management processes.
- Monitoring the effectiveness of the internal control environment.
- Monitoring and reviewing the external auditor's qualification, performance and independence.
- Reviewing the Company's risk management policy application and effectiveness; and
- Monitoring legislative and regulatory compliance.

The external auditor is precluded from providing any services that might threaten their independence, or conflict with assurance and compliance role.

The Directors have concluded that non-audit services provided during the financial year did not compromise the external auditor's independence requirements under the Corporations Act, 2001.

The internal audit function may not be performed by the external auditors.

Discussion of the Audit & Risk Committee's involvement in business risks is disclosed under Recommendation 7.1.

The Audit & Risk Committee's Charter is located at: [www.nova-eye.com](http://www.nova-eye.com)

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out in the 2020 Annual Report.

### **Recommendation 4.2**

*The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Company has received a declaration in the form set out in Recommendation 4.2 from its CEO and CFO, or equivalent, in relation to the financial statements for the financial period ended 30 June 2020 and for the half year ended 31 December 2019.

### **Recommendation 4.3**

*A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

The Company reviews internally all corporate reports released to the market.

**Principle 5 – Make timely and balanced disclosure****Recommendation 5.1**

*A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.*

The Company has a Continuous Disclosure Policy that identifies matters to be disclosed to the market and the process for notifying them to ASX. The Continuous Disclosure Policy is located at: [www.nova-eye.com](http://www.nova-eye.com).

Nova Eye Medical complies with its disclosure obligations under the ASX Listing Rules and Corporations Act, 2001 and has in place established procedures dealing with compliance.

Nova Eye Medical has a Continuous Disclosure Policy that establishes a framework to enable Nova Eye Medical to provide shareholders and the market generally with timely, direct and equal access to relevant information about the Company.

The Board is responsible for considering and approving ASX announcements containing Material Information based on the recommendations of management and Board members.

Communication with the financial market, investors and media is the responsibility of the Chairperson and CEO. The Continuous Disclosure Policy covers briefings to investors, general briefings, one-on-one briefings, blackout periods, compliance and review.

**Recommendation 5.2**

*A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.*

The receives copies of all material market announcements after the release.

**Recommendation 5.3**

*A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*

The Company releases a copy of the presentation materials to the ASX announcement platform where the above occurs.

**Principle 6 – Respect the rights of security holders****Recommendation 6.1**

*A listed entity should provide information about itself and its governance to investors via its website.*

Information about the Company and its operations is located at

<http://www.nova-eye.com>

Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) is located at [www.nova-eye.com](http://www.nova-eye.com)

### **Recommendation 6.2**

*A listed entity should have an investor relations program that facilitates effective two-way communication with investors.*

The Company has processes that are followed by the Company to ensure effective communication with investors.

The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- The Annual General Meeting provides a forum for all shareholders to interact with directors on activities of the Company.
- The Annual Report is distributed to all shareholders who request a copy and includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments.
- Proposed major changes in the equity holdings which may impact on share ownership rights are submitted to a vote of shareholders.
- Any information which the Board considers worthy of disclosure to shareholders is activated by release to ASX, in accordance with continuous disclosure obligations.

Nova Eye Medical's website allows shareholders to access Board and Committee charters, corporate governance policies, ASX announcements, annual and half-year reports, information for shareholder meetings, investor presentations and other corporate information.

Nova Eye Medical seeks to ensure that all investors have equal and timely access to price sensitive information.

Prior to making a presentation to investors or stock broking analysts, Nova Eye Medical will lodge the presentation material with the ASX so that all shareholders can access the information. Nova Eye Medical will not expressly or implicitly provide investors, stock broking analyst or media with forecast profit guidance, unless that information has been disclosed previously to the ASX.

### **Recommendation 6.3**

*A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*

The Company has in place to facilitate and encourage participation at meetings of security holders including allowing shareholders to vote online and submit questions prior to an Annual General Meeting.

**Recommendation 6.4**

*A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.*

The Company uses a poll and does not use a show of hands to vote on substantive resolutions.

**Recommendation 6.5**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Shareholders have the option of electing to receive all shareholder communications by email.

The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.

**Principle 7 – Recognise and manage risk****Recommendation 7.1**

*The board of a listed entity should:*

- (a) *have a committee or committees to oversee risk, each of which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director,*  
*and disclose:*
  - (iii) *the charter of the committee;*
  - (iv) *the members of the committee; and*
  - (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company has established an Audit & Risk Committee to oversee risk.

Given the size and structure of the Company's Board, the directors have formed the view that it is appropriate to have a combined Audit & Risk Committee comprises directors that are not independent.

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out in the Annual Report.

**Recommendation 7.2**

*The board or a committee of the board should:*

- (a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) *disclose, in relation to each reporting period, whether such a review has taken place.*

The Board is responsible for the oversight of Nova Eye Medical's risk management and control framework.

The Audit & Risk Committee assists the Board in fulfilling responsibilities in this regard by reviewing the risk register annually and bringing any items to the attention of the Board.

The CEO and Executive Team are responsible for the design and implementation of risk management systems and managing the material business risks.

Risk exposure stem from Nova Eye Medical's business risk profile which covers areas including operations, environment, brand and reputation, compliance, finance, information and strategic. Nova Eye Medical recognises that risk management can also include identifying opportunities that create value for the business and shareholders.

In the reporting period, a review of the Company's risk management framework was undertaken and appropriate actions taken to mitigate risk. In some areas, external providers with expertise knowledge assist in assessing and training Nova Eye Medical staff in providing action for risk mitigation.

### **Recommendation 7.3**

A listed entity should disclose:

- (a) *if it has an internal audit function, how the function is structured and what role it performs; or*
- (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.*

The Board considers it appropriate for management to undertake ongoing evaluation of the Company's internal control and risk management processes, the company has an internal control framework which includes financial reporting controls, mechanisms to ensure quality and integrity of personnel, operating unit controls and investment appraisals.

An audit occurs on annual basis in subsidiary offices on a scheduled rotation. No audit of internal controls was performed in FY2020 with COVID-19 restrictions. The external auditors provide internal control recommendations for the Group as part of the statutory audit. Nova Eye Medical France is required to have an annual audit for local reporting purposes. The recommendations from the audit is reviewed by the Audit & Risk Committee and implemented accordingly.

These recommendations have assisted for effective internal control processes for all wholly owned subsidiaries of Nova Eye Medical.

**Recommendation 7.4**

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Company, as an ophthalmic laser manufacturer with overseas operations, faces inherent risks in its activities which may materially impact the Company's ability to create or preserve value for security holders. Such risks include actions by competitors, government policy changes, the impact of exchange rate movements and difficulties in sourcing supplies.

The Company has in place policies and procedures which are continually being developed and updated to help manage these risks.

Further information as to the Company's policies relating to interest rate management, forward exchange rate management and credit risk management are included in the Annual Report.

**Principle 8 – Remunerate fairly and responsibly****Recommendation 8.1**

The board of a listed entity should:

- (a) *have a remuneration committee which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director,*  
*and disclose:*
  - (iii) *the charter of the committee;*
  - (iv) *the members of the committee; and*
  - (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have risk 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 remuneration is appropriate and not excessive.*

The Company has established a Remuneration Committee which comprises 1 Independent Director, 1 Non-Executive Director and 1 Executive Director. Given the size and structure of the Company's Board, the directors have formed the view that it is appropriate that the Remuneration Committee comprises directors that are not independent.

The Executive Director is not involved in deciding his own remuneration or in setting the remuneration of other executives where it may indirectly impact on his remuneration.

The Remuneration Committee's Charter is located at [www.nova-eye.com](http://www.nova-eye.com)

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out in the Annual Report.

### **Recommendation 8.2**

*A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives is set out in the Remuneration Report contained in the Company's Annual Report.

### **Recommendation 8.3**

*A listed entity which has an equity-based remuneration scheme should:*

- (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.*

Nova Eye Medical has an equity-based remuneration scheme. The details of the scheme are disclosed as part of the Employee Incentive Plan.

**END**