

Corporate Governance

Having regard to the size and nature of AWAG and its operations, the Company has adopted some of the Corporate Governance Principles and Recommendations (4th edition) issued by the ASX Corporate Governance Council. Below is a table setting out the departures by the Company from those principles and recommendations and an explanation as to why the Directors believe such departures to be reasonable.

ASX Corporate Governance principle or recommendation	Nature of the departure	Explanation of the departure
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose a diversity policy; • 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 • disclose in relation to each reporting period: <ul style="list-style-type: none"> • the measurable objectives set for that period to achieve gender diversity; • the entity's progress towards achieving those objectives; and • either: <ul style="list-style-type: none"> • 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 • if the entity is a "relevant employer" under the Workplace Gender Equality Act, 	<p>Full</p>	<p>The Board considers that a diversity policy is not appropriate at this stage given the size and nature of the business of the Company.</p>

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<p>the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&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>Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and • disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	Full	The Board did not undertake a performance evaluation during the financial years ended 30 June 2022 and 30 June 2023 given the size and nature of the business of the Company.
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and • disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.

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<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> • have a nomination committee which: <ul style="list-style-type: none"> • has at least three members, a majority of whom are independent directors; and • is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> • the charter of the committee; • the members of the committee; and • 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 <ul style="list-style-type: none"> • 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. 	Partial	The Board has formed the view that a nominations committee is not appropriate at this stage. Board succession and Board balance is the responsibility of the Board.
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>		The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p>Recommendation 2.4</p>	Full	The Board has formed the view that, given the size and nature of the business of the Company, the current Board structure is

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A majority of the board of a listed entity should be independent directors.		appropriate for the Company at its current stage.
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Partial	The Board has formed the view that Lee laFrate, as the executive Chairman of the Company, is appropriate for the Company at its current stage.
<p>Recommendation 2.6</p> <p>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.</p>	Partial	The Board has formed the view that the current Board structure is appropriate for the Company at its current stage and, given the size and nature of the business of the Company, this recommendation is not otherwise applicable at this stage.
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p>		The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p>Recommendation 3.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose a code of conduct for its directors, senior executives and employees; and • ensure that the board or a committee of the board is informed of any material breaches of that code. 	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p>Recommendation 3.3</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose a whistleblower policy; and • ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.

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<p>Recommendation 3.4</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose an anti-bribery and corruption policy; and • ensure that the board or a committee of the board is informed of any material breaches of that policy 	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>		The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> • if it has an internal audit function, how the function is structured and what role it performs; or • 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. 	Partial	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> • have a remuneration committee which: <ul style="list-style-type: none"> • has at least three members, a majority of whom are independent directors; and • is chaired by an independent director, <p>and disclose:</p>	Partial	The Board has determined that a remuneration committee is not appropriate at this stage given the size and nature of the business of the Company. Until such time that a remuneration committee is established, the Board will ensure that it performs the functions recommended in the ASX Corporate Governance Principles to be performed by a remunerations committee (to the extent that these functions are relevant to the Company's business).

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<ul style="list-style-type: none"> • the charter of the committee; • the members of the committee; and • 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 • 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>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> • 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 • disclose that policy or a summary of it. 	Full	This recommendation is not applicable to the Company.

Details of the Company's policies regarding corporate governance, trading and associated matters are available on the Company's website and will also be disclosed in its annual report. These policies will be updated and/or amended, as appropriate, to suit the business of AWAG.