

# CORPORATE GOVERNANCE STATEMENT

## DOCUMENT INTEGRITY CONTROL

Action	Date of Board Approval	Effective date	Authorised by
Adoption of this Statement	06 September 2021	31 August 2021	Board

### 1 Effective Date and Approval of Statement

The effective date of this Corporate Governance Statement is:

- a) 31<sup>st</sup> day of August 2021.
- b) The relevant reporting period to which this Corporate Governance Statement relates to is 1 July 2020 - 30 June 2021.
- c) This Corporate Governance Statement has been approved by the board of the Company.

### 2 Corporate Governance Charter

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments (together “**Charter**”).

The Company’s Charter is based on a template which has been professionally verified to be complementary to and in alignment with the ASX Corporate Governance Council Principles and Recommendations 4<sup>th</sup> Edition 2019 (“ASX CGC P&R”) in all material respects. The Charter also substantially addresses the suggestions of good corporate governance mentioned in the “Commentary” sections of the ASX CGC P&R.

The Charter was formally adopted by the board on 30 October 2019. Having regard to the alignment of the Charter with the ASX CGC P&R, from that date and other than as expressly stated in this Corporate Governance Statement, the

Company has followed the requirements of the ASX CGC P&R during the relevant reporting period mentioned in paragraph (1)(b) above.

### 3 Link to the Charter

The full text of the Charter and each part of it (including board committee terms of reference, codes of conduct, policies, protocols and practices) can be assessed here [https://www.matrixengineered.com/media/1757/corporate-governance-charter-2019\\_signed.pdf](https://www.matrixengineered.com/media/1757/corporate-governance-charter-2019_signed.pdf).

Specific disclosures under ASX CGC P&R referable to the Company's annual reporting period referred to in paragraph (1)(b) above are set out following in this statement.

### 4 Recommendation 1.1(b)

The Company's Board Charter is included in the Company's Corporate Governance Charter located at:

[https://matrixengineered.com/wp-content/uploads/2021/03/corporate-governance-charter-2019\\_signed.pdf](https://matrixengineered.com/wp-content/uploads/2021/03/corporate-governance-charter-2019_signed.pdf)

### 5 Recommendation 1.5(c)

The Company is committed to achieving gender diversity and has established targets to ensure that subject to appropriate caveats:

- At least one of the next two Board appointments should be female;
- At least one of the next two executives appointed should be female; and
- not less than 33 per cent of new appointments should be male and not less than 33 per cent of new appointments should be female. The Company intends these targets to promote gender diversity within the Company.

As at 30 June 2021 all five Board positions (100 per cent) were held by men.

Of three executive key management positions, three (100 per cent) were held by men. The three key management positions are CFO, Division Manager - Oil and Gas and Head of Program Management. Of a total of 79 employees, 18 (23 per cent) were women and 61 (77 per cent) were men.

As at 30 June 2021, the proportion of women and men employed by the Company is set out in the table below:

<b>GROUP WORKFORCE BY JOB CLASSIFICATION AND GENDER</b>					
CLASSIFICATION	TOTAL	GENDER			
		FEMALE	%	MALE	%
<b>MANAGEMENT</b>					
CEO	1	0	0%	1	100%
Key Management	3	0	0%	3	100%
Senior Management	4	2	50%	2	50%
Other Management	13	2	15%	11	85%
<b>TOTAL</b>	<b>21</b>	<b>4</b>	<b>19%</b>	<b>17</b>	<b>81%</b>
<b>NON-MANAGEMENT</b>					
Professionals	16	3	19%	13	81%
Technicians and Trade	8	0	0%	8	100%
Clerical and Administrative	5	5	100%	0	0%
Machinery Operators & Drivers	1	0	0%	1	100%
Labourers	13	1	8%	12	92%

## 6 Recommendation 1.6

The Company has processes and principles to evaluate the Board, the committees and individual directors. These are set out in the Board and Management Performance Enhancement Policy located at:

<https://www.matrixengineered.com/about-us/who-we-are/corporate-governance/>.

An internal performance evaluation of the Board and committees was conducted during FY20. The results of the evaluation were considered and discussed by the Board and formed the basis for the identification of potential areas for ongoing improvement. These areas were considered and addressed where necessary during the FY21 year.

## 7 Recommendation 1.7

The Company has processes and principles for evaluating the performance of its senior executives. These are set out in section B8.3 Review & Evaluation Protocols – Senior Executive Performance located at:

<https://www.matrixengineered.com/about-us/who-we-are/corporate-governance/>.

A formal performance evaluation of the Company's senior executives was conducted during the reporting period.

## 8 Recommendation 2.1(a)

The Company has a Nomination Committee Charter. The Company's Nomination Committee Charter is located at: <https://www.matrixengineered.com/about-us/who-we-are/corporate-governance/>.

The current members of the Nominations Committee are Peter Hood (Chair), Steven Cole Craig Duncan and Chris Sutherland. All members of the Committee have been assessed by the Board as independent. For details of the respective experience and qualifications of Committee members, please refer to the Directors' Report in the FY21 Annual Report.

The Nominations Committee met twice during the year in April and October. All members of the Committee attended the meetings other than Chris Sutherland who was appointed during the year. He was not a Director during the first and was an apology for the second due to a commitment that pre dated his appointment.

## 9 RECOMMENDATION 2.2

The Company has a Board skills matrix which sets out the mix of skills that the Board currently has or is looking to achieve in its membership as follows:

	Skill	Definition
Industry Experience	Global Oil & Gas and Mineral Resources	Has particular expertise and knowledge of the global oil and gas industry in which the company operates.
	Composites Material Manufacturing	Has particular skills and expertise in products, systems or technologies relevant to the company's operations.
Technical Skills	Accounting and Financial Literacy	Has the required level of knowledge and skill to: effectively analyse the company's management accounts and periodic financial statements; assess the company's ongoing viability; and actively contribute to the setting and ongoing review of the company's annual budget.

	Banking	Has particular experience and skills in relation to debt financing.
	Corporate Finance	Has a sound understanding of financial risk and understands the financial regulatory framework relating to listed companies.
	Equity Capital Markets	Has particular experience and skills in relation to capital raising and equity markets.
	Mergers and Acquisitions	Has particular experience and skills in relation to mergers and acquisitions, demergers and capital reconstructions etc.
	Complex Manufacturing Operations	Has executive/management experience with a significant manufacturing enterprise. Has a sound understanding of operational issues and extracting maximum value from the company's assets.
	International Oil & Gas Equipment Supply	Has extensive international business experience in the oil and gas equipment supply industry.
	Law	Has particular expertise in corporate and commercial law and/or in relation to legislation relevant to the company.
	Strategic Marketing	Has a sound understanding of marketing and growth strategies to preserve and grow the company's market share.
	Information Technology	Has expertise in IT strategy and system design, procurement and implementation and a sound understanding of associated risks.
	Risk Management	Has a sound understanding of risk management and the development of a systematic approach to protect the company's assets and maximise chances of success.
	Human Resources Management	Is able to contribute actively to the setting of management performance goals that link rewards to desired performance and behaviour, the oversight of management performance, and the development of Board and executive succession plans.
	Strategy Development and Implementation	Has a sound understanding of the strategy development process and how to convert strategy into actions and corporate success.
	CEO/Senior Management Experience	Has executive experience (CEO) with a significant enterprise.
<b>Governance Competencies</b>	Contemporary Corporate Governance	Has a strong background in or understanding of current corporate governance standards and compliance requirements and is familiar with corporate legislation.
	Commercial Business Experience/Acumen	Demonstrated ability to understand and deal with business situations in a manner likely to lead to a positive outcome for the business.

	Strategy	Has strong strategic skills, able to contribute actively to the formulation, testing and approval of a business strategy designed to drive shareholder value in the longer term. Alert to opportunities, risks and trends that require a strategic response.
	CEO Selection, Monitoring and Evaluation	Ability to identify the key criteria required for the CEO and apply appropriate metrics for evaluation.
	Monitoring	Has strong skills in monitoring executive and business performance.
	Compliance	Has strong knowledge of the regulatory framework within which the business operates: operationally, commercially and financially including ASX Listing Rules and the Corporations Act.
	Policy Frameworks	Has relevant experience developing policy frameworks that manage the operational, financial and risk appetite of the business.
	Networking	Has strong business networks and relationships within the oil and gas industry, manufacturing sector and corporate Australia.
	Stakeholder Communication	Has relevant experience in engagement with external stakeholder groups (shareholders, proxy advisors, community groups, regulators, government).
	Decision Making	Ability to participate in Board decision making and ensure decisions are made after careful consideration of all available information.
	Effective Governance	Ability to exercise skills and abilities to ensure the Company has an effectively operating governance structure. Ability to exercise skills and abilities to ensure the Company has an effectively operating governance structure

The Board, including through its Nominations Committee benchmarks the skills and experience of its Directors against this Board skills matrix.

## 10 Recommendation 2.3

Under the Charter, the assessment of whether a Board member is independent is a matter of judgement for the Board as a whole and includes concepts of materiality. In making that judgement the Board may have regard to, but need not be bound by, the ASX CGC P&R as to director independence.

A Director is considered to be independent where he or she is a non-executive Director, is not a member of management and is free of any relationship that could, or could reasonably be perceived to, materially interfere with the independent exercise of their judgment. The existence of the following relationships may affect independent status, if the Director:

- is employed, or has previously been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has, within the last three years, been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the services provided;
- is a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the Corporations Act);
- has a material contractual relationship with the Company other than as a Director;
- has close family ties with any person who falls within any of the above categories; or
- has been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity 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.

In accordance with the independence criteria set out above, the Board reviewed the positions and associations of each of the four Directors in office at the date of this statement in making the assessment regarding independence.

The names and relevant disclosable information concerning each director is as follows:

Name	Position	Status	Length of Service
Peter Hood	Non-Executive Chairperson	Independent	8 years
Aaron Begley	Managing Director	Non-independent	20 years
Steven Cole	Non-Executive Director	Independent	6 years
Craig Duncan	Non-Executive Director	Independent	11 years
Chris Sutherland <sup>1</sup>	Non-Executive Director	Independent	0.6 years

<sup>1</sup> Chris Sutherland was appointed as a director on December 11 2020

## 11 Recommendations 3.1, 3.2, 3.3 and 3.4

The Company's:

- values;
- code of conduct for its directors, senior executives and employees;

- whistleblower policy; and
- anti-bribery and corruption policy;

are each articulated and disclosed in the Charter and located at:

<https://www.matrixengineered.com/about-us/who-we-are/corporate-governance/>

## 12 Recommendation 4.1(a)

The charter or terms of reference for the Company's Audit Committee is disclosed in the Audit Committee Charter which is located at:

<https://www.matrixengineered.com/about-us/who-we-are/corporate-governance/>

The current members of the Audit Committee are Steven Cole (Chair), Peter Hood, Craig Duncan and Chris Sutherland. All members of the Committee have been assessed by the Board as independent. For details of the respective experience and qualifications of Committee members, please refer to the Directors' Report in the FY21 Annual Report.

The Audit Committee met three times during the year in August, February and May and all members of the Committee attended the meetings except for Chris Sutherland who was not appointed as a Director for the August meeting.

## 13 Recommendation 4.3

The processes by which the integrity of any periodic corporate report (other than audited or reviewed reports) released to the market is verified is disclosed in the Charter.

## 14 Recommendation 5.1

The Company's policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1 is disclosed in the Charter.

## 15 Recommendation 6.3

The Company's policy as to how it facilitates and encourages participation at meetings of security holders is disclosed in the Charter.

## 16 Recommendation 7.1(a)

The charter or terms of reference of the Company's Risk Committee is disclosed in the Risk Committee Charter located at:

<https://www.matrixengineered.com/media/1724/a8-charter-risk-committee.pdf>

The current members of the Risk Committee are Craig Duncan (Chair), Peter Hood, Steven Cole and Chris Sutherland. All members of the Committee have been assessed by the Board as independent. For details of the respective experience and qualifications of Committee members, please refer to the Directors' Report in the FY21 Annual Report.

The Risk Committee met twice during the year in December and June all members of the Committee attended the meetings.



## 17 Recommendation 7.2(b)

In summary, the Matrix risk management framework is based on AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines and complies with AS/NZS ISO 31000:2018. It comprises:

- formal processes for the identification and measurement of risks that might impact upon the achievement of the Company's goals and objectives, and for monitoring the environment to identify emerging factors and trends that affect these risks;
- risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls;
- internal systems to monitor the performance of and improve the effectiveness of risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control;
- regular reporting to the Risk Committee and the Board regarding the effectiveness of the Company's risk management systems and processes and the extent to which they are being applied within the Company.

Management are responsible for regular reporting to the Board as to the effectiveness of Matrix's management of its material business risks directly and through the Risk Committee. Management are also responsible for undertaking a review of the risk framework of the Company under the direction of the Risk Committee on at least an annual basis, which reports independently to the Board of any changes, concerns and outcomes. Matrix maintains a risk management and internal control system that is sufficient to manage its material business risks. The Company has conducted reviews of the risk framework during the FY21 financial year.

The Company's Risk Management Policy is located at:

<https://www.matrixengineered.com/about-us/who-we-are/corporate-governance/>

## 18 Recommendation 7.3

The Board has considered whether the establishment of an internal audit function would materially improve the Company's ability to manage its principal business risks and has determined that the establishment of an internal audit function is not warranted at this stage of the Company's development given the cost of establishing the function, the current size of the Company, and the nature and extent of its operations.

The processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control process are detailed in the Charter and in more detail in the Audit Committee Charter, Risk Committee Charter and Risk Management Policy located at:

<https://www.matrixengineered.com/about-us/who-we-are/corporate-governance/>

## 19 Recommendation 7.4

The Company is committed to providing and promoting a sustainable, safe and healthy work environment for employees, contractors, suppliers and the community.

Processes and system have been implemented to manage the economic, social and environmental risks and hazards identified as being applicable to the business, to ensure that the Company continues to mitigate and implement action plans to address these in-line with the Company's risk profile.

Significant social and environmental risks identified and associated mitigation plans are listed in the Company's risk register and managed by the Company. Relevantly the COVID19 health and economic impacts and the uncertainty in the offshore oil and gas are significant risks identified and managed this year.

## 20 Recommendation 8.1

The charter or terms of reference of the Company's Remuneration Committee is disclosed in the Charter located at:

<https://www.matrixengineered.com/media/1721/a6-charter-remuneration-committee.pdf>

The current members of the Remuneration Committee are Peter Hood (Chair), Steven Cole, Craig Duncan and Chris Sutherland. All members of the Committee have been assessed by the Board as independent. For details of the respective experience and qualifications of Committee members, please refer to the Directors' Report in the FY21 Annual Report.

The Remuneration Committee met twice during the year in August and October all members of the Committee attended the meetings.

## 21 Recommendation 8.2 and 8.3

The Company's policies (and practices) with respect to:

- remuneration of non-executive directors, and to remuneration of executive directors and other senior executives, separately; and
- whether participants in any equity-based remuneration scheme are permitted to enter transactions to limit the economic risk of their participation,

are disclosed in the Charter.

## 22 Recommendations 2.1(a), 4.1(a)(5), 7.1(a)(5) and 8.1(a)(5)

The names of the members of each of the board committees, the number of meetings of the relevant committee held, and the attendance of members at those meetings during the relevant annual period was as follows:

Committee	No. of Committee mtgs held	Names of Committee Members	Member's attendance at Committee meetings	
			Eligible to attend	Actually attended
Nominations	2	Peter Hood (Chair)	2	2
		Steven Cole	2	2
		Craig Duncan	2	2
		Chris Sutherland	1	-
Remuneration	2	Peter Hood (Chair)	2	2
		Steven Cole	2	2
		Craig Duncan	2	2
		Chris Sutherland	-	-
Audit	2	Peter Hood	3	3
		Steven Cole (Chair)	3	3
		Craig Duncan	3	3
		Chris Sutherland	2	2
Risk	2	Peter Hood	2	2
		Steven Cole	2	2
		Craig Duncan (Chair)	2	2
		Chris Sutherland	2	2