

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

De.Mem Limited

ABN/ARBN

12 614 756 642

Financial year ended:

31 December 2023

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:

<https://demembranes.com/investors/>

The Corporate Governance Statement is accurate and up to date as at 29 February 2024 and it has been approved by the board.

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

Date: 29 February 2024

Name of authorised officer  
authorising lodgement:

Anthony Panther (Company Secretary)

<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 in full for the whole 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"/> and we have disclosed a copy of our board charter at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</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"/>	<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
1.3	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.

## 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 <b>in full</b> for the <b>whole</b> 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>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(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</p> <p>(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.</p> <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 checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> .....</p> <p>and we have disclosed the information referred to in paragraph (c) at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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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 in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:  <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement  and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:  <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the 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>

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<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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> <a href="#">[If the entity complies with paragraph (a):]</a> and we have disclosed a copy of the charter of the committee at:</p> <p><a href="#">[If the entity complies with paragraph (b):]</a> 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, in the Company's Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></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 in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement and, where applicable, the information referred to in paragraph (b) at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement and the length of service of each director at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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 <b>OR</b> <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 checked="" type="checkbox"/>	<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
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 checked="" type="checkbox"/>	<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

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<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: <a href="https://demembranes.com/about/mission-vision/">https://demembranes.com/about/mission-vision/</a>	<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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement	<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: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement	<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> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>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, in the Company's Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<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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<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="https://demembranes.com/investors/">https://demembranes.com/investors/</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="https://demembranes.com/investors/">https://demembranes.com/investors/</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: <a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the 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

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<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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at:</p> <p><i>[If the entity complies with paragraph (b):]</i> 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, in the Company's Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
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:</p> <p><a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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.	<input checked="" type="checkbox"/> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>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 in the Corporate Governance Statement</p> <p><a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a></p>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p><a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<input 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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at:</p> <p>[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, in the Company's Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><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:</p> <p><a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>	<p><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at:</p> <p><a href="https://demembranes.com/investors/">https://demembranes.com/investors/</a> in the corporate governance statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></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 in full for the whole 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 <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position 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
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 <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia 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
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 <b>OR</b> <input checked="" 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: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<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 in full for the whole 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>	<p><input type="checkbox"/> and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE STATEMENT

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De.mem Limited (ASX:DEM) (“**De.mem**” or “**Company**”) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the best interests of shareholders.

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs. The Corporate Governance Statement has been structured with reference to the 4<sup>th</sup> edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations to the extent that they are applicable to the Company.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which De.Mem has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website <https://demembranes.com/investors/>, including the Annual Report.

This statement is current as at 29 February 2024 and has been approved by the Board of Directors of the Company.

### PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

**A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.**

#### **Recommendation 1.1      Role of the Board and Management**

**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 Board is ultimately accountable for the performance and direction of the Company and provides leadership and sets the strategic objectives for the Company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures.

Management is responsible for implementing Board strategy, day-to-day operational aspects, and ensuring that all risks and performance issues are brought the Boards attention. They must operate within the risk and authorisation parameters set by the Board.

The Board has a formal Board Charter which is available on our website at <https://demembranes.com/investors/>.

The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chair of the Board (**Chair**) and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's continuous disclosure policy.

The Board delegates responsibility for the day-to-day management of the Company and its business to the Managing Director (**MD**). The MD is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities. The Board maintains ultimate responsibility for strategy, control and the risk profile of the Group.

The Company's Constitution provides that the number of Directors shall not be less than three and not exceed nine. There is no requirement for any shareholding qualification.

If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

Mr Cosimo Trimiglozzi is Chair of the Board and is considered to be an independent director of the Company.

#### **Recommendation 1.2 Appointment of Directors**

**A listed entity should:**

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.**

The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities. The use of an external facilitator may be utilised periodically to assist and make the appropriate checks in the review process.

Directors are initially appointed by the full Board, subject to election by shareholders at the next Annual General Meeting. Under the Company's Constitution the tenure of a Director (other than the Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by Shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the year and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

#### **Recommendation 1.3 Appointment Terms**

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

Each director and senior executive is party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the Annual Report.



#### **Recommendation 1.4 Company Secretary**

**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 Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to the Company Secretary.

The Company Secretary is appointed by the Board by resolution. The Company Secretary is accountable directly to the Board, through the Chair, on all matters regarding the proper functioning of the Board.

The role of the Company Secretary is responsible for the following matters:

- Advising the Board and Committees on governance matters;
- Monitoring adherence of Board and Committees to policies and procedures and the Company's Constitution as required;
- Coordinating timely completion and despatch of Board and Committee papers.
- Ensuring business at Board and Committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate induction and professional development of Directors.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our Annual Report.

#### **Recommendation 1.5 Diversity Policy**

**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 workforce (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.**

**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.**

The Company has not set measurable objectives for achieving gender diversity for the achievement of gender diversity, due to the current limited size of the Board and the organisation in general. Should such objectives become appropriate for the Company in the future due to increases in size of the Board or organisation, the Company will review and set appropriate objectives at that time.

The Company's Corporate Code of Conduct provides a framework for undertaking ethical conduct in employment. Under the Corporate Code of Conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.

As at 31 December 2023, the proportions of men and women employed by the Group in the following categories were:

	Men	Women
Board members	100%	Nil
Senior executive positions (the Company has defined "senior executive" as the Managing Director/Chief Executive Officer and all his/her direct reports)	100%	Nil
Whole workforce	81%	19%

#### **Recommendation 1.6 Board, Committee and Individual Directors Performance Assessment**

**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 Board is committed to formally evaluating its performance, the performance of its committees (if applicable) and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process. A review in accordance with the annual assessment process was undertaken during or in respect of the reporting period, led by the Chair. The performance review and assessment process involved Board members, including:

- self-evaluation and peer review through completing a set of structured questionnaires that include:
  - Board Performance Review
  - Director Self-Assessment Review
  - Director Peer Review
  - Managing Director Performance Review
  - Board Independence Criteria
- one-on-one confidential discussion with the Chair; and
- collective review of results analysis and discussion.

#### **Recommendation 1.7 Senior Executive Performance Assessment**

**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 Board does this through an annual assessment process. The review for the current financial year occurs in the end/beginning of the fiscal year, to be led by the Chair. The process includes collective Board discussions and individual interviews conducted by the Chair.

A review was conducted during the reporting period which indicated that the MD/CEO performed effectively against the relevant criteria and objectives.

## PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

### Recommendation 2.1 Nomination Committee

The board of a listed entity should:

(a) have a nomination committee which:

- (1) has at least three members, a majority of whom are independent directors; and
- (2) is chaired by an independent director, and disclose;
- (3) the charter of the committee;
- (4) the members of the committee; and
- (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

(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.

Due to the relatively small size of the Company, the Board has decided not to establish a nomination committee at this time. The Board's view is that it will be able to continue to fulfill the roles and responsibilities in relation to nomination and Board succession 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 by employing the following processes:

- (a) developing a thorough understanding of the skill and experience requirements of the Board in light of the Company's industry sector, strategy and operations;
- (b) regularly review the Board's skills, experience and knowledge levels by reference to the Board skills matrix and benchmark it against similar organisations (and identify any areas which may need to be addressed);
- (c) including these matters in the annual Board calendar;
- (d) maintaining a knowledge base of potential new Board candidates; and
- (e) where necessary, engage external consultants to assess/review the Board's skill base and advise on potential candidates.

A copy of the Nomination and Remuneration Committee Charter, which will form the basis of the Board's oversight in fulfilling these responsibilities, is available on the Company's website at <https://demembranes.com/investors/>.

The Company will continue to provide details as to compliance with this Recommendation 2.1 in its annual reports, including, if applicable, the matters set out in Recommendations 2.1(a)(4) and (5) or 2.1(b).

### Recommendation 2.2 Board Skills Matrix

**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.**

The Board Skills Matrix is reviewed annually collectively by the Board and led by the Chair, in order to consider where there mix of expertise and experience on the Board is appropriate so that it can effectively discharge its duties and responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver on the Company's strategic objectives.

The skills and experience represented in the Board and relevant to the Companies business are set out in the matrix below:

Skills and experience	
Strategy and leadership	Project Management
Policy Development	Operational Leadership
Corporate Governance	Global Experience
Financial analysis and capital markets expertise	Segment knowledge and experience
Risk and compliance oversight	Market and industry in relation to decentralised water and waste-water treatment
People management	Critical and Innovative thinking
Commercial Experience	Negotiation and Influence
Legal and regulatory approval	Enabling Innovation and Technology
Health, Safety, Social and Environmental Responsibility	Water and Environmental Regulations
Stakeholder communication and engagement	

The Board skills matrix is also contained within @the Board Charter and is available on the Company's website at <https://demembranes.com/investors/>.

### Recommendation 2.3 Independent Directors

**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 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.**

An independent director is a Non-Executive Director who is not a member of management and free from any business or other relationship that could materially compromise with, or could reasonably be perceived to materially interfere with, their independent judgement.

The Board regularly assesses the independence of each Non-Executive Director in light of information which each Director is required to disclose in accordance with the director's terms of appointment, the Corporations Act 2001, and the Board Charter, on an ongoing basis and prior to each monthly Board of Directors meeting.

The Board's assessment of each Director is set out below.

Currently four board members are independent Directors and three Directors are considered by the Board as not independent. Those considered as not independent are:

- Mr Andreas Kroell, who is an executive of the Company;
- Mr Bernd Dautel, who is a director and partner of a substantial shareholder of the Company; and
- Mr Harry De Wit, who is directly associated with a substantial shareholder of the Company in his capacity as a beneficial owner of the shares.

Directors	Position	Date of Appointment	Length of Service*	Independence Status
Cosimo Trimigliozi	Non-Executive Chair	21-11-2016	7 years, 1 month	Independent
Stuart Carmichael	Non-Executive Director	12-09-2016	7 years, 3 months	Independent
Bernd Dautel	Non-Executive Director	21-11-2016	7 years, 1 month	Non-Independent
Michael Edwards	Non-Executive Director	21-11-2016	7 years, 1 month	Independent
Daniel Conlon	Non-Executive Director	20-06-2022	1 years, 6 months	Independent
Harry de Wit	Non-Executive Director	05-04-2023	8 months	Non-Independent
Andreas Kroell	Managing Director & CEO	12-09-2016	7 years, 3 months	Non-Independent

\* as at 31 December 2023.

Each of Mr Trimigliozi, Mr Carmichael, Mr Edwards, Mr Kroell, Mr Dautel, Mr Conlon and Mr de Wit have an interest of the type described in Box 2.3 of the Recommendations, as they each participate in an employee incentive scheme of the Company.

The Board is of the opinion that these interests do not compromise the independence of the respective directors as:

- the quantum of any securities held is not material; the terms of any securities held are not materially linked to achieving certain financial or Company-based performance hurdles; and
- the interests in question will not interfere with the respective directors' capacities to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

#### **Recommendation 2.4 Majority Independent Directors**

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

The majority of Board members are independent directors as per independence assessment provided in Recommendation 2.3 above.

#### **Recommendation 2.5 Chair of the Board**

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

The Chair and the Managing Director & CEO are not the same person and the Chair is an independent non-executive director.

#### **Recommendation 2.6 Induction, Education and Training**

**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.**

All directors, both executive and non-executive, receive written notifications of their appointment and director induction pack which details the terms and conditions of their appointment, remuneration (including superannuation contributions), continuous disclosure requirements (including interests in the company), ongoing confidentiality obligations, company policies on when to seek independent professional advice, the Company's indemnity and insurance measures.

The Company continually evaluates new opportunities for Directors to undertake courses to develop and maintain relevant skills and knowledge.

### **PRINCIPLE 3 - INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

**A listed entity should instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.**

#### **Recommendation 3.1 Values**

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

The values of De.Mem are disclosed in Company's website and in their Code of Conduct, available at <https://demembranes.com/investors/>.

#### **Recommendation 3.2 Code of Conduct**

**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.**

De.Mem has a Code of Conduct and discloses this on its website, at <https://demembranes.com/investors/>.

#### **Recommendation 3.3 Whistleblower Policy**

**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.**

De.Mem has a Whistleblower Policy and discloses this on its website, at <https://demembranes.com/investors/>.

#### **Recommendation 3.4 Anti-bribery and Corruption Policy**

**A listed entity should:**

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

De.Mem has an Anti-bribery and Corruption Policy and discloses this on its website, at <https://demembranes.com/investors/>.

## PRINCIPLE 4 - SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

### Recommendation 4.1 Audit Committee

The board of a listed entity should:

(a) have an audit committee which:

- (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
- (2) is chaired by an independent director, who is not the chair of the board, and disclose:
- (3) the charter of the committee;
- (4) the relevant qualifications and experience of the members of the committee; and
- (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

(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.

Due to the relatively small size of the Company, the Board has decided not to establish an audit committee at this time. The Board's view is that it will be able to 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, by employing the following processes:

- (a) developing and maintaining an understanding of the major reporting responsibilities, accounting policies and major risk areas in relation to the Company's accounting and reporting matters;
- (b) requiring management to regularly report on compliance with financial reporting requirements;
- (c) assessing the need for cost-effective controls to support reliable financial reporting and requiring management to report on compliance with those controls;
- (d) meeting with external auditors on a regular basis, at least twice a year, to review matters in relation to:
  - (i) the external auditor's reviews of the Company's financial reports and supporting systems; and
  - (ii) reviewing of the external auditor's performance, including the audit engagement partner, including independence matters;
- (e) including these matters in the annual Board calendar; and
- (f) where necessary, engaging external consultants with relevant skills and expertise to assist the Board in the above matters.

A copy of the Audit and Risk Committee Charter, which will form the basis of the Board's oversight and fulfilling the role and responsibilities in these matters, is available on the Company's website at <https://demembranes.com/investors/>.

The Company will provide details as to compliance with this Recommendation 4.1 in its future annual reports, including, if applicable, the matters set out in Recommendations 4.1(a)(4) and (5) or 4.1(b).

### Recommendation 4.2 Assurances

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 Managing Director & CEO and CFO have provided a Declaration to the Board 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.

#### **Recommendation 4.3    Verification of integrity of periodic corporate reports**

**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.**

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The integrity of any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor is reviewed by the CFO together with the Managing Director & CEO and ultimately by the Board to verify its integrity before being released.

### **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

**A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.**

#### **Recommendation 5.1    Continuous Disclosure Policy**

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

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy (Policy), which is available on our website at <https://demembranes.com/investors/>.

The Board has overarching responsibility for compliance with continuous disclosure obligations.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy (as applicable). In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

#### **Recommendation 5.2    Provide Board with copies of all material market announcements**

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

The Company has set up external notifications so that all Board members receive a notification from ASX as soon as any announcement has been released. The Company also circulates all price sensitive announcements to the Board ahead of the release being made.



### **Recommendation 5.3    Investor Presentations**

**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 discloses these processes in the Company's Continuous Disclosure Policy available on the Company's website at <https://demembranes.com/investors/>.

## **PRINCIPLE 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS**

**A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.**

### **Recommendation 6.1    Information and Governance**

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

Information about the Company and its corporate governance policies is available on our website at <https://demembranes.com/investors/>. The Company also maintains a separate investor page on our website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

### **Recommendation 6.2    Investor Relations**

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

The Company endeavours to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions. The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors.

Shareholder queries may be referred to the Company Secretary in the first instance.

The policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website <https://demembranes.com/investors/>.

### **Recommendation 6.3    Shareholder Meeting Participation**

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

The Board encourages full participation of Shareholders at the Annual General Meeting (**AGM**), to ensure a high level of accountability and identification with the Company's strategy and goals.

Prior to the AGM the Company issues a Notice of Meeting, Explanatory Statement and Proxy Form to provide all the information that is relevant to Shareholders in making decisions on matters to be voted on at the meeting. Shareholders may elect to receive communications electronically.

Details regarding the timing and location of the Company's General Meetings or Annual General Meeting are disclosed to the ASX in advance to encourage attendance by shareholders.

Time is also set aside at the AGM for the Board and Senior Executives to respond to any Shareholder queries.

**Recommendation 6.4 Substantive Resolutions at security holder meeting are decided by poll**

**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 conducts all voting processes through a poll rather than a show of hands.

**Recommendation 6.5 Electronic Communication with Shareholders**

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

The Company's share registry is able to provide the security holder the option to receive communications from, and send communications to, the entity and its security registry electronically.

## PRINCIPLE 7 - RECOGNISE AND MANAGE RISK

**A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**

**Recommendation 7.1 Risk Committee**

**The board of a listed entity should:**

**(a) have a committee or committees to oversee risk, each of which:**

- (1) has at least three members, a majority of whom are independent directors; and**
- (2) is chaired by an independent director, and disclose:**
- (3) the charter of the committee;**
- (4) the members of the committee; and**
- (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**

**(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.**

Due to the relatively small size of the Company, the Board has decided not to establish a risk committee at this time. The Board's view is that it will be able to oversee and continue to fulfill the roles and responsibilities in relation to the Company's risk management and its framework by employing the following processes:

- (a) developing and maintaining an understanding of the major risk areas in relation to the Company's activities, operations and responsibilities;
- (b) developing a formal risk management program, tailored to the Company's activities and risk profile which identifies risks and documents procedures to manage them in accordance with the Company's risk appetite;
- (c) within the risk management program, directing management to develop, implement and carry out appropriate risk management policies and procedures, and to report regularly to the Board on these matters;
- (d) requiring management implement an appropriate insurance program for the Company and regularly report to the Board on this matter;
- (e) including these matters in the annual Board calendar; and

- (f) where necessary, engaging external consultants with relevant skills and expertise to assist the Board in the above matters.

A copy of the Audit and Risk Committee Charter, which will form the basis of the Board's oversight in fulfilling these responsibilities, is available on the Company's website at <https://demembranes.com/investors/>.

The Company will continue to provide details as to compliance with this Recommendation 7.1 in its annual reports, including, if applicable, the matters set out in Recommendations 7.1(a)(iv) and (v) or 7.1(b).

## **Recommendation 7.2      Review of Risk Management Framework**

**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 Group's risk management framework is supported by the Board of directors and the management team. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. The Management team are responsible for monitoring and ensuring that appropriate processes and controls are in place to manage risk effectively and efficiently.

The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:

- (a) identifying, assessing, monitoring and managing risk; and
- (b) disclosing any material change to the Company's risk profile.

An assessment of the Company's risk management framework is undertaken and reviewed by the Board, covering all aspects of the business from operational level through to strategic level risks. The Managing Director & Chief Executive Officer and Chief Financial Officer have been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The Company at least annually undertakes a systematic review of its risks, controls and procedures to ensure they are effective and maintain contemporary practice. The Company has undertaken a review during the reporting period.

## **Recommendation 7.3      Internal Audit**

**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.**

Due to the current size of the Company, and taking into account cost/benefit considerations, the Board does not currently consider it necessary to have an internal audit function. The Audit and Risk Committee Charter requires the Committee (or in its absence the Board) to oversee the evaluation and continual improvement of the effectiveness of the Company's risk management and internal control processes. The Committee (or in its absence the Board) will achieve this objective by closely monitoring these areas and will require management to review and report on risk and internal control areas. The Committee (or in its absence the Board) may consider the use of external resources to assist as required.

The Board considers these departures from the ASX Recommendation are justified given the maturity of the Company and the need to preserve funds as an early-stage business. If in future an internal audit function is warranted, then the Board will give due regard to the Recommendations and the establishment of an internal audit function.

#### **Recommendation 7.4 Economic, Environmental and Social Sustainability Risk**

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

The Company has not identified any material exposure to economic, environmental and social sustainability risks.

### **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

**A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.**

#### **Recommendation 8.1 Remuneration Committee**

**The board of a listed entity should:**

**(a) have a remuneration committee which:**

- (1) has at least three members, a majority of whom are independent directors; and**
  - (2) is chaired by an independent director,**
- and disclose:**

- (3) the charter of the committee;**
- (4) the members of the committee; and**
- (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**

**(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.**

Due to the relatively small size of the Company, the Board has decided not to establish a remuneration committee at this time. The Board's view is that it will be able to fulfill the role and responsibilities of a Remuneration Committee regarding remuneration framework matters, including the setting of the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive, by employing the following processes:

- (a) regularly reviewing Board and senior executive remuneration levels, including share-based payments;
- (b) regularly benchmarking Board and senior executive remuneration levels against comparative companies in the exploration sector, and the broader ASX listed companies sector;
- (c) including these matters in the annual Board calendar;
- (d) ensuring that an executive Director is not present during consideration of that particular executive Director's remuneration; and
- (e) where necessary, engaging external consultants with relevant skills and expertise to assist the Board in the above matters.

A copy of the Nomination and Remuneration Committee Charter, which will form the basis of the Board's oversight in fulfilling the responsibilities relating to remuneration matters, is available on the Company's website at <https://demembranes.com/investors/>.

The Company will continue to provide details as to compliance with this Recommendation 8.1 in its future annual reports, including, if applicable, the matters set out in Recommendations 8.1(a)(iv) and (v).

## **Recommendation 8.2     Remuneration Policies and Practices**

**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.**

Details of the Company's remuneration practices for its Directors and senior executives are disclosed in the Remuneration Report in the Company's Annual Report.

## **Recommendation 8.3     Equity Based Remuneration Scheme**

**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.**

The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy prohibits Key Management Personnel entering into transactions or arrangements (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Further, all employees are prohibited from entering into margin loan arrangements to fund the acquisition of any of the Company's securities or from entering into arrangements whereby their securities in the Company are used as collateral.

The Company's Securities Trading Policy is available on the Company's website at <https://demembranes.com/investors/>.