

CORPORATE GOVERNANCE STATEMENT

Introduction

Tasmea Limited ABN 22 088 588 425 (**Tasmea** or **the Company**) has established a corporate governance framework, the key features of which are set out in this statement.

In establishing its corporate governance framework, Tasmea has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (**Principles & Recommendations**).

Tasmea has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the compliance with the recommendation. In accordance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not comply with a recommendation, the Board has explained its reasons for not following the recommendations and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

Tasmea's governance related documents can be found on the Company's website at <https://tasmea.com.au/tasmea-corporate-governance>

Charters

Board Charter
Audit and Risk Committee Charter
Remuneration and Nomination Committee Charter

Policies

Anti-bribery and Anti-corruption Policy	Privacy Policy
Code of Conduct	Remuneration Policy
Continuous Disclosure Policy	Risk Management Policy
Diversity Policy	Securities Trading Policy
Environment Social and Governance Policy	Shareholder Communication Policy
Modern Slavery Policy	Whistleblower Policy

The Company reports below on whether it has followed each of the recommendations during FY24 (Reporting Period). The information in this statement is current at 26 August 2024.

Cross References to the Company's Annual Financial Report in this statement are references to Tasmea's Annual Financial Report for the year ended 30 June 2024 which is located online at:

<https://shareholders.tasmea.com.au/investor-centre/>

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1 – Role of Board and management – Complying

Tasmea has adopted a *Board Charter* which sets out the specific roles and responsibilities of the Board and management. The *Board Charter* also sets out those matters expressly reserved to the Board and those delegated to management.

A copy of Tasmea's *Board Charter* is available on the Company's website.

Recommendation 1.2 – Information regarding election and re-election of Director candidates - Complying

The Remuneration and Nomination Committee has been established by the Board and is responsible for identifying, and nominating for approval of the Board, candidates to fill Board vacancies. The Remuneration and Nomination Committee is obliged to undertake appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a Director. Shareholders are provided with all material information relevant to a decision on whether or not to elect or re-elect a Director.

The *Remuneration and Nomination Committee Charter* is available on the Company's website.

Recommendation 1.3 – Written contracts of appointment - Complying

Tasmea has written agreements with each of its current Directors setting out the terms of their appointment. The content of the letters of appointment for new Directors is consistent with the ASX principles.

Tasmea has formal employment contracts in place with each of its senior executives which describe amongst other things, their term, duties, rights, responsibilities and entitlements.

Each Director, executive and senior employee has a contract which clearly sets out the terms and conditions of their remuneration package. Tasmea's Managing Director and Executive Directors conduct annual performance reviews of all senior executives and senior employees.

The *Remuneration Policy* is available on the Company's website.

Recommendation 1.4 – Company Secretary - Complying

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the *Board Charter*. A copy of Tasmea's *Board Charter* is available on the Company's website.

Recommendation 1.5 – Diversity - Partial compliance

Tasmea has a *Diversity Policy* which provides a framework for the Company to establish and measure diversity objectives in relation to gender, age, cultural background and ethnicity. The *Diversity Policy* allows the Board to establish measurable objectives for achieving diversity, and for the Board to assess both the objectives, and the Company's progress in achieving them.

The Company believes its people are its greatest asset and is strongly committed to the principles of diversity and to promoting a culture that supports the development of a diverse mix of employees throughout all levels of the organisation.

In respect of the recommendation to establish and disclose measurable objectives for achieving gender diversity, the objectives have not yet been set. The Board is mindful of the benefits of diversity and continues to work towards developing a measurable objective for achieving gender diversity and a reporting framework to report the Company's progress against gender diversity objectives.

The respective proportions of persons by gender on the Board, in senior executive positions and across the whole organisation will be disclosed annually in the Company's Annual Report. As at the date of Admission, five Directors are male, one Director is female and the four executive roles comprise of three male Executive Directors and a female Chief Financial Officer and Company Secretary.

The *Diversity Policy* is available on the Company's website.

Recommendation 1.6 – Board reviews - Complying

The Remuneration and Nomination Committee has been established by the Board and is responsible for evaluation of the Board, the Chairperson, the executive and non-executive Directors.

The Remuneration and Nomination Committee evaluates the performance of the Managing Director and other Board members through a series of discussions held throughout the year. These discussions include an assessment of the Company's state of affairs, the risks facing the Company and its economic objectives.

The Remuneration and Nomination Committee evaluates the extent to which each Director has contributed to the efficient utilisation of resources, the identification of risk and the achievement of economic objectives. The Remuneration and Nomination Committee also elicits confidential feedback from each Director on their view of the interpersonal dynamics between Board members and the quality of the Board's decision making.

During the Reporting Period the performance of all Directors, including the Managing Director, was evaluated. The *Remuneration and Nomination Committee Charter* is available on the Company's website.

Recommendation 1.7 – Management reviews – Complying

The Managing Director and the Executive Directors are responsible for evaluating the performance of senior executives in accordance with the process disclosed in the Company's *Remuneration Policy*. During the Reporting Period the performance of all senior executives was evaluated. The *Remuneration Policy* is available on the Company's website.

Principle 2 – Structure the Board to add value

Recommendation 2.1 – Remuneration and Nomination Committee - Complying

The Board has established a Remuneration and Nomination Committee and adopted a *Remuneration and Nomination Committee Charter* which describes the role, composition, functions and responsibilities of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee is responsible for:

- examining and implementing adequate selection and appointment practices to ensure the composition of the Board is appropriate to meet the needs of the Company; and
- ensuring the remuneration within the Company is appropriately designed to enhance corporate and individual performance whilst also meeting the needs of the Company as a whole.

The Remuneration and Nomination Committee:

- Has three members, two of which are independent directors;
- Is chaired by an independent director; and
- Makes disclosures where appropriate.

The *Remuneration and Nomination Committee Charter* is available on the Company's website.

Recommendation 2.2 – Board skills matrix - Complying

Tasmea's Non-executive Directors and Executive Directors have an extensive range of relevant industry experience in engineering, management, financial and other expertise. The majority of the Company's Directors hold, or have held, positions on the Boards of other publicly listed companies and all have extensive experience in the management of organisations across a range of industries.

The Board has established a Board Skills Matrix which identifies a mix of skills the Board should collectively hold across its membership including leadership, strategy, industry specific experience, financial acumen, health safety and environment, people and culture, risk management, sustainability and governance legal and regulatory compliance.

The Board considers that the non-executive directors and executive directors collectively bring the appropriate range of skills, knowledge and experience necessary to direct the Company. When necessary, the Board engages the services of external experts and consultants to supplement its capacity to consider and assess matters which fall outside the domain of its collective expertise.

Recommendation 2.3 – Disclose independence and length of service - Complying

The Board has considered the independence of its Directors and the following directors are considered to be independent: Mr Joe Totaro, Chairman; Mr Michael Terlet, AO; and Ms Kristie Young.

The following table provides details of the date of appointment of each director:

Name	Particulars	Appointed
Joe Totaro	Chairman and Non-executive Director	21 September 2023
Michael Terlet	Non-executive Director	16 October 2007
Kristie Young	Non-executive Director	21 September 2023
Stephen Young	Managing Director	12 July 1999
Mark Vartuli	Executive Director	26 July 2007
Jason Pryde	Executive Director	1 September 2021

The relevant interest in Tasmea Limited of each director, at 26 August 2024, is as follows:

Name	Number of Ordinary Shares held	Number of Options over Ordinary Shares	Ownership Interest in Tasmea Limited
Joe Totaro	500,000	-	0.2%
Michael Terlet	546,935	-	0.3%
Kristie Young	12,821	-	0.0%
Stephen Young	92,325,802	-	41.9%
Mark Vartuli	40,763,836	-	18.5%
Jason Pryde	4,157,194	-	1.9%

Recommendation 2.4 – Majority of Directors are independent – Partial compliance

The current Board comprising three independent Non-executive Directors and three executive Directors is appropriate for the size of the Company.

The Board considers that due to the mix of skills on the Board and the nature of the operations of the Tasma Group that having an equal split of the Directors which are considered independent and not independent does not impede the ability of the Board to ensure that the decisions are made in the best interests of the Company.

Furthermore, the Company has resolved that in the event of a split Board decision, the Independent Chair will have the casting vote.

Recommendation 2.5 – Independent Chair- Complying

The Chairman of the Board is Mr Joe Totaro. Mr Totaro is an independent Non-executive Director.

Recommendation 2.6 – Induction and professional development - Complying

Tasma has an induction program for new Directors and senior executives. The goal of the program is to assist new Directors to participate fully and actively in Board decision making at the earliest opportunity and to assist senior executives to participate fully and actively in management decision making at the earliest opportunity.

The Remuneration and Nomination Committee reviews whether the Directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and Board Committees. Where any gaps are identified, the Remuneration and Nomination Committee considers what training or development should be undertaken to fill in those gaps.

Principle 3 – Act ethically and responsibly

Recommendation 3.1 – Values - Complying

Tasma is committed to conducting all of its business activities fairly, honestly, in compliance with all applicable laws and regulations. Tasma has established a set of values which address Tasma's expectations in the areas of People, Safety, Exceptional Skill, Exemplary Service, Care and Common Systems, Innovation and Improvement.

The *Values* and accompanying values statements are disclosed on the Company's website.

Recommendation 3.2 – Code of Conduct - Complying

Tasma has established a *Code of Conduct* for its Directors, senior executives and employees.

The purpose of this policy is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, customers and stakeholders. This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

The *Code of Conduct* is available on the Company's website.

Recommendation 3.3 – Whistleblower Policy - Complying

Tasmaea has a *Whistleblower Policy* which is available on the Company's website.

This policy details the practices which the Company will implement to ensure any malpractice, impropriety, statutory non-compliance or wrongdoing is appropriately reported without fear of adverse consequences. Any material incidents reported under this policy are communicated to the Directors, as applicable.

Recommendation 3.4 – Anti-bribery and Corruption Policy - Complying

Tasmaea has an *Anti-bribery and Anti-corruption Policy* which is available on the Company's website.

This policy details the Company's zero tolerance approach to bribery and corruption and its commitment to acting professionally, fairly and with integrity in all its business dealings and relationships and upholding all laws relevant to countering bribery and corruption in all jurisdictions in which the Company operates.

Any material incidents reported under this policy are communicated to the Directors, as applicable.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1 – Audit and Risk Committee – Partial Compliance

The Tasmaea Board has established an Audit and Risk Committee. The members of the Audit and Risk Committee are Michael Terlet (Chairman), Joe Totaro and Stephen Young. Two members of the Audit and Risk Committee are independent non-executive directors, and the Audit and Risk Committee is chaired by Mr Terlet who is not also Chairman of the Board. Accordingly, the Audit and Risk Committee is structured in compliance with Recommendation 4.1.

Michael Terlet, AO (MBA FAIML, FAICD) was responsible for the formation and growth of Australia's largest private sector defence and aerospace company, AWA Defence Industries from 1978 to 1992. Michael is the longest serving Non-executive Director having joined the Board in 2007.

Joe Totaro (B.Comm, CPA) is a Certified Practising Accountant (CPA) with over 30 years' experience in commercial and public practice specialising in mining and mining services.

Stephen Young (B.Ec., FCA, FAICD) is the Founder and Managing Director of Tasmaea and has been instrumental in driving Tasmaea's strategy and growth over the past 24 years. Stephen has more than 45 years' experience involving large corporate advisory, corporate recovery, business turnaround, listed public and private board and advisory engagements.

Although the Audit and Risk Committee does not currently comprise a majority of independent Directors, the Board has formed the view that the current membership of the Committee is appropriate for the Company at its current stage. The Board will continue to review this on an ongoing basis.

The Board has adopted an *Audit and Risk Committee Charter* which describes the Audit and Risk Committee's role, composition, functions and responsibilities, which is disclosed on the Company's website.

Recommendation 4.2 – Managing Director and Chief Financial Officer certification of financial statements - Complying

Tasmea's *Audit and Risk Committee Charter* requires the Managing Director and the Chief Financial Officer to provide a sign off on the required declaration prior to the issue of the Annual Financial Statements and Interim Financial Statements.

Prior to approving the Annual Financial Statements or Interim Financial Statements, the Board ensures it receives declarations 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. The declaration was received prior to the issue of the FY24 Financial Statements.

Recommendation 4.3 – Verifying the integrity of periodic corporate reports - Complying

Tasmea undertakes the following process to verify the integrity of the information in periodic corporate reports (to the extent that the information contained in the reports are not audited or reviewed by an external auditor):

- All periodic corporate reports are initially prepared by the Company's accounting team;
- Draft periodic corporate reports are initially reviewed by the Chief Financial Officer and an Executive Director;
- Following the Chief Financial Officer and Executive Director's review, the Company's other Directors review the draft periodic corporate reports and are able to ask questions of management on the content of the periodic corporate reports;

The *Board Charter* enables all Directors to seek external advice on the content of periodic corporate reports, if considered necessary.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1 – Disclosure and communications policy - Complying

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. The *Continuous Disclosure Policy* is disclosed on the Company's website.

Recommendation 5.2 – Material market announcements - Complying

Pursuant to the *Continuous Disclosure Policy* all Directors receive copies of material market announcements ahead of their disclosure on the ASX Markets Platform.

Recommendation 5.3 – Investor or analyst presentations - Complying

All substantive investor or analyst presentations, with new and substantive information, are released on the ASX Markets Platform ahead of the presentation.

Principle 6 – Respect the rights of security holders

Recommendation 6.1 – Information on website - Complying

Tasmea provides information about the Company and its governance to investors on its website at www.tasmea.com.au. The *Shareholder Communication Policy* is available on the Company's website.

Recommendation 6.2 – Investor relations programs - Complying

Tasmea has designed and implemented an investor relations strategy to facilitate effective two way communication with investors. The strategy is set out in the *Shareholder Communication Policy* on the Company's website.

Recommendation 6.3 – Facilitate participation at meetings of security holders - Complying

The *Shareholder Communication Policy*, available on the Company's website, outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Recommendation 6.4 – Voting by poll - Complying

Tasmea confirms that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.

Recommendation 6.5 – Facilitate electronic communications - Complying

The *Shareholder Communication Policy*, available on the Company's website, provides shareholders with the option to receive communications from, and send communications to, the Company and its share registry electronically. This is facilitated through Tasmea's website which provides access to the Company's and its share registry's full range of contact details, including relevant email addresses.

Principle 7 – Recognise and manage risk

Recommendation 7.1 – Audit and Risk Committee - Complying

The Company's Board has established an Audit and Risk Committee. The Audit and Risk Committee is structured in accordance with Recommendation 7.1.

Please refer to the disclosure above in relation to Recommendation 4.1 which outlines the members and role of the Audit and Risk Committee.

Recommendation 7.2 – Annual risk review - Complying

The Audit and Risk Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Recommendation 7.3 – Internal audit - Complying

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy. The *Risk Management policy* is disclosed on the Company's website.

Recommendation 7.4 – Exposure to environmental or social risks - Complying

The Directors are committed to ensuring that environmental, social and corporate governance (ESG) risks are identified and assessed and appropriate and relevant management strategies are implemented to meet the Company's commitments. The Company has established written policies and procedures for managing ESG responsibilities.

The *Environment, Social and Governance Policy* is disclosed on the Company's website.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1 – Remuneration and Nomination Committee - Complying

As noted above in relation to Recommendation 2.1, the Board has established a Remuneration and Nomination Committee. The Remuneration and Nomination Committee is structured in compliance with Recommendation 8.1. Please refer to the disclosure above in relation to Recommendation 2.1 in relation to the Remuneration and Nomination Committee.

Recommendation 8.2 – Disclosure of Director and executive remuneration - Complying

The Company has established a *Remuneration Policy* with the objective of ensuring a transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company. The *Remuneration Policy* is disclosed on the Company's website.

Recommendation 8.3 – Policy on hedging equity incentive schemes - Complying

The Company is intending to introduce an equity-based remuneration scheme pending approval by Shareholders at the 2024 Annual General Meeting.

Certain Directors and Employees hold securities in TEA. The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its officers and key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors).

The *Securities Trading Policy* is disclosed on the Company's website.