



## Corporate Governance Statement

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity commensurate with Company's needs.

### Principle 1: Lay Solid Foundations for Management and Oversight

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The Board will oversee the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals.

The Board monitors the operational and financial position and performance of the Company and oversees its business strategy including approving the strategic goals of the Company whilst considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company.

In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and personnel, operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company is listed on the Australian Securities Exchange (ASX). The ASX Corporate Governance Council has developed and released the ASX Recommendations for ASX-listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The recommendations are not prescriptive, but guidance. However, under the ASX Listing Rules, the Company will be required to provide an annual Appendix 4G - Key to Disclosures Corporate Governance Council Principles and Recommendations document with the lodgement of the Company's Annual Report disclosing the extent to which it has followed the recommendations in the reporting period.

Except as set out below, the Board does not anticipate that it will depart from the ASX Recommendations; however, it may do so in the future if it considers that such a departure would be reasonable.

- **Diversity Policy:**

ASX Recommendation 1.5 requires that the Company have a diversity policy which includes requirements for the Board, or a relevant committee of the Board, to set measurable objectives for achieving gender diversity, and to assess annually both the objectives and the Company's progress in achieving them. The current workforce of the Company is made up of individuals with diverse skills, backgrounds, perspectives and experience and this diversity is recognised, valued and respected.

While the Company is committed to gender diversity in its workplace, the Board believes that the Company is not yet at a size where it is appropriate to implement a Diversity Policy or to implement measurable objectives for achieving gender diversity.

- **Chair**

ASX Recommendation 2.5 requires that the Chair of the Board should be an independent director. The Company's Non-Executive Chairman, Mr Philip Vafiadis, whilst being Non-Executive is not an independent director as defined in the ASX Recommendations. The Board believes that currently Mr. Vafiadis has the key experience and skills for the Chair role and that the Company is not yet at a size where it is appropriate to appoint an additional director who is independent as the Chair of the Board.

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- **Independence**

ASX Recommendation 2.1 requires that the majority of the Board consists of independent directors. The Company's Board current has only one independent Director, Mr Richard Willson. While the Company is committed to maintaining independence on the Board, the Board believes that the Company is not yet at a size where it is appropriate for a majority of independent directors to be appointed the Board.

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## **Principle 2: Structure the Board to Add Value**

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### **Independence of Directors**

In determining whether a Director is "independent", the Board has adopted the definition of this word in accordance with the ASX Recommendations. Consequently, a Director will be considered "independent" if that Director is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The Board will consider the materiality of any given relationship of a Director on a case-by-case basis, with the Board Charter to assist in this regard. The Board will regularly review the independence of each Director, considering any interests disclosed to the Board, and will disclose any change to the ASX, as required by the ASX Listing Rules.

The Board considers that Richard Willson is free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgement and accordingly Mr. Willson is considered, and has been deemed to be, an independent Director.

### **Board Committees**

The Board may from time-to-time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee.

Other committees may be established by the Board as and when they are deemed necessary or as they are required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors relative to the skills and expertise required to appropriately serve as a member of the Committee.

Under the Company's Board Charter, Board committee performance evaluations will occur annually.

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## **Principle 3: Promote Ethical and Responsible Decision Making**

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### **Code of conduct**

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct which is designed to be followed by all employees, contractors and officers.

The key aspects to the code are to:

- act with, honesty, integrity and fairness, and in the best interests of the Company as a whole;
- act in strict compliance with all applicable laws, regulations, policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices;
- avoid conflicts of interest; and
- use the Company's resources and property properly.

The Code of Conduct outlines the Company's policies on various matters including protection of confidential information, avoiding conflicts of interest, ethical conduct, business and personal conduct, privacy and financial integrity.

### **Securities trading policy**

As the Company is a publicly listed company on the ASX, a Securities Trading Policy has been adopted which will apply to the Company and its Directors, officers, employees and senior management, including those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly.

The Policy is intended to explain the types of conduct in relation to dealings in the Securities of the Company that is prohibited under the Corporations Act and establish procedures in relation to Directors, senior management or employees dealing in the Securities.

Subject to certain exceptions, including exceptional financial circumstances, the Securities Trading Policy defines certain “prohibited periods” during which trading in Securities of the Company by the Directors, officers and certain employees is prohibited.

Those closed periods are currently defined as the following periods:

- the two weeks prior to the lodgement of the Company’s half yearly results to ASX;
- the two weeks prior to the lodgement of the Company’s annual results to ASX;
- the two weeks prior to the release of a notice of shareholder’s meeting;
- the week prior to the Company’s release of the quarterly announcement;
- the two weeks prior to the lodgement of a prospectus or similar disclosure document by the Company with ASX ; and
- any additional periods imposed by the Board from time to time (for example when the Company is considering matters which are subject to ASX Listing Rule 3.1A).

Outside of these periods, Directors, senior management and certain employees must receive clearance for any proposed dealing in Securities of the Company. In all instances, buying or selling Securities of the Company is not permitted at any time by any person who possesses price-sensitive information concerning the Company.

### **Principle 4: Safeguard integrity in financial reporting**

#### ***Audit and Risk Management***

Under its charter, the Audit and Risk Management Committee must be of a sufficient size, independence, and technical expertise to discharge its mandate effectively. The Audit and Risk Management Committee must have at least three members, a majority of whom (including the chair) must, to the extent possible, be independent and Non-Executive Directors. A member of the Audit and Risk Management Committee, who does not chair the Board, shall be appointed the chair of the Committee.

Currently, the Committee comprises Mr. Richard Willson (Committee Chair), Mr. Phillip Vafiadis, and Mr. Richard Fox. In accordance with its charter, it is intended that all members of the Committee should be financially literate and have familiarity with financial management, and at least one member should have relevant qualifications

and experience.

The primary role of the Audit and Risk Management Committee includes:

- overseeing the Company’s process of internal control structure, continuous disclosure, financial and non-financial risk management systems, and compliance and external audit;
- providing advice to the Board and reports on the status and management of the risks to the Company, to ensure the that risks are identified, assessed and appropriately managed;
- monitoring the Company’s compliance with laws and regulations and the Company’s codes of conduct and ethics; and
- encouraging effective relationships with, and communication between, the Board, management and the Company’s external auditor.

The Board has adopted a policy regarding the services that the Company may obtain from its auditor.

It is the policy of the Company that its external auditor:

- must be independent of the Company, its Directors and its senior executives. To ensure this, the Company requires a formal confirmation of independence from its external auditor on an annual basis; and
- may not provide services to the company that are, or are perceived to be, materially in conflict with the role of the external auditor. Non-audit or assurance services that may impair, or appear to impair, the external auditor's judgement or independence are not appropriate. However, the external auditor may be permitted to provide additional services which are, and are not perceived to be, materially in conflict with the role of the auditor, if the Board or Audit and Risk Management Committee has approved those additional services.

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## **Principles 5: Make Timely and Balanced Disclosures**

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### ***Continuous disclosure policy***

The Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act.

Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately disclose to the ASX any information concerning the Company which is not generally available, and which, if it was made available, a reasonable person would expect to have a material effect on the price or value of the Company's Securities, once the Company is aware of such information.

The Company is committed to observing its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company has adopted a Continuous Disclosure Policy which establishes procedures to ensure that Directors and senior management are aware of, and fulfil, their obligations in relation to continuous disclosure, including the timely, full and accurate disclosure of material price-sensitive information when required.

The Continuous Disclosure Policy also sets out procedures for communicating with Shareholders, the media and the market. Under the Continuous Disclosure Policy, the Company Secretary will be primarily responsible for managing the Company's compliance with its continuous disclosure obligations.

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## **Principles 6: Respect the Rights of Security Holders**

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### ***Communications with Shareholders***

The Board aims to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and that Shareholders are properly informed of all major developments affecting the affairs of the Company.

The Company is required by law to communicate to Shareholders through the lodgement of all relevant financial and other information with the ASX and publishing information on the Company's website, [www.titomic.com](http://www.titomic.com). The Company's website will also contain information about the Company, including media releases, key policies and the charters of Board committees.

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## **Principle 7: Recognise and manage risk**

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### ***Risk management policy***

The identification and proper management of the Company's risks are an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business, which will ensure appropriate systems are implemented to identify material risks that may impact on the Company's business and delegate appropriate responsibilities to control any identified risk. The Policy will also ensure that any material changes to the Company's risk profile will be disclosed in accordance with the Company's Continuous Disclosure Policy.

The Board will be responsible for overseeing and approving the Company's risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major risks to the business are identified, assessed and appropriately addressed. The Board may delegate these functions to the Audit and Risk Management Committee or a separate risk committee in the future.

The Board will regularly undertake review of its risk management procedures to ensure that it complies with its legal obligations.

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## Principle 8: Remunerate fairly and responsibly

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### *Remuneration and Nomination*

Under its charter, this Committee must have at least three members, a majority of whom (including the Chair) must be independent Directors and to the extent possible, Non-Executive Directors. Currently, the Committee comprises of all Non-Executive Directors being Mr. Richard Willson (Committee Chair), Mr. Phillip Vafiadis, and Mr. Richard Fox.

In accordance with its charter, it is intended that at least one member will have expertise in remuneration.

The main functions of the Remuneration and Nomination Committee are to assist the Board with a view to establishing a Board of effective composition, size, diversity, experience and commitment to adequately discharge its responsibilities and duties, and assist the Board with a view to discharging its responsibilities to Shareholders and other stakeholders to seek to ensure that the Company:

- has coherent remuneration policies and practices which enable the Company to attract and retain executives and Directors who will create value for Shareholders, including succession planning for the Board and executives;
- fairly and responsibly remunerate Directors and executives, having regard to the performance of the Company, the performance of the executives and the general remuneration environment;
- has policies to evaluate the performance of the Board, individual Directors and executives on (at least) an annual basis; and
- has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet the Company's needs.

The Remuneration and Nomination Committee will meet as often as is required by its Charter or other policy approved by the Board to govern the operation of the Committee.

Following each meeting, the Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval.

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