

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Aerometrex Limited

ABN/ARBN

94 153 103 925

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <http://www.aerometrex.com.au/about/investors>

The Corporate Governance Statement is accurate and up to date as at 30 August 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 31 August 2023

Name of authorised officer authorising lodgement: Kaitlin Smith - Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 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. | <input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

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| Corporate Governance Council recommendation | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|--|---|--|
| <p>1.5 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 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>(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&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><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p>[insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p>[insert location]</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>1.6 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 in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in the Company’s Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process in the Company’s Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|---|---|---|---|
| 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><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) in the Company's Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process in the Company's Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|--|--|--|---|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE | | | |
| 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, 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 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> | <p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://aerometrex.com.au/about/investors/ and the information referred to in paragraphs (4) and (5) in the Company's Annual Report</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>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.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix in the Company's Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 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, affiliation 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><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in the Company's Corporate Governance Statement</p> <p>and the information referred to in paragraph (b) and the length of service of each director in the Company's Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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|---|---|--|--|
| 2.4 | A majority of the board of a listed entity should be independent directors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should articulate and disclose its values. | <input checked="" type="checkbox"/> and we have disclosed our values at: https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 3.4 | A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. | <input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|--|---|--|
| PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <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> | <input checked="" type="checkbox"/> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://aerometrex.com.au/about/investors/ and the information referred to in paragraphs (4) and (5) in the Company's Annual Report</p> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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, 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.</p> | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 4.3 | <p>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.</p> | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|---|--|---|
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | <input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | <input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://aerometrex.com.au/about/investors/ and on our Corporate Governance Statement Our Investor Relations contact details are; investorrelations@aerometrex.com.au | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | <input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in the Company's Shareholder Communications Policy https://aerometrex.com.au/about/investors/ | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|--|--|---|--|
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement |
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 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>(2) is chaired by an independent director, 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> | <input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://aerometrex.com.au/about/investors/ and the information referred to in paragraphs (4) and (5) in the Company's Annual Report | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 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> | <input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in the Company's Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|---|--|--|--|
| 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 governance, risk management and internal control processes. | <input checked="" type="checkbox"/> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in the Company's Corporate Governance Statement | <input type="checkbox"/> set out in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks. | <input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in the Company's Corporate Governance Statement and, if we do, how we manage or intend to manage those risks in the Company's Corporate Governance Statement and the Annual Report | <input type="checkbox"/> set out in our Corporate Governance Statement |

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|--|--|--|--|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 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, 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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://aerometrex.com.au/about/investors/ and the information referred to in paragraphs (4) and (5) in the Company's Annual Report</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>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> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Company's Annual Report</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it in the Company's Corporate Governance Statement</p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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|--|---|--|---|
| ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | <input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location] | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | <input type="checkbox"/> | <input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | <input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location] | <input type="checkbox"/> set out in our Corporate Governance Statement |

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Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵ |
|---|---|--|--|
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p> |

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CORPORATE GOVERNANCE STATEMENT

For the period ended 30 June 2023

The Board of Directors of Aerometrex Limited ('Aerometrex') aims to achieve appropriate standards of corporate governance and has established corporate governance policies and procedures, where practicable, consistent with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition (ASX Principles or Recommendation)*.

In ensuring appropriate standard of ethical behaviour and accountability, the Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the above ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the ASX Recommendations, including those that comply with best practice and which unless otherwise stated, were in place during the whole of the period to the date of this statement.

Details have been included in this statement setting out the ASX Best Practice Recommendations with which the Company has and has not complied in the reporting period. This Corporate Governance Statement has been approved by the Board on 30 August 2023.

Details of the Company's corporate governance practices are set out below.

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| RECOMMENDATIONS (4 TH EDITION) | FOLLOWED | EXPLANATION |
|---|-----------------------|---|
| Principle 1: Lay solid foundations for management and oversight | | |
| <p>Recommendation 1.1</p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | <p>Yes</p> <p>Yes</p> | <p>The Board is governed by:</p> <ul style="list-style-type: none"> ▪ the Corporations Act 2001(Cth), ▪ its formal constitution, and ▪ by the ASX Listing Rules. <p>The Board’s primary role is to set policy regarding the affairs of the Company for the protection and enhancement of long-term shareholder value.</p> <p>The primary responsibilities of the Board are set out in a Board Charter and written policy and include:</p> <ul style="list-style-type: none"> ▪ Providing leadership to the Company; ▪ Overseeing the development and implementation of strategy; ▪ Ensuring corporate accountability to shareholders primarily through adopting an effective shareholder/stakeholder communications policy; ▪ Overseeing the control and accountability systems that ensure the Company is progressing towards the goals set by the board and in line with the Company’s purpose, the agreed corporate strategy, legislative requirement and community expectations; ▪ Ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively; ▪ Being responsible for the company’s Managing Director and senior management and personnel including: <ul style="list-style-type: none"> ○ Directly managing the MD, including appointment, removal, annual reviews of performance, overseeing the development of the MD. ○ Ratifying the appointment, the terms and conditions of the appointment and, where appropriate, the removal of the company secretary and other senior managers. ○ Oversight of annual senior executive performance reviews. ○ Ensuring that an appropriate succession plan for the MD, CFO, company secretary and other senior managers. ○ Ensuring appropriate human resource systems (including WHS systems) are in place to ensure the well-being and effective contribution of all employees |

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|---|--------------------------|---|
| <p>Recommendation 1.1 continued...</p> | | <ul style="list-style-type: none"> ○ Promoting diversity within all levels of the company. ▪ Delegating appropriate powers to the MD, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; ▪ Making all decisions outside the scope of these delegated powers. <p>The Board evaluates this policy on an ongoing basis.</p> <p>The primary responsibilities of the Management are:</p> <ul style="list-style-type: none"> ▪ Operating the Company in accordance with the powers delegated by the Board to Management, as defined by the Company’s financial delegation policy; ▪ Implementing the strategic objectives of the Company; ▪ Operating within the risk appetite set by the Board; and ▪ Providing the Board with accurate, timely and clear information. <p>A copy of the Company’s Board Charter is available on the Company’s website at https://aerometrex.com.au/about/investors/.</p> |
| <p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward 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>Yes</p> <p>Yes</p> | <p>The Board is primarily responsible for identifying potential new Directors but has the option to use an external consulting firm to identify and approach possible new candidates for Directorship. The Directors may at any time appoint a person to be a Director, but the total number of Directors may not at any time exceed the maximum number specified in the Constitution of the Company (currently ten) and any Director so appointed holds office only until the next following Annual General Meeting when they are eligible for re-election. The Board undertakes appropriate background checks and requires existing and potential directors to provide evidence of their qualifications, police clearances and solvency checks.</p> |

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|---|------------------|---|
| <p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>Yes</p> | <p>The roles and responsibilities of Directors have been formalised in letters of appointment which each Director has entered in to. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relation to committee work or any other special duties attaching to the position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, and insurance and indemnity entitlements.</p> <p>The Company appoints senior executives via the execution of an Executive Employment Contract. The contract terms of senior executives, who are Key Management Personnel, will be summarised in the Remuneration Report of the Company's Annual Report.</p> |
| <p>Recommendation 1.4</p> <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>Yes</p> | <p>The Company Secretary is accountable to the Board through the Chairman on all matters relating to the proper functioning of the Board. All directors have access to the Company Secretary.</p> <p>The appointment or removal of the Company Secretary is a matter for the Board. Details of the Company Secretary's experience and qualifications are set out on the company's Annual Report.</p> |
| <p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the | <p>Partially</p> | <p>Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. Accordingly, the Company has established a diversity policy which is provided to all staff with responsibility for recruitment.</p> <p>This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. The Board is required to develop measurable objectives for gender diversity, and to review them every two years. At the date of the current policy version the measurable objectives for achieving gender diversity are to increase the percentage of women employed as follows:</p> |

Corporate Governance Statement

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|---|---------------------|---|-------------------------|---------------------|--|-------------------------|--|--|-----|---|-----|---|--------------------|---|---|---|---|-------------------------------------|---|----|---|----|--------------------------------|----|----|----|----|
| <p>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.</p> <p>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.</p> | | <table border="1" data-bbox="1171 256 2040 475"> <thead> <tr> <th></th> <th colspan="2">Actual 2022-2023</th> <th colspan="2">Objectives 2023-2024</th> </tr> <tr> <th></th> <th>No.</th> <th>%</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Women on the Board</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Women in senior executive positions</td> <td>4</td> <td>19</td> <td>4</td> <td>19</td> </tr> <tr> <td>Women employees in the company</td> <td>35</td> <td>26</td> <td>35</td> <td>26</td> </tr> </tbody> </table> <p>Given the size of the Company, the scale of its operations and workforce, the Board is of the view that measurable objectives for achieving gender diversity are not required or practical at this time. As vacancies become available within the organisation the Company undertakes recruitment processes to ensure an appropriately diverse candidate pool is available to select successful applicants based on appropriate skills, experience and qualifications. As the Company has not established measurable objectives for achieving gender diversity, the Company has not reported on progress towards achieving them.</p> <p>The Company’s diversity policy is available to be viewed on the Company’s website. Refer to https://aerometrex.com.au/about/investors/</p> <p>A copy of Aerometrex’s Workplace Gender Equality Agency (WGEA) report is available on WGEA’s website at www.wgea.gov.au/.</p> | | Actual 2022-2023 | | Objectives 2023-2024 | | | No. | % | No. | % | Women on the Board | - | - | - | - | Women in senior executive positions | 4 | 19 | 4 | 19 | Women employees in the company | 35 | 26 | 35 | 26 |
| | Actual 2022-2023 | | Objectives 2023-2024 | | | | | | | | | | | | | | | | | | | | | | | | |
| | No. | % | No. | % | | | | | | | | | | | | | | | | | | | | | | | |
| Women on the Board | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | |
| Women in senior executive positions | 4 | 19 | 4 | 19 | | | | | | | | | | | | | | | | | | | | | | | |
| Women employees in the company | 35 | 26 | 35 | 26 | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 1.6</p> <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 in accordance with that process during or in respect of that period.</p> | <p>Yes</p> | <p>The performance of all Directors is assessed through review by the Board as a whole. A Director’s attendance at and involvement in Board meetings and committee meetings, the Director’s contribution and other matters identified by the Board or other Directors are taken into consideration. The Directors undertake a written and verbal evaluation, with specified criteria, of the Board and meeting as a standing agenda item at the Company’s Board meetings. Significant issues are actioned by the Chairman or as required, the full Board.</p> <p>The Company has conducted a performance evaluation of the Board, its committees and members of the Board during the period, in accordance with the process described above.</p> | | | | | | | | | | | | | | | | | | | | | | | | | |

Corporate Governance Statement

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| RECOMMENDATIONS (4 TH EDITION) | FOLLOWED | EXPLANATION |
|---|------------|--|
| <p>Recommendation 1.7</p> <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>Yes</p> | <p>The Board has delegated the operation and administration of the group to the Managing Director and the senior executive team. Their performance is assessed formally by the Board on an annual basis both subjectively and by measuring performance against Key Performance Indicators. Performance evaluations were completed in 2023 in accordance with the policy.</p> |
| <p>Principle 2: Structure the board to be effective and add value</p> | | |
| <p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 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 <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> | <p>Yes</p> | <p>The Company has a Remuneration and Nomination Committee ('Committee') that undertakes the role of the nomination committee. The Remuneration and Nomination Committee has a charter. The role of the Committee is to assist the Board in ensuring that the Board comprises directors with a range and mix of attributes appropriate for achieving its objective. The Committee assists the Board by:</p> <ul style="list-style-type: none"> ▪ reviewing the skills and expertise of directors and identifying potential deficiencies; ▪ identifying suitable candidates for the Board, with the assistance of independent recruiting agencies; ▪ overseeing Board and Director reviews; and ▪ establishing succession planning arrangements. <p>The Remuneration and Nomination Committee consists of four Non-Executive Directors, three of which are independent with Mr Donald McGurk as the independent Committee Chair.</p> <p>The Committee held two meetings during the year ended 30 June 2023. The Directors' qualifications and their attendance at meetings of the committee are included in the Directors' report of the Company's 2023 Annual Report.</p> <p>The Company's Remuneration and Nomination Committee Charter is available on the Company's website at https://aerometrex.com.au/about/investors/.</p> |

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|---|------------|--|----------------------------------|-------|------------------------------------|-------------------------------|---|---|-------------------|--|--|--|---|---|--|---|---|---|---|---|-----------------------------|--|--|----------|---|---|------------|---|---|-----------------|---|---|---------------------|---|---|--------------------------|---|---|-------------------------|---|---|--|---|---|-------------------|---|---|---------------|--|--|--------|---|---|------|---|---|
| <p>Recommendation 2.2</p> <p>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.</p> | <p>Yes</p> | <p>The following table outlines the experience and skills of the Board. The Directors' qualifications can be found on the Company's website.</p> <table border="1" data-bbox="1106 316 2098 1302"> <thead> <tr> <th data-bbox="1106 320 1733 416">Experience Skills and Attributes</th> <th data-bbox="1733 320 1883 416">Board</th> <th data-bbox="1883 320 2098 416">Audit, Governance and Remuneration</th> </tr> </thead> <tbody> <tr> <td data-bbox="1106 416 1733 464">Total non-executive directors</td> <td data-bbox="1733 416 1883 464">4</td> <td data-bbox="1883 416 2098 464">4</td> </tr> <tr> <td colspan="3" data-bbox="1106 464 2098 512">Experience</td> </tr> <tr> <td data-bbox="1106 512 1733 608">Corporate Leadership – Successful experience in MD and/or other corporate leadership roles</td> <td data-bbox="1733 512 1883 608">5</td> <td data-bbox="1883 512 2098 608">4</td> </tr> <tr> <td data-bbox="1106 608 1733 671">Industry Experience – Relevant industry experience</td> <td data-bbox="1733 608 1883 671">5</td> <td data-bbox="1883 608 2098 671">4</td> </tr> <tr> <td data-bbox="1106 671 1733 735">Other Board level experience – Membership of other listed entities (last 3 years)</td> <td data-bbox="1733 671 1883 735">3</td> <td data-bbox="1883 671 2098 735">3</td> </tr> <tr> <td colspan="3" data-bbox="1106 735 2098 783">Knowledge and skills</td> </tr> <tr> <td data-bbox="1106 783 1733 831">Strategy</td> <td data-bbox="1733 783 1883 831">5</td> <td data-bbox="1883 783 2098 831">4</td> </tr> <tr> <td data-bbox="1106 831 1733 879">Governance</td> <td data-bbox="1733 831 1883 879">5</td> <td data-bbox="1883 831 2098 879">4</td> </tr> <tr> <td data-bbox="1106 879 1733 927">Capital Raising</td> <td data-bbox="1733 879 1883 927">5</td> <td data-bbox="1883 879 2098 927">4</td> </tr> <tr> <td data-bbox="1106 927 1733 975">Risk and Compliance</td> <td data-bbox="1733 927 1883 975">5</td> <td data-bbox="1883 927 2098 975">4</td> </tr> <tr> <td data-bbox="1106 975 1733 1023">Mergers and Acquisitions</td> <td data-bbox="1733 975 1883 1023">5</td> <td data-bbox="1883 975 2098 1023">4</td> </tr> <tr> <td data-bbox="1106 1023 1733 1070">Tertiary qualifications</td> <td data-bbox="1733 1023 1883 1070">5</td> <td data-bbox="1883 1023 2098 1070">4</td> </tr> <tr> <td data-bbox="1106 1070 1733 1118">Economics, law, commerce and/or business</td> <td data-bbox="1733 1070 1883 1118">5</td> <td data-bbox="1883 1070 2098 1118">4</td> </tr> <tr> <td data-bbox="1106 1118 1733 1166">Public Accounting</td> <td data-bbox="1733 1118 1883 1166">1</td> <td data-bbox="1883 1118 2098 1166">1</td> </tr> <tr> <td colspan="3" data-bbox="1106 1166 2098 1214">Gender</td> </tr> <tr> <td data-bbox="1106 1214 1733 1262">Female</td> <td data-bbox="1733 1214 1883 1262">-</td> <td data-bbox="1883 1214 2098 1262">-</td> </tr> <tr> <td data-bbox="1106 1262 1733 1302">Male</td> <td data-bbox="1733 1262 1883 1302">5</td> <td data-bbox="1883 1262 2098 1302">4</td> </tr> </tbody> </table> | Experience Skills and Attributes | Board | Audit, Governance and Remuneration | Total non-executive directors | 4 | 4 | Experience | | | Corporate Leadership – Successful experience in MD and/or other corporate leadership roles | 5 | 4 | Industry Experience – Relevant industry experience | 5 | 4 | Other Board level experience – Membership of other listed entities (last 3 years) | 3 | 3 | Knowledge and skills | | | Strategy | 5 | 4 | Governance | 5 | 4 | Capital Raising | 5 | 4 | Risk and Compliance | 5 | 4 | Mergers and Acquisitions | 5 | 4 | Tertiary qualifications | 5 | 4 | Economics, law, commerce and/or business | 5 | 4 | Public Accounting | 1 | 1 | Gender | | | Female | - | - | Male | 5 | 4 |
| Experience Skills and Attributes | Board | Audit, Governance and Remuneration | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total non-executive directors | 4 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Experience | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corporate Leadership – Successful experience in MD and/or other corporate leadership roles | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Industry Experience – Relevant industry experience | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Board level experience – Membership of other listed entities (last 3 years) | 3 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Knowledge and skills | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategy | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Governance | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Raising | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk and Compliance | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mergers and Acquisitions | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tertiary qualifications | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Economics, law, commerce and/or business | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Accounting | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 5 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| <p>Recommendation 2.3</p> <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>Yes</p> | <p>The Board of Directors are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. In the context of director independence, “materiality” is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.</p> <p>Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangement governing it and other factors that point to the actual ability of the director in question to shape the direction of the Company’s loyalty.</p> <p>The ASX Corporate Governance Council identifies factors relevant to assessing the independence of a director. These include:</p> <ul style="list-style-type: none"> ▪ the length of service of each director; ▪ employment in an executive capacity by the entity; ▪ has a material business relationship or is a provider of material professional services to the entity; ▪ is a substantial shareholder of the entity; ▪ has a material contractual relationship with the entity; or ▪ a close family tie with any person within any of the categories described above. <p>In accordance with the definition of the independence above, and the materiality threshold set, refer to below for the assessment of independence of each Director of Aerometrex:</p> |

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|---|----------|--|--|--|------------------|--------------|--|--|--|
| | | <table border="1"> <thead> <tr> <th data-bbox="1104 258 1366 341">Name</th> <th data-bbox="1366 258 1697 341">Position</th> <th data-bbox="1697 258 1899 341">Appointment Date</th> <th data-bbox="1899 258 2103 341">Independence</th> </tr> </thead> </table> | Name | Position | Appointment Date | Independence | | | |
| Name | Position | Appointment Date | Independence | | | | | | |
| | | Mr Mark Lindh | Non-Executive Director & Chairman | 20/5/2019 | Independent | | | | |
| | | Mr Matthew White | Non-Executive Director | 07/09/2011 | Not Independent | | | | |
| | | Dr Peter Foster | Non-Executive Director | 15/10/2019 | Independent | | | | |
| | | Mr David Byrne | Executive Director | 07/09/2011 (resigned on 01/09/2022) | Not Independent | | | | |
| | | Mr Steve Masters | Executive Director & Chief Executive Officer | 14/02/2022 | Not Independent | | | | |
| | | Mr Donald McGurk | Non-Executive Director | 03/03/2022 | Independent | | | | |
| | | <p>Mr Matthew White is not considered to be independent as he is a substantial shareholder of the Company with a 13.08% relevant interest in ordinary shares.</p> <p>Mr David Byrne is not considered to be independent as he is a substantial shareholder of the Company with an 8.18% relevant interest in ordinary shares.</p> <p>Mr Steve Masters is not considered to be independent as he is employed in an executive capacity by the Company.</p> <p>Independent professional advice</p> <p>With the prior approval of the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.</p> | | | | | | | |

Corporate Governance Statement

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| RECOMMENDATIONS (4 TH EDITION) | FOLLOWED | EXPLANATION |
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| <p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | Yes | As per the assessment of Director independence above, majority of the Board are independent, Non-Executive Directors. |
| <p>Recommendation 2.5</p> <p>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.</p> | Yes | The Board requires that the Chairman be an independent director and that the role of Chairman of the Board is separate from that of the Managing Director who is responsible for the day to day management of the Company. The role of the Chairman has been fulfilled by Mr Mark Lindh, who is an independent Director and the role of Managing Director has been fulfilled by Mr Steve Masters. |
| <p>Recommendation 2.6</p> <p>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 a Director effectively.</p> | Yes | An induction process including appointment letters exists to promote early, active and relevant involvement of new members of the Board. All Aerometrex directors are encouraged to further their knowledge through ongoing professional development through professional industry, governance and government bodies. |
| <p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p> | | |
| <p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values</p> | Yes | The principles that shape our values are included in our existing Purpose, Vision and Mission located in the Company’s Annual Report, and on the Aerometrex website. https://www.aerometrex.com.au/about/investors/ |
| <p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p> | Yes | The Company aims for an appropriate standard of corporate governance and ethical conduct by Directors and employees. |

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| | | <p>by the Board, will not be present when that matter is considered by the Board and will not vote on that matter, subject to the discretion of the Board.</p> <p>All Directors are required to provide the Company with details of all securities registered in the Director’s name or an entity in which the director has a relevant interest.</p> <p>Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. The Corporations Act 2001(Cth) also prohibits the acquisition and disposal of securities where a person possesses information that is not generally available, and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available.</p> <p>The Company has a code of conduct for Directors, senior executives and employees. A copy of the Code of Conduct is available on the Company’s website.</p> |
| <p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p> | <p>Yes</p> | <p>The Company’s Whistleblower Policy is available on the Company’s website.</p> <p>The Managing Director/Chief Executive Officer will advise the Board of any material breaches of the Company’s Whistleblower Policy, at least at the Company’s next Board meeting or earlier depending on the circumstances.</p> |
| <p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p> | <p>Yes</p> | <p>The Company’s Anti-Bribery and Corruption Policy is available on the Company’s website.</p> <p>The Managing Director/Chief Executive Officer will advise the Board of any material breaches of the Company’s Anti-Bribery and Corruption Policy, at least at the Company’s next Board meeting or earlier depending on the circumstances.</p> |

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| Principle 4: Safeguard the integrity of corporate reports | | |
| <p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <ol style="list-style-type: none"> 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 <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> | Yes | <p>The Audit Committee consists of three Non-Executive Directors, the majority of whom are independent directors, with Mr Peter Foster as the Committee Chair, who is an independent director. The Audit Committee has a formal charter, which is available on the Company's website. Refer to https://aerometrex.com.au/about/investors/</p> <p>Meetings are held as required between the Audit Committee, the Company's Managing Director, the Chief Financial Officer and the Auditors to discuss the Company's ongoing activities and to discuss, where appropriate, any proposed changes prior to their implementation and to seek advice in relation thereto.</p> <p>The Board has no formal procedures for the selection, appointment or rotation of its external auditor but reviews this matter on an ongoing basis and implements changes as required.</p> <p>The Directors' qualifications, experience and their attendance at meetings of the committee are included in the Directors' report of the Company's 2023 Annual Report.</p> <p>The Audit and Risk Committee Charter is on the Company's website.</p> |

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| <p>Recommendation 4.2</p> <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, 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.</p> | Yes | <p>The person who performs the Managing Director and Chief Financial Officer roles are required to provide written declarations under s295A of the Corporations Act that, in their opinion;</p> <ul style="list-style-type: none"> ▪ 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 a 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>The Managing Director, Steve Masters and the Chief Financial Officer, Chris Mahar have provided their declarations to the Board in relation to the 2023 Annual Report.</p> |
| <p>Recommendation 4.3</p> <p>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.</p> | Yes | <p>A periodic corporate report includes an entity's annual directors' reports, and in some cases, integrated reports (if prepared as a separate annual report) and sustainability reports.</p> <p>The preparation of public corporate reports is a similar methodology to the preparation of reports that are audited or reviewed by an external auditor. At all times the Company strives to satisfy itself that the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions.</p> <p>The originator of the report ensures that all statements and financial information or calculations are supported by source documentation or factual evidence and have a reasonable basis. All assumptions within a document or financial model are disclosed and considered for appropriateness. Material accuracy, appropriate information and balanced reporting is achieved by layers of review undertaken within the organisation by senior managers, peer reviews, CEO review, Company Secretary review and final review and approval is undertaken by the Board. A majority of Directors' approval is required prior to the release of the document to the ASX.</p> <p>If there is any uncertainty regarding the materially accuracy of a corporate report, the Company will seek external advice or review of the document. Any errors or misleading information that may be published is corrected by the Company via a separate release as soon as the Company becomes aware of the error.</p> |

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| Principle 5: Make timely and balanced disclosure | | |
| <p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the listing rules 3.1.</p> | Yes | <p>The Company has in place a continuous disclosure policy, a copy of which is provided to all Company officers and employees who may from time to time be in the possession of undisclosed information that may be material to the price or value of the Company's securities.</p> <p>The continuous disclosure policy aims to ensure timely compliance with the Company's continuous disclosure obligations under the Corporations Act 2001 (Cth) and ASX Listing Rules and ensure officers and employees of the Company understand these obligations. The procedure adopted by the Company is essentially that any information which may need to be disclosed must be brought to the attention of the Chairman, who in consultation with the Board (where practicable) and any other appropriate personnel, will consider the information and whether disclosure is required and prepare an appropriate announcement.</p> <p>At least once in every 12-month period, the Board will review the Company's compliance with this continuous disclosure policy and update it from time to time, if necessary.</p> <p>The Company's Continuous Disclosure Policy is available on the Company's website.</p> |
| <p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p> | Yes | <p>All Directors of the Company receive the ASX confirmation of the lodgement of an ASX Announcement by email from the ASX Market Announcements platform.</p> |
| <p>Recommendation 5.3</p> <p>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.</p> | Yes | <p>In accordance with the Company's Continuous Disclosure policy, a copy of any presentation materials used by the Company must first be released on the ASX Market Announcements Platform ahead of the presentation, to ensure a fully informed market.</p> |

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| Principle 6: Respect the rights of security holders | | |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | Yes | <p>The Company operates under the continuous disclosure requirements of the ASX Listing Rules and aims to ensure that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website following release to the ASX.</p> <p>The Company website contains names, photographs and profiles of its directors and senior executives.</p> <p>The Company website also has a corporate governance page which provides access to the Company's constitution, Board and Committee charters, corporate governance policies and statements. Refer to https://aerometrex.com.au/about/investors/</p> |

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| <p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitate effective two-way communication with investors.</p> | <p>Yes</p> | <p>The Company actively engages with investors at the Annual General Meeting and General Meetings, provides periodic operational updates to the market and responds to enquiries.</p> <p>The Company engages external advisers to facilitate its investor relations program. Investor relations queries can be directed to investorrelations@erometrex.com.au.</p> <p>Information is also communicated to Shareholders as follows:</p> <ul style="list-style-type: none"> ▪ as the Company is a disclosing entity, regular announcements are made to the Australian Securities Exchange in accordance with the Company's continuous disclosure policy, including, half-year audit reviewed accounts, year-end audited accounts and an Annual Report; ▪ the Board ensures the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments; ▪ any proposed major changes in the Company's affairs are submitted to a vote of Shareholders, as required by the Corporations Act 2001 (Cth); ▪ the Board encourages full participation of Shareholders at the Annual General Meeting to ensure a high level of accountability and identification of the Company's strategies and goals. All Shareholders who are unable to attend these meetings are encouraged to communicate or ask questions by writing to the Company; and ▪ the external auditor is requested to attend the annual general meetings to answer any questions concerning the audit and the content of the auditor's report. <p>The Board reviews this policy and compliance with it on an ongoing basis.</p> |

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| <p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourage participation at meetings of security holders.</p> | Yes | <p>The Board encourages full participation of shareholders at the Annual General Meeting and general meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the Shareholders as single resolutions and Shareholder discussion of the resolutions is encouraged.</p> |
| <p>Recommendation 6.4</p> <p>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.</p> | Yes | <p>It is the responsibility of the person chairing a meeting of security holders (Chair) to ascertain the true will of the security holders attending and voting at the meeting, whether they attend in person, electronically or by proxy or other representative. This is achieved by the Company by the Chair noting the outcome of a resolution by the proxy results prior to the meeting. The meeting voting is conducted by a poll.</p> |
| <p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> | Yes | <p>The Board aims to ensure that Shareholders are given the opportunity to engage with the Company as conveniently as possible. Shareholders are able to receive communications from the Company electronically via the Company's share registry, Computershare Investor Services. Shareholders are also able to contact the Company via its public email address investorrelations@aerometrex.com.au and the share registry via its online portal, Investor Centre - Australia.</p> <p>Refer to https://www-au.computershare.com/Investor/#Home</p> |

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| Principle 7: Recognise and manage risk | | |
| <p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> 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 <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p> | Yes | <p>Aerometrex is committed to the proactive management of risks and opportunities through the development of a strong culture and the implementation of practical risk management frameworks and processes across all structures, functions and operational activities.</p> <p>The Audit Committee deals with Board matters of Audit, Finance and Risk and consists of three Non-Executive Directors, the majority of whom are independent. Audit Committee consists of Peter Foster (Chair), Mark Lindh and Matthew White.</p> <p>Meetings are held as required by the Audit and Risk Committee to discuss the Company's ongoing risk activities and to discuss, where appropriate, any proposed changes prior to the risk management framework and implementation and to seek advice in relation thereto. The members of the Audit and Risk Committee, their relevant qualifications and experience, the number of times the committee met during the financial year ended 30 June 2023, and the individual attendances of the members, are disclosed in the Annual Report.</p> <p>The Audit and Risk Committee's charter is available on the Company's website. Refer to https://aerometrex.com.au/about/investors/</p> |

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| <p>Recommendation 7.2</p> <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> | Yes | <p>The Company's maintains a risk management framework in accordance with its risk management policy. The Company's policies, registers and practices are designed to identify and manage significant business risks, including:</p> <ul style="list-style-type: none"> ▪ regular budgeting and financial reporting; ▪ procedures and controls to manage financial exposures and operational risks; ▪ the Company's business plan; ▪ corporate strategy guidelines and procedures to review and approve the Company's strategic plans; and ▪ insurance and risk management programmes which are reviewed by the Board. <p>The Board reviews these systems and the effectiveness of their implementation annually and considers the management of risk at its meetings. The Company's management has reported to the Board on the effectiveness of the Company's management of its material business risks. The Company's risk profile is reviewed annually. The Board may consult with the Company's external Auditors on external risk matters or other appropriately qualified external consultants on risk generally, as required. A review of the risk management framework has occurred during the period.</p> <p>The Board receives regular reports (monthly) about the financial condition and operating results of the consolidated group. The Managing Director and the Chief Financial Officer annually provide a formal statement to the Board that in all material respects and to the best of their knowledge and belief:</p> <ul style="list-style-type: none"> ▪ the Company's financial reports present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and ▪ the Company's risk management and internal control systems are sound, appropriate and operating efficiently and effectively. |

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| <p>Recommendation 7.3</p> <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 governance, risk management and internal control processes.</p> | <p>No</p> <p>Yes</p> | <p>The Company does not have an internal audit function and does not believe that the size and nature of the Company warrants establishment of said function at this time.</p> <p>Procedures have been established at the Board and Management levels that are designed to safeguard the assets and interests of the Company, and to ensure the integrity of reporting. These include accounting, financial reporting and internal control policies and procedures. To achieve this, the Non-Executive Directors perform the following procedures:</p> <ul style="list-style-type: none"> ▪ ensure appropriate follow-up of significant audit findings and risk areas identified; ▪ review the scope of the external audit to align it with Board requirements; and ▪ conduct a detailed review of published accounts. |
| <p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p> | <p>Yes</p> | <p>The Board recognises that there are inherent risks associated with the Company's operations. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. Reports in relation to the Company's management of its material business risks are presented to the Board in the MD report. The Board and Management do not consider that the entity has any material exposure to economic, environmental or social sustainability risks and has similar operating risks to any other business developing and producing aerial imagery.</p> |

| RECOMMENDATIONS (4 TH EDITION) | FOLLOWED | EXPLANATION |
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| Principle 8: Remunerate fairly and responsibly | | |
| <p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> 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; <p>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> | Yes | <p>The Company has a Remuneration and Nomination Committee ('Committee') that undertakes the role of the remuneration committee. The Remuneration and Nomination Committee has a formal charter, which is available on the Company's website. The role of the remuneration committee is to assist the Board in the general application of the remuneration policy. In doing so, the remuneration committee is responsible for:</p> <ul style="list-style-type: none"> ▪ developing remuneration policies for Directors and Key Management Personnel, with the assistance, as necessary, of independent external consultants; ▪ reviewing Key Management Personnel remuneration packages annually and, based on these reviews, making recommendations to the Board on remuneration levels for Key Management Personnel; and ▪ assisting the Chair in reviewing KMP performance and reporting to the Board on Key Management Personnel performance. <p>The Remuneration and Nomination Committee consists of four Non-Executive Directors, with Mr Donald McGurk as the Committee Chair who is an independent director.</p> <p>The members of the Remuneration and Nomination Committee, their relevant qualifications and experience, the number of times the committee met during the period, and the individual attendances of the members, are disclosed in the Annual Report.</p> <p>The Remuneration and Nomination Committee's charter is available on the Company's website. Refer to https://aerometrex.com.au/about/investors/</p> |
| <p>Recommendation 8.2</p> <p>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> | Yes | <p>Non-Executive Directors will be remunerated by cash, director's fees or share benefits alone and will not be provided with retirement benefits, other than statutory superannuation contributions. Executive Directors and Executives may be remunerated by both fixed remuneration and equity performance based remuneration plus statutory superannuation contributions but no termination payments will be agreed other than a reasonable period of notice of termination as detailed in the executive's employment contract.</p> |

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| <p>Recommendation 8.3</p> <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> | Yes | <p>The Company does have an equity-based remuneration scheme. The Company has a policy that participants are not permitted to enter into transactions which limit the economic risk of participating in the scheme.</p> <p>A copy of the Company's securities trading policy is available on the Company's website. Refer to https://aerometrex.com.au/about/investors/</p> |