



Corporate Governance Statement For the year ended 30 June 2021

This Corporate Governance Statement outlines TZ Limited's corporate governance framework and discloses the extent to which the company followed the fourth edition of the ASX Corporate Governance Principles and Recommendations during the year ended 30 June 2021.

This statement is current as at 30th August 2021 and has been approved by the company's board of directors ("board").

ASX Corporate Governance Principles and Recommendations.

1: Lay solid foundations for management and oversight

1.1 Responsibilities of the Board and management

The board's primary responsibility is to oversee the company's business activities and management for the benefit of company's shareholders, which it accomplishes by:

- establishing corporate governance and ethical business standards;
- setting objectives, goals and strategic direction with a view to maximize shareholder value;
- approving and monitoring budgets and major investments;
- ensuring adequate internal controls exist and are appropriately monitored;
- ensuring significant business risks are identified and appropriately managed; and
- appointing senior executives and monitoring their performance.

The board has delegated responsibilities and authorities to management to enable management to conduct the company's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits, require board approval.

The Company intends to establish a board charter in the next reporting period.

1.2 Appointment of Directors

The company's practice is for the board to vet each new candidate for appointment as a director. In cases where existing board members do not have personal knowledge of a candidate's



background, checks on candidates are made by seeking character references from knowledgeable sources.

Security holders are provided with a summary of each candidate's experience and qualifications in notices of meeting proposing the election or re-election of directors. In the case of candidates standing for re-election, the candidate's experience and qualifications are also disclosed on the company's website and in its annual reports.

1.3 Agreements with Directors and senior executives

Each non-executive director on joining the board receives a letter of appointment detailing the terms and conditions of the appointment, including remuneration, indemnity and insurance arrangements and key corporate policies. Senior executives other than the current executive directors have written agreements with the company setting out their position, duties and responsibilities and entitlements.

1.4 Company Secretary

The company secretary reports to and takes directions from the Chair on all matters to do with supporting the proper functioning of the board.

1.5 Diversity Policy

The board is committed to an inclusive workplace that embraces and promotes diversity. The company is committed to setting measurable objectives for attracting and engaging women at the board level, in senior management positions and across the consolidated entity as a whole.

However due to the relatively small size of the company and its operations, the company has yet to establish measurable objectives for diversity and progress towards achieving them.

1.6 Evaluation of Board Performance

To date, the performance of the board and individual directors has been considered on an informal, as needs basis, due to the small size of the board and the company's limited resources. The board intends to evaluate the performance of the board and individual directors during the next reporting period.



The charters of the Audit & Risk Committee and the Remuneration & Nomination Committee require periodic evaluations of the performances of the committees. The company plans to conduct evaluations of the committees during the next reporting period.

A performance evaluation of the board, its committees and directors did not take place in the reporting period for these reasons.

1.7 Evaluation of Executives' Performance

The company has a process for reviewing and evaluating the performances of senior executives at least once each year. An informal performance evaluation of senior executives, other than the executive directors, was undertaken during the reporting period.

2: Structure the board to be effective and add value

2.1 Nomination Committee

The board has a Remuneration & Nomination Committee with three members:

- John D'Angelo - Chair
- Peter Graham
- Scott Beeton

In accordance with the committee's charter, the committee:

- reviews people and culture strategy and specific matters related to human resources as requested from time to time by the Board;
- oversees and makes recommendations to the Board on the succession planning frameworks and processes for the CEO, executives who report directly to the CEO and other selected executives who are in roles that are critical for the success of the business; and
- reviews progress of management succession, talent leadership development programs for executives and other selected senior roles.

At the date of this statement, the committee does not have a majority of members that are independent directors. However, the company is endeavoring in the near term to return the composition of the board and its committees to a majority of directors that are independent, and with a chair who is an independent director.



Two committee meetings were held during the reporting period.

2.2 Board Skills Matrix

The company does not have a board skills matrix. The board is satisfied that it has an appropriate mix of skills and diversity for strategic decision-making and effective oversight in relation to the company's affairs. The skills and experience of each director are set out in the 'Information on directors' section of the company's annual reports.

2.3 Independent Directors

The names of the directors in office at the date of this report, the date they were appointed, the date of their most recent re-election by the company's shareholders and their status as non-executive, executive or independent directors are set out in the table below:

Director	Appointed	Re-Elected	Length of Service at Report Date	Non-Executive	Independent
Peter Graham	1 October 2019	N/A	1 year	Yes	No
Scott Beeton	8 September 2020	N/A	Less than 1 year	No	No
John D'Angelo	6 October 2020	N/A	Less than 1 year	Yes	Yes
Simon White	26 August 2021	N/A	Less than 1 year	Yes	Yes

2.4 Majority Independent Directors

The company has four directors, of which two are independent directors.

Mr. Peter Graham is the Chair of the Board of Directors and is not considered independent due to his relationship with Delcor Advisory Investment Group Pty Ltd, a substantial shareholder in the company.



Mr. Beeton is the Managing Director and is not considered independent under the criteria in the Recommendations.

At the date of this statement, the board does not have a majority of directors that are independent. However, the company is endeavoring in the near term to return the composition of the board and its committees to a majority of directors that are independent, and with a chair who is an independent director.

2.5 Chair Should be Independent and not CEO

The chair of the company's board, Mr. Peter Graham, is not the CEO of the company, however, Mr. Graham is not considered independent due to his relationship with Delcor Advisory Investment Group Pty Ltd, a substantial shareholder in the company.

The company therefore does not meet this guideline at the moment. However, the company is endeavoring in the near term to return the composition of the board and its committees to a majority of directors that are independent, and with a chair who is an independent director.

2.6 Induction and Professional Development of Directors

The company does not have an induction or development program for new directors. Directors are assisted by fellow directors and senior management to maintain and develop their skills and knowledge in relation to corporate governance policies and the business sector in which the company operates. All directors have direct access to the entire senior management team and are provided with information on a timely basis. The skills and knowledge of directors are also developed and maintained by their directorships with other public and private companies.

3: Instil a culture of acting lawfully, ethically and responsibly

3.1 Company Values

The company is currently preparing a Statement of Values and intends to disclose this in the next reporting period.



3.2 Code of Conduct for Directors, Senior Executives and Employees

The company does not have a formal written code of conduct to guide compliance with legal and other obligations. This reflects the company's size which makes its legal compliance a less onerous task than with larger companies. The board continues to review the situation to determine the most appropriate and effective operational procedures.

Directors are required to disclose to the board any material personal interest they may have in a matter being considered by the board, and to not vote on the matter or be present when the matter is being considered by the board.

The directors and senior executives of the company are required to comply with a share trading policy under which they will not deal in the company's shares except during defined periods around the release of the company's annual and half-year results, nor at any time whilst they are in possession of price sensitive information.

Directors must advise the company of any transactions conducted by them in shares in the company and details of such transactions are disclosed to the ASX.

3.3 Whistleblower Policy

The company is committed to conducting all of its business activities with fairness, honesty and integrity, and in compliance with all applicable laws, rules and regulations.

The company intends to prepare and implement a formal policy relating to whistleblowers in the next reporting period.

3.4 Anti-bribery and Corruption Policy

The company is committed to conducting all of its business activities with fairness, honesty and integrity, and in compliance with all applicable laws, rules and regulations.

The company intends to prepare and implement a formal policy relating to bribery and corruption in the next reporting period.



4: Safeguard the integrity of corporate reports

4.1 Audit Committee

The board has an Audit & Risk committee with three members:

- John D'Angelo - Chair
- Peter Graham
- Scott Beeton

In accordance with the committee's charter, the committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of TZL's financial reporting, internal control structure, financial licensing and regulatory compliance systems, risk management systems (relating to all financial and non-financial risks, including enterprise risk and risk in relation to occupational health and safety), assessment of material exposure of the enterprise to any risks associated with economic, environmental and social sustainability, and the internal and external audit functions.

At the date of this statement, the committee does not have a majority of members that are independent directors. However, the company is endeavoring in the near term to return the composition of the board and its committees to a majority of directors that are independent, and with a chair who is an independent director.

Two committee meetings were held during the reporting period.

4.2 Declarations from CEO and CFO

Before approving the company's financial statements, the board receives a declaration from the Managing Director and CFO 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.

This declaration was received for the year ended 30 June 2021.



4.3 Integrity of Periodic Corporate Reports

The Board and Company Secretary are responsible for reviewing all communications to the market to ensure they are full and accurate and comply with the Company's obligations.

5: Make timely and balanced disclosure

5.1 Continuous Disclosure Policy

The company's directors and senior executives are aware of the continuous disclosure requirements under the ASX Listing Rules and Corporations Act and operate in an environment where strong emphasis is placed on full and appropriate disclosure.

The company does not have a written continuous disclosure policy, as this is considered unnecessary due to the small size of the senior management team and their shared close monitoring of material company affairs combined with their awareness of the continuous disclosure requirements.

5.2 Material Market Announcements

All material market announcements are approved by the board before release to the market and copies of the material announcements are also provided to the board after release to the market.

5.3 Substantive Investor or Analyst Presentations

In compliance with the continuous disclosure requirements under the ASX Listing Rules and Corporations Act, any written materials containing new price sensitive information to be used in presentations to investors or analysts are lodged with ASX prior to the presentation commencing.



6: Respect the rights of security holders

6.1 Company Website

The company aims to keep shareholders informed of its performance and all major developments in a timely and ongoing manner. The information for investors provided on the company's website includes:

- copies of the company's ASX announcements;
- copies of the company's annual reports and half-year reports;
- the names and brief biographical information for its directors;
- investor presentation materials and analyst reports on the company; and
- information and news about the company's products and major supply contracts.

6.2 Investor Relations Program

The company provides investors with access to news and information via its website as described above.

6.3 Encourage Security Holder Participation

The company allows a reasonable opportunity at the AGM and other shareholder meetings for questions and comments from shareholders relating to the company and the audit of the company's annual financial report.

6.4 Substantive Resolutions

All resolutions relating to ASX Listing Rule matters are decided by a poll. All other resolutions are decided by a show of hands unless a poll is demanded by shareholders.

6.5 Electronic Communications with Security Holders

Due to the company's relatively small size and limited resources, the company does not currently comply with this Recommendation. Shareholders can receive notices from the company's security registry electronically and receive notices and other communications from the company by ordinary post.



7: Recognise and manage risk

7.1 Risk Committee

The board has an Audit & Risk committee with three members:

- John D'Angelo - Chair
- Peter Graham
- Scott Beeton

In accordance with the committee's charter, the committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of TZL's financial reporting, internal control structure, financial licensing and regulatory compliance systems, risk management systems (relating to all financial and non-financial risks, including enterprise risk and risk in relation to occupational health and safety), assessment of material exposure of the enterprise to any risks associated with economic, environmental and social sustainability, and the internal and external audit functions.

At the date of this statement, the committee does not have a majority of members that are independent directors. However, the company is endeavoring in the near term to return the composition of the board and its committees to a majority of directors that are independent, and with a chair who is an independent director.

Two committee meetings were held during the reporting period.

7.2 Risk Management

The Company established a risk management framework in 2019. The Audit & Risk Committee reviews the risk management framework on an annual basis to satisfy itself that the framework continues to be sound.

The Company recently completed implementation of a new ERP system across all companies across the international group, replacing a number of older accounting and other systems. A review of the risk management framework was delayed until the ERP implementation was completed so that the broad effects of the new system on the risk framework can be properly considered. Consequently, a review of the risk framework was not completed during the reporting period, but the Company intends to conduct a review early in the next reporting period.



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7.3 Internal Audit

The company does not have a formal internal audit function. In the opinion of the board, the risks facing the company are adequately managed and controlled by the informal processes described above, due to the small size of the executive team, the small company staff, and the limited nature and extent of the company's business operations. The effectiveness of the company's risk management and internal control processes is continuously assessed by the board and senior executives in their close dialogue on company affairs.

7.4 Material Exposure to Economic, Environmental and Social Sustainability Risks

In the opinion of the board, the company does not have any material exposure to environmental or social risks. The company discloses financial risks to which it is subject in the notes to its annual financial report. The company has not identified any particular risk that poses a "material exposure" for the company within the meaning of the Recommendations (i.e. a real possibility that the risk in question could substantively impact the company's ability to create or preserve value for shareholders over the short, medium or long term).

Think SMART. Think TZ.



8: Remunerate fairly and responsibly

8.1 Remuneration Committee

The board has a Remuneration & Nomination Committee with three members:

- John D'Angelo - Chair
- Peter Graham
- Scott Beeton

In accordance with the committee's charter, the committee reviews, advises and makes recommendations to the Board on remuneration strategy, policies and practices for the Board, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), senior executives and other employees. These policies and practices are designed to:

- (a) Ensure that the company's remuneration and incentive policies, practices and performance indicators are aligned to the Board's vision, values and overall business objectives;
- (b) Enable TZL to attract, retain and motivate directors, executives and employees who will create value for shareholders;
- (c) Be fair and appropriate having regard to the performance of TZL and the relevant director, executive or employee; and
- (d) Comply with relevant legal requirements.

At the date of this statement, the committee does not have a majority of members that are independent directors. However, the company is endeavoring in the near term to return the composition of the board and its committees to a majority of directors that are independent, and with a chair who is an independent director.

Two committee meetings were held during the reporting period.

8.2 Remuneration of Non-Executive Directors and Senior Executives

The company's remuneration report is contained in the company's annual report (a copy of which is available on the company's website). The remuneration report discloses the company's remuneration policy for non-executive directors separately from its remuneration policy for senior managers.



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8.3 Equity-based Remuneration

The company has issued options to executive directors and senior executives as part of their remuneration. Details of the options and their terms are set out in the remuneration report of the company's annual report. The company does not have a policy on whether option recipients are permitted to enter into transactions which limit the economic risk of holding the options. However, the board notes that the Corporations Act prohibits the company's key management personnel from entering into hedging arrangements in relation to unvested equity-based remuneration.

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