



ATOMOS LIMITED

## 2022 CORPORATE GOVERNANCE STATEMENT

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The Board is responsible for the overall corporate governance of Atomos Limited (**Company**) including adopting appropriate policies and procedures designed to ensure that the Company is properly managed to protect and enhance security holder interests.

This Corporate Governance Statement (**Statement**):

- reports against the 4th edition (February 2019) of the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council (**Governance Principles**) for the financial year ending on 30 June 2022 (**Reporting Period**) and the practices detailed in this Statement are current for the Reporting Period and/or otherwise as noted on the dates indicated in this Statement; and
- has been approved by the Board and is available on the Company's website under Corporate Governance at <https://www.atomos.com/corporate-governance>.

Consistent with the Company's commitment to transparency in its dealings with stakeholders, this Statement has been prepared by reference to each recommendation contained in the Governance Principles.

All references to the Company's website in this Statement are to <https://www.atomos.com/corporate-governance>

### **PRINCIPLE 1. – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### **Recommendation 1.1**

***A listed entity should have and disclose a board charter setting out:***

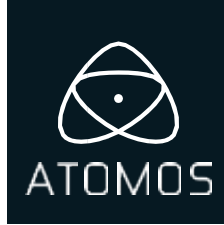
- (a) the respective roles and responsibilities of its board and management; and***
- (b) those matters expressly reserved to the board and those delegated to management.***

Complies

The Company has a Board Charter (which is available on the Company's website) that formally sets out the functions and responsibilities of the Board and management and those matters delegated by the Board to management.

#### **Recommendation 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.***

Complies

The Company, under the Remuneration and Nomination Committee's Charter (which is available on the Company's website), has committed to undertake appropriate checks before appointing a director or senior executive or putting forward to security holders a candidate for election, as a director.

Before the Company's annual general meeting, security holders will be provided with all material information to assist them to make an informed decision on all directors standing for election or re-election. Directors are elected or re-elected in accordance with the Company's Constitution and the ASX Listing Rules.

**Recommendation 1.3**

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

Complies

The Company has entered into agreements with each director and senior manager, which outlines the terms of their appointment. Each of the Company's directors has a signed letter of appointment and each of the Company's senior managers is engaged under an employment or contractor agreement.

**Recommendation 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.***

Complies

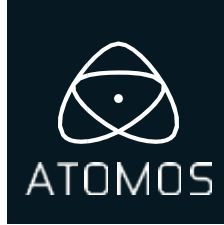
The company secretary has a direct reporting line to the Chairman of the Company and all directors have direct access to the company secretary, who is appointed by, and accountable to, the Board on all governance matters and the proper functioning of the Board.

**Recommendation 1.5**

***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.*

Complies

The Company has a Diversity Policy (which is available on the Company's website), which states that diversity not only refers to gender but extends to age, ethnicity, religious or cultural background, language, marital or family status and disability. The Diversity Policy requires the Board to set measurable objectives and to assess annually both the objectives and the Company's progress in achieving them.

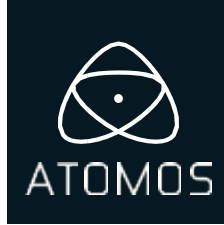
The measurable objective set for the period to achieve gender diversity is to increase the representation of women to above 40% of the organisation.

During the reporting period, the Company's progress towards achieving the above objective was reflected in the following proportion of women and men across the levels of Board, senior management and total employees:

- The proportion of female directors: 40%
- The proportion of female employees who are senior managers / executives: 23%
- The proportion of female employees in the whole organisation: 29%.

The Company is not a "relevant employer" under the Workplace Gender Equality Act.

The Company defines "senior executive" as a person that has responsibility for one or more business functions.



### **Recommendation 1.6**

**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 the process during or in respect of that period.**

Complies

The Remuneration and Nomination Committee of the Board, pursuant to the Remuneration and Nomination Committee's Charter (which is available on the Company's website), has established a process for evaluating and assessing the Board's and its Committees' performance on a periodical basis. The performance evaluation process was not undertaken during the Reporting Period. The Board agreed with the Remuneration and Nomination Committee's recommendation to defer and conduct Board and Committee reviews before the end of the calendar year 2022.

### **Recommendation 1.7**

**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.**

Partially complies

Pursuant to the terms of the Remuneration and Nomination Committee Charter (which is available on the Company's website), the Company has a process for evaluating the performance of senior executives. The Company sets annual reviews with senior executives and performance is measured against various performance metrics. The senior executive performance evaluation reviews were not undertaken during the Reporting Period and will be conducted in Q2 FY23.

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

The Constitution of the Company provides that there will be a minimum of three and a maximum of ten directors on the Board. The details of the Directors who served on the Board during the reporting period, their length of service and their status of independence are as follows:

- Mr Christopher Tait, Chair; Non-Executive Director (appointed 11 September 2017). Mr Tait was appointed Executive Chair and acting chief executive officer of the Company in March 2020. Mr Tait returned to the Non-Executive Chair position in September 2021. Mr Tait is not considered independent (see also Recommendation 2.5);



- Mr Stephen Stanley, Deputy Chair and Chair of Remuneration and Nomination Committee (Independent, Non-Executive Director) (appointed 1 February 2019);
- Sir Hossein Yassaie (Independent, Non-Executive Director) (appointed 1 September 2016). Sir Hossein Yassaie was the previous Chair of the Audit and Risk Management Committee (ceased 10 February 2022);
- Ms Megan Brownlow (Independent, Non-executive Director) (appointed 1 July 2021). Ms Brownlow was appointed Chair of the Audit and Risk Management Committee on 10 February 2022; and
- Ms Lauren Williams (Independent, Non-executive Director) (appointed 1 July 2021).

Directors' appointment details and details of their directorships in other listed entities and their previous experience can be found in the Company's annual report for financial year 2022 and on the Company's website.

The ultimate responsibility for the supervision of management rests with the Board. However, the Board may delegate the discharge of some of its responsibilities to Committees, in accordance with the Company's Constitution and applicable law.

The Board has established the following standing committees, which assist it in the execution of its responsibilities:

- Audit and Risk Management Committee; and
- Remuneration and Nomination Committee.

Each of these Committees operates in accordance with specific charters approved by the Board, which can be found on the Company's website. The composition and effectiveness of the Committees is reviewed on a periodic basis.

The current membership of the Committees is as follows:

#### ***Remuneration and Nomination Committee***

The current members of the Remuneration and Nomination Committee are Mr Stephen Stanley (independent chair), Mr Christopher Tait and Ms Lauren Williams. The majority of the Committee's members are considered independent. Mr Tait is not considered independent for the reasons given under Recommendation 2.5.

The number of times the Committee has met, the members' qualifications and the individual attendances of those members are disclosed in the Company's annual report for the Reporting Period.

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

The current members of the Audit and Risk Management Committee are Ms Megan Brownlow (independent chair), Mr Christopher Tait and Mr Stephen Stanley. Ms Megan Brownlow was appointed as the Chair of the Committee on 10 February 2022, taking over the position from Sir Hossein Yassaie. The majority of the Committee members are considered independent. Mr Tait is not considered independent for the reasons given under Recommendation 2.5.



The number of times the Committee has met, the members' qualifications and the individual attendances of those members are disclosed in the Company's annual report for the Reporting Period.

**Recommendation 2.1**

***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.***

Complies. See Principle 2 above for further details on the composition of the Remuneration and Nomination Committee, meetings held during the Reporting Period and Committee member attendance.

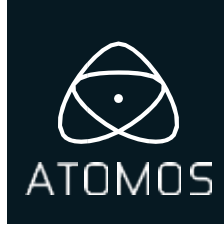
The objectives and responsibilities of the Remuneration and Nomination Committee are set out in the Remuneration and Nomination Committee Charter which is available on the Company's website.

**Recommendation 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.***

Complies

The Board aims to have members of the Board with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of, and competence to deal with, current and emerging issues relevant to the business of the Company and to ensure that the Company can carry out its obligations in accordance with its Constitution and the requirements of good governance.



A board skills matrix has been developed to determine if the skills of the Board members reflect the range of skills the Board requires. The skills matrix was reviewed and updated during the Reporting Period, as detailed in the Company's annual report for FY 2022. The Board believes the existing mix of skills is appropriate to ensure that the Board can carry out its obligations in accordance with its Charter and the requirements of good governance.

### **Recommendation 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 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.***

Complies

In determining whether a Board member is considered to be independent, the Board has regard to relevant principles, including applicable guidance from ASX. A Board member may be considered independent if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders. In each case, the materiality of any such interest, position, association or relationship will be assessed by the Board.

As outlined under Principle 2 and Recommendation 2.5 and, based on its current assessment, the Board considers all directors other than Mr Tait to be independent directors.

### **Recommendation 2.4**

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

Complies

As outlined above under Principle 2, the Board is comprised of a majority of independent directors.

### **Recommendation 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.***

Does not Comply

The Chair of the Board, Mr Tait, is not considered to be an independent director due to his relationship with Henslow, which is a corporate adviser to the Company. Further, Mr Tait, was



appointed as the Executive Chair and acting Chief Executive of the Company in March 2021 and returned to the Non-Executive Chair role in September 2021. It is considered that Mr Tait provides significant experience and expertise to the Company. The balance of the Board is satisfied that Mr Tait is able to and does exercise independent judgement in carrying out his duties as a Director and Chair of the Board. Further, while Mr Tait was undertaking the Executive Chair role, the Board adopted the process of the Deputy Chair, Mr Stephen Stanley, chairing the Board meetings in respect of all executive matters for discussion and decision.

The Company does not consider this departure from recommendation 2.5 to be detrimental to security holders.

### **Recommendation 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.***

Complies

A director induction program is in place with Directors expected to participate in the induction and orientation program on appointment.

## **PRINCIPAL 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

### **Recommendation 3.1**

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

Complies

The Company's values are set out in its Code of Conduct, a copy of which is available on the Company's website.

### **Recommendation 3.2**

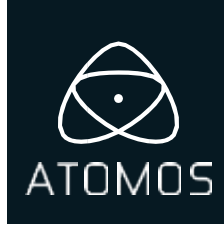
***A listed entity should:***

- (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.***

Complies

The Company has a Code of Conduct for its directors, senior executives and employees. A copy of the Code of Conduct is available on the Company's website. Management is responsible for informing the Board of any material breaches of the Code of Conduct.





### **Recommendation 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.***

Complies

The Company has a Whistleblower Policy available on the Company's website.

### **Recommendation 3.4**

***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.***

Complies

The Company has an Anti-Bribery and Corruption Policy available on the Company's website. In accordance with the Anti-Bribery and Corruption Policy, any material breaches of the policy are reported by the Chief Financial Officer to the Audit and Risk Management Committee.

## **PRINCIPAL 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

### **Recommendation 4.1**

***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,***

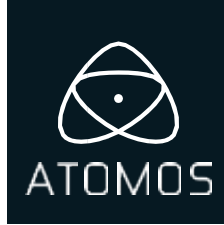
***and disclose:***

***(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.***

Complies. See Principle 2 above for further details on the composition of the Audit and Risk Management Committee, meetings held during the Reporting Period and Committee member attendance.

The objectives and responsibilities of the Audit and Risk Management Committee are set out in the Audit and Risk Management Committee Charter which is available on the Company's website.

**Recommendation 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.***

Complies

The Company has received a signed declaration from the CEO and CFO that the financial records of the Company 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 Company 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**

***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.***

Complies

For the Company's periodic reporting which is not audited or reviewed by an external auditor, management is expected to declare in respect of each relevant reporting period that, in their opinion, the Company's financial records have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position of the Company. The periodic corporate reports are then presented to the Audit and Risk Management Committee, as applicable, and to the Board, for review and approval.

**PRINCIPAL 5: MAKE TIMELY AND BALANCED DISCLOSURE**

**Recommendation 5.1**

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

Complies



The Board recognises the importance of its continuous disclosure obligations. The Company has a Continuous Disclosure Policy which is available on the Company's website.

**Recommendation 5.2**

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

Complies

The Board is informed of all material market announcements promptly after they have been made.

**Recommendation 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.***

Complies

The Company releases copies of all substantive investor or analyst presentations on the ASX Market Announcements Platform ahead of the presentation.

**PRINCIPAL 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

**Recommendation 6.1**

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

Complies

The Company provides information on its website about itself and copies of the key governance Charters and policies referred to in this Statement. The Company's Annual Report also discloses the Company's activities and is available on its website.

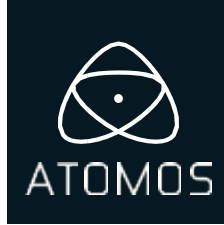
**Recommendation 6.2**

***A listed entity should design and implement an investor relations program to facilitate effective two way communication with investors.***

Complies

The Company has an active shareholder relations program facilitated by specialist firms in capital markets and shareholder communications.

The Company has adopted a Shareholder Communications Policy reflecting its commitment to facilitate effective two-way communication with shareholders. A copy of the Shareholder Communications Policy is available on the Company's website.



**Recommendation 6.3**

***A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.***

Complies

The Board encourages full participation of security holders. The Company's Shareholder Communications Policy (which is available on the Company's website) encourages security holders to submit questions directly to the Company.

**Recommendation 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.***

Complies

The Company ensures poll voting occurs as required.

**Recommendation 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.***

Complies

The Company encourages the use of electronic communication and offers security holders the option to receive and send electronic communication to the Company and its share registry where possible.

**PRINCIPAL 7: RECOGNISE AND MANAGE RISK**

**Recommendation 7.1**

***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.***

Complies. See Principle 2 above for further details on the composition of the Audit and Risk Management Committee, meetings held during the Reporting Period and Committee member attendance.

The objectives and responsibilities of the Audit and Risk Management Committee are set out in the Audit and Risk Management Committee Charter which is available on the Company's website.

### **Recommendation 7.2**

***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***

***(b) disclose, in relation to each reporting period, whether such a review has taken place.***

Complies

The Company has adopted a Risk Management Policy, which is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company. Under this policy the Board is responsible for overseeing and managing the risk management program. The Board has delegated responsibility to the Audit and Risk Management Committee to develop and maintain the risk management program, in light of the day-to-day needs of the Company. A review was undertaken during the Reporting Period.

### **Recommendation 7.3**

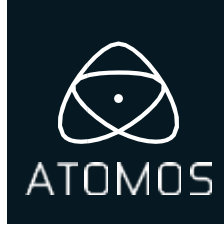
***A listed entity should disclose:***

***(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 risk management and internal control processes.***

Complies

The Company does not have an internal audit function. The Audit and Risk Management Committee has responsibility for evaluating and improving the effectiveness of risk management and internal control processes. The Board is confident these measures are appropriate at present.



#### **Recommendation 7.4**

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

Complies

The Audit, Finance and Risk Management Committee is charged with assisting management in determining and managing its exposure to economic, environmental and social sustainability risks.

The Company is exposed to general economic conditions both domestically and internationally. The Company does not face any specific environmental and social sustainability risks.

#### **PRINCIPAL 8: REMUNERATE FAIRLY AND RESPONSIBLY**

##### **Recommendation 8.1**

***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 that committee;***

***(4) the members of that 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 for directors and senior executives is appropriate and not excessive.***

Complies. See Principle 2 above for further details on the composition of the Remuneration and Nomination Committee, meetings held during the Reporting Period and Committee member attendance.

The objectives and responsibilities of the Remuneration and Nomination Committee are set out in the Remuneration and Nomination Committee Charter which is available on the Company's website.



**Recommendation 8.2**

***A listed entity should separately disclose its policies and practices regarding the remuneration of nonexecutive directors and the remuneration of executive directors and other senior executives.***

Complies

The Company's policies and practices regarding the remuneration of executive and non-executive Directors and the remuneration of other senior executives are disclosed in the Company's annual report.

**Recommendation 8.3**

***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 the policy or a summary of it.***

Complies

The Company has a Securities Trading Policy, which is available on the Company's website. The policy prohibits the participants in the Company's equity-based remuneration scheme from entering any transactions which limit the economic risk associated with participating in the scheme.