

20/September/2022

## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the current position of Jatcorp Limited (**Company**) with regards to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition, 2019) (**Principles and Recommendations**).

While the Principles and Recommendations are not mandatory, the Company will be required to disclose the extent to which it complies with the Principles and Recommendations.

For further information about the Company's corporate governance policies, and to obtain copies of these policies, please refer to the Company's website.

The Corporate Governance Statement was approved by the Board on 20 September 2022

## ASX BEST PRACTICE RECOMMENDATIONS

| Item  | ASX Best Practice Recommendation  | Comment   | Implemented |
|---|---|---|-------------|
| <b>Principle 1: Lay a solid foundation for management and oversight</b> |   |   |             |
| 1.1   | A listed entity should have and disclose a board charter setting out:<br><br>(a) the respective roles and responsibilities of its board and management; and<br><br>(b) those matters expressly reserved to the board and those delegated to management. | <b>The Company's Board Charter is available on the Company's website:</b><br><a href="https://www.jatcorp.com/about/corporate-governance/">https://www.jatcorp.com/about/corporate-governance/</a><br><br><b>The Role of the Board</b><br><br>The Board is responsible for, and has the authority to determine, all matters relating to strategic direction, policies, practices, management goals and the operations of the Company.<br><br><b>The Role of Management</b><br><br>It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. | Yes         |

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| 1.2  | <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>  | <p>The Company undertakes checks on any person who is being considered as a director or senior executive. These checks may include character, experience, education and financial history and background.</p> <p>The Company provides material information following the guidance contained in the ASX Corporate Governance Principles and Recommendations (4th Edition) about any candidate to enable security holders to make informed decisions regarding the candidate's election or re-election.</p>   | Yes         |
| 1.3  | <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>  | <p>The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee.</p> <p>The Company's officers and management have all entered into service contracts which outline the responsibilities of each of the Company's officers and of management personnel when performing their roles for the Company.</p>  | Yes         |
| 1.4  | <p>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.</p>  | <p>The Company Secretary has a direct reporting line to the Board, through the Chair, on all matters to do with the proper functioning of the board.</p>  | Yes         |
| 1.5  | <p>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 to 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>The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals.</p> <p>The Board has established a Diversity Policy and will endeavour, where appropriate and practicable, to comply with this policy. The Diversity Policy is disclosed on the Company's website.</p> <p>The Board is currently satisfied with the level of diversity within the organisation and no measurable objectives have been set in regard to gender diversity.</p> <p>The Company currently has 4 directors on the Board who are male. For senior management, the Company's Managing Director and Executive Director are male, and the Company's CFO is female, making 33% female.</p> | Partial     |

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|      | <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>44.4% of total employees are women.</p> |             |

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| 1.6  | <p>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 during or in accordance with that process during or in respect of that period.</p> | <p>Due to the current size of the Board and the Company, a Remuneration and Nomination Committee has not been established and the Board is currently responsible for evaluating its performance, and the performance of its committees and individual directors. The Board adheres to the Nomination and Remuneration Policy available on the Company's website. The Board is responsible for conducting its own review when deemed necessary.</p> <p>No performance evaluation was conducted during Financial Year 2022. Given the recent Board changes no review is planned for Financial Year 2023.</p> | No          |
| 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>The Board is responsible for evaluating the performance of the senior executives. The evaluation procedure for senior executives includes a review and assessment of performance against key performance indicators.</p> <p>A formal review was not conducted throughout the year given the significant changes to management and recent appointment of the new Managing Director.</p>  | No          |
| <b>Principle 2: Structure the board to 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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p>                 | <p>The Board is responsible for the nomination and selection of Directors. Given the size of the Company and the nature of its operations, the Board does not believe it to be appropriate to establish a nomination committee at this time.</p> <p>The composition of the Board, its performance and the appointment of new Directors will be reviewed periodically by the Board, taking advice from external advisors where considered appropriate.</p> <p>The Nomination and Remuneration Policy is available on the Company's website.</p>   | Yes         |

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|      | <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> |   |             |
| 2.2  | A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.   | The Board has not, at this time adopted a board skills matrix. Given the recent changes to the Board the directors consider that it is not appropriate to adopt such a matrix.  | No          |
| 2.3  | <p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director.</p>      | <p>As at the end of 2022FY, the Board comprised 5 directors three of which were considered independent.</p> <p>As at the date of this statement, the Board comprises 4 directors one of which is considered independent.</p> <p>The length of service of each Director is provided in the 2022 Annual Report.</p> | Yes         |
| 2.4  | A majority of the board of a listed entity should be independent directors.   | As at the date of this statement, the Board comprises 4 directors one of which is considered independent. The Company will continue to search for right candidates as independent directors.  | No          |
| 2.5  | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.   | The Chair of the Board is Mr Dennis Shen, who is considered independent. The role of CEO and Chairman are not exercised by the same person.   | Yes         |

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| 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 develop and maintain the skills and knowledge needed to perform their role as directors effectively. | The Board shall induct new directors in accordance with the process set out in the Company's Board Charter which is disclosed on the Company's website.   | Yes         |
| <b>Principle 3: Act ethically and responsibly</b>              |   |   |             |
| 3.1  | A listed entity should articulate and disclose its values.  | The Company's values are disclosed on its website.  | Yes         |
| 3.2  | A listed entity should:<br><br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br><br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.  | The Board has established a code of conduct which is available on the Company's website.  | Yes         |
| 3.3  | A listed entity should:<br><br>(a) have and disclose a whistle-blower policy; and<br><br>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.  | The Board has adopted a Whistleblower Policy which is available on the Company's website.   | Yes         |
| 3.4  | A listed entity should:<br><br>(a) have and disclose an anti-bribery and corruption policy; and<br><br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.   | The Board has adopted an Anti-Bribery and Corruption Policy which is available on the Company's website.  | Yes         |
| <b>Principle 4: Safeguard integrity in corporate reporting</b> |   |   |             |
| 4.1  | The board of a listed entity should:<br><br>(a) have an audit committee which:  | The Board fulfils the responsibilities of the Audit and Risk Committee. The Board has adopted a Charter for the Audit and Risk Committee, which is available on the Company's website. Currently all directors are members of Audit and Risk Committee. | No          |

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|      | <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>The Directors believe it is appropriate for the Board to act as the Audit Committee at this stage of the Company's development. Given the size of the Board, it is considered that no efficiencies or other benefits would be gained by establishing a separate Committee. The Board will review this position on an ongoing basis as the Company continues to grow.</p> <p>Details on Board composition and independence have been set out previously in this Corporate Governance Statement.</p> |             |
| 4.2  | <p>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 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.</p>  | <p>The Board receives a written assurance from the CEO and CFO (or CFO equivalent) for each financial reporting period that their opinion is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p>  | Yes         |

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|---|--|---|-------------|
| 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. | Such report is prepared by management and reviewed and approved by management and the Board as at the end of FY2022.  | Yes         |
| <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.   | <p>The Company has adopted a Communication and Disclosure Policy to ensure compliance with its disclosure obligations under the ASX Listing Rules.</p> <p>To comply with the ASX Listing Rules, the Company intends to immediately notify the ASX of information:</p> <ul style="list-style-type: none"> <li>• concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;</li> <li>• that would, or would be likely to, influence persons who commonly invest in securities.</li> </ul> <p>The Communication and Disclosure Policy includes processes designed to ensure that Company information:</p> <ul style="list-style-type: none"> <li>• is disclosed in a timely manner;</li> <li>• is factual;</li> <li>• does not omit material information; and</li> <li>• is expressed in a clear and objective manner that allows the input of the information when making investment decisions.</li> </ul> <p>The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company. Accordingly, in following and adhering to its Communications and Disclosure Policy the Company will comply with its continuous disclosure obligations.</p> | Yes         |
| 5.2   | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.  | The Board receives material market announcements promptly after they have been made.  | Yes         |
| 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                  | All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.  | Yes         |



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|  | Platform ahead of the presentation.  |   |             |
| <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.   | Information about the Company and its governance is available to shareholders via the Company's website.  | Yes         |
| 6.2  | A listed entity should design have an investor relations program that facilitates effective two-way communication with investors.  | <p>The Board is committed to ensuring that Shareholders receive information relating to the Company on a timely basis and shall endeavour to keep Shareholders well informed of all material developments of the Company.</p> <p>The Company has developed a Communications and Disclosure Policy to ensure all relevant information is identified and reported accordingly.</p> <p>The Company encourages shareholders to attend and participate in general meetings and will make itself available to meet shareholders and respond to shareholder enquiries.</p> | Yes         |
| 6.3  | A listed entity should disclose how it facilitates participation at meetings of security holders.  | The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes.   | Yes         |
| 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.  | Whenever possible and appropriate, all substantive resolutions at shareholder meetings will be decided by a poll rather than a show of hands.   | Yes         |
| 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.                                       | The Company and its share registry actively encourage electronic communication. All new shareholders will be issued with a letter encouraging the registration of electronic contact methods.   | Yes         |
| <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>The Board fulfils the responsibilities of the Audit and Risk Committee. The Board has adopted a Charter for the Audit and Risk Committee, which is available on the Company's website.</p> <p>The Directors believe it is appropriate for the Board to act as the Audit and Risk Committee at this stage of the Company's development. Given the size of the Board, it is considered that no efficiencies or other benefits would be gained by establishing a</p>  | No          |

| Item | ASX Best Practice Recommendation   | Comment  | Implemented |
|------|--|--|-------------|
|      | <p>(2) is chaired by an independent director,</p> <p>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>separate Committee. The Board will review this position on an ongoing basis as the Company continues to grow.</p> <p>Details on Board composition and independence have been set out previously in this 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>The Board reviews on an annual basis the effectiveness of the Company's management of its material risk.</p> <p>The Risk Management Policy is available on the Company's website.</p> <p>Any reviews of the risk management framework will be disclosed in the Company's Annual Report.</p> | Yes         |
| 7.3  | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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 risk management and internal control processes.</p>  | <p>This function is undertaken by the Board as a whole via the review of risk management and internal control processes on a regular basis.</p>  | Yes         |
| 7.4  | <p>A listed entity should disclose whether it has any material exposure to economic, environmental or social</p>   | <p>The Company may from time to time be exposed to economic, environmental and social sustainability risks. The Company will review the previously adopted Risk</p>  | Yes         |

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|   | sustainability risks and, if it does, how it manages or intends to manage those risks.  | Management Policy during the current financial year to assist with management of these risks.   |             |
| <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,</p> <p>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>Given the size of the Board and the Company's current operations the Company has not established a separate Remuneration and Nomination Committee as it is considered that no efficiencies or other benefits would be gained by establishing a separate committee.</p> <p>The Board is responsible for the Company's remuneration policy and has adopted a Nomination and Remuneration Policy which outlines the processes by which the Board shall review officer and management remuneration.</p> <p>The Company is committed to remunerating its officers and executives fairly and to a level which is commensurate with their skills and experience and which is reflective of their performance. Further disclosure of officer and executive remuneration will be made in accordance with the ASX Listing Rules and the Corporations Act. In particular shareholders should refer to the Remuneration Report section of the Annual Report.</p> | No          |
| 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>The Company discloses all Director and executive remuneration and policies on remuneration in its annual reports and also in its remuneration policy.</p> <p>The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision- making process.</p>  | Yes         |

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|      |  | <p>In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as Options).</p> <p>Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.</p> <p>The Board reviews and approves the Company's nomination and remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.</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>The Company does not have an equity based remuneration scheme at this time, however, intends to implement a scheme in future.</p> <p>The Board is responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.</p> <p>The Company recognises that Director, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.</p>   | N/A         |

For further information about the Company's corporate governance policies, and to obtain copies of these policies, please refer to the Company's website.