



CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2023



INTRODUCTION

The Board of Directors of Gratifii Limited and its controlled entities (“Gratifii” and/or “the Company”) are committed to achieving the best practice in corporate governance commensurate with the Company’s size, its operations and the industry within which it operates.

This Corporate Governance Statement summarises the corporate governance practices adopted by the Board of Directors and the Company’s compliance with the Corporate Governance Principles and Recommendations 4th Edition (Recommendations) during the reporting period ended 30 June 2023.

The Principles and Recommendations are not mandatory. However, the Company is required to provide an annual statement disclosing the extent to which the Company has followed the Principles and Recommendations during the reporting period; identify the recommendations that have not been followed; and provide reasons for any variance. If a recommendation has been followed for only part of a year, the entity must state the period during which it has been followed.

Gratifii’s policies and charters as listed below are available on the Company’s website at <https://gratifii.com/investor-relations/>.

CHARTERS / POLICIES

- Board Charter
- Audit and Risk Committee Charter
- Remuneration and Nomination Committee Charter
- Anti-Corruption and Bribery Policy
- Continuous Disclosure Policy
- Risk Management Policy Securities Trading Policy
- Code of Conduct
- Privacy Policy
- Whistleblower Policy
- Diversity Policy

PRINCIPLE AND RECOMMENDATION	REQUIREMENT	COMPLY	EXPLANATION
PRINCIPLE 1 Lay solid foundations for management and oversight			
Recommendation 1.1	<p>A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (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. 	Yes	<p>The Company has adopted a Board Charter which sets out the specific roles and responsibilities of the Board, the Chair and the Company Secretary and management. The Board Charter includes a description of those matters expressly reserved to the Board and delegated to the Board Committees, with tasks not expressly reserved for the Board being delegable by the Board to management.</p> <p>The Board Charter sets out the membership and operation of the Board, requirements as to Board composition, delegation and establishment of Board Committees, the process of selection and appointment of directors, the roles and responsibilities of the Chairman and Company Secretary, requirements for advising on conflicts of interest and details regarding the Board's interaction with the Company.</p> <p>A copy of the Board Charter is available on the Company's website at https://gratific.com/investor-relations/.</p>
Recommendation 1.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> (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. 	Yes	<ul style="list-style-type: none"> a) The Company's Remuneration and Nomination Committee Charter requires the Remuneration and Nomination Committee to undertake appropriate checks before putting forward a candidate for appointment or election as a director. b) The Company's Remuneration and Nomination Committee Charter requires the Committee to provide shareholders with all material information in its possession relevant to a decision whether to elect or re-elect a director. <p>Information on directors standing for election or re-election is provided to Shareholders in the relevant Notice of Meeting and includes biographical details as well as their relevant qualifications and experience and the skills they bring to the Board; and details of any other material directorships currently held by the candidate.</p>
Recommendation	A listed entity should have a written agreement with each	Yes	The Company has written agreements with each of its

1.3	director and senior executive setting out the terms of their appointment.		Directors and senior executives setting out the terms of their appointment.
Recommendation 1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board through the Chairman on all matters relating to the proper functioning of the Board.
Recommendation 1.5	<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 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>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>	No	<p>The Board is committed to workplace diversity and is conscious of building a diverse and inclusive workforce. The Diversity Policy is available on the Company website at https://gratific.com/investor-relations/.</p> <p>The Company's current workforce is made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, respected and valued by the Company.</p> <p>While the Company is committed to gender diversity in its workplace, the Board believes that the Company is not yet of a size where it is appropriate to implement measurable objectives for achieving gender diversity.</p> <p>The following is the respective proportions of men and women on the board, in senior executive positions and across the whole organisation.</p>

	Male	Female
Board	80%	20%
Senior Executive	67%	33%
Whole Organisation	26%	74%

Recommendation 1.6	A listed entity should:	Yes	(a)	The Remuneration and Nomination Committee Charter discloses the process for periodically evaluating the performance of the Board, its committees and individual directors. Performance reviews are carried out by the Remuneration and Nomination Committee.
	(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and		(b)	The Remuneration and Nomination Committee undertook an evaluation of Director performance during the period.
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.			

Recommendation 1.7	A listed entity should:	Yes	(a)	The Board Charter discloses the process for periodically evaluating the performance of senior executives, which the Board is responsible for.
	(a) have and disclose a process for periodically evaluating the performance of its senior executives; and		(b)	A performance evaluation system was in place during the period. It assessed employees, including senior executives, via the setting and measurement of key performance indicators.
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.			

PRINCIPLE 2 Structure the board to be effective and add value:

Recommendation 2.1	The board of a listed entity should:	Yes	The Board has established a Remuneration and Nomination Committee and comprised of Bryan Zekulich, Iain Dunstan and Stephen Borness, a majority of whom are independent directors. The Committee is chaired by Mr Zekulich, Non-Executive Independent Director. The number of meetings held by this Committee during the reporting period is disclosed in the Annual Report. The Remuneration and Nomination Charter is available on the Company's website at https://gratific.com/investor-relations/ .	
	(a) have a nomination committee which:			
	(i) has at least three members, a majority of whom are independent directors; and			
	(ii) is chaired by an independent director, and disclose:			
	(iii) the charter of the committee;			
	(iv) the members of the committee; and			
	(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or			
	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the			

board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Recommendation 2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	<p>The current Board comprises of individuals with a comprehensive mix of experience and expertise across a variety of industries. When contemplating a proposed board appointment, the Board strives to ensure that it considers diversity of experience and any perceived gaps in skills and experience.</p> <p>The Board has a formal skills matrix, which is disclosed in the Company's Annual Report.</p>
Recommendation 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, association or relationship of the type described in Box 2.3 of the Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association 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>	Yes	<p>a) Independent Directors</p> <p>During the period, the Board has three directors it considers to be independent. Stephen Borness is the independent chairman with no association to any substantial holder.</p> <p>Michael Hill and Bryan Zekulich are directors of Bombora Investment Management Pty Ltd, which is the manager of the Bombora Special Investments Growth Fund, a substantial holder of the Company. After reviewing the Corporate Governance Principles (4th edition) the Board considers them to be independent as in the board's opinion do not interfere with their ability to act in the best interests of the Company as a whole.</p> <p>b) Non-Independent Directors</p> <p>Iain Dunstan, CEO/Managing Director is not considered independent due to his Executive responsibilities and Patrina Kerr is not considered independent due to her previous executive capacity in Hachiko Pty Ltd, which was acquired by the Company.</p> <p>c) The Company's Annual Report discloses the length of service for each Director as at the financial year end.</p>
Recommendation 2.4	A majority of the board of a listed entity should be independent directors.	Yes	A majority of the Board are considered to be independent directors.
Recommendation 2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Mr Stephen Borness, Independent Non-Executive Director, is the Company's Independent Non-Executive Chairman.

Recommendation 2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Remuneration and Nomination Committee is responsible for developing, implementing and reviewing director induction programmes and continuing education measures to enhance director competencies and update and enhance directors' knowledge and skills in order to develop and maintain the skills and knowledge needed to perform their role as directors effectively.
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PRINCIPLE 3 Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1	A listed entity should articulate and disclose its values.	Yes	The Company has adopted a set of values to shape its culture and drive success. The Company's values are available on its website.
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Recommendation 3.2	A listed entity should: <ul style="list-style-type: none"> a) have and disclose a code of conduct for its Directors, seniorexecutives, and employees; and b) ensure that the Board or a committee of the board is informed of any material breaches of that code 	Yes	The Company's Code ofConduct provides a framework for decisions and actions in relation to ethical conduct in employment. The Code of Conduct is available on the Company's website at https://gratific.com/investor-relations/ . All breaches are reported to the Board.
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Recommendation 3.3	A listed entity should: <ul style="list-style-type: none"> a) have and disclose a whistle-blower policy; and b) ensure that the Board or a committee of the Board is informed of anymaterial incidents reported under that policy. 	Yes	The Company has a Whistleblower Policy which is available on the Company's website at https://gratific.com/investor-relations/ . Material incidents are reported to the Board.
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Recommendation 3.4	A listed entity should: <ul style="list-style-type: none"> a) have and disclose an anti-bribery and corruption policy; and b) ensure that the Board or committee of the Board is informed of anymaterial breaches of that policy. 	Yes	The Company has an Anti-Corruption and Bribery Policy which is available on the website at https://gratific.com/investor-relations/ . All material breaches are reported to the Board.
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PRINCIPLE 4 Safeguard the integrity of corporate reports:

Recommendation 4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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>	Yes	<p>The Company has established an Audit and Risk Committee comprised of Iain Dunstan, Stephen Borness and Bryan Zekulich, a majority of whom are independent directors.</p> <p>The Committee is chaired by Mr Zekulich, Non-Executive Independent Director.</p> <p>The number of meetings held by this Committee during the reporting period is disclosed in the Annual Report.</p> <p>The Audit and Risk Committee Charter is available on the Company's website at https://gratific.com/investor-relations/.</p>
Recommendation 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>	Yes	<p>At the end of the financial year the Board seeks representations from the CEO and CFO prior to approving financial statements that, in their opinion:</p> <ul style="list-style-type: none"> The financial records of the entity have been properly maintained; 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 <p>The opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
Recommendation 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>	Yes	<p>The Company's Board reviews all material periodic unaudited report releases to the public through a review process that includes senior management requests for verification of provided information. Once satisfied with content and source of</p>

information the Board approves the report for release to the market.

PRINCIPLE 5 Make timely and balanced disclosure:			
Recommendation 5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	<p>The Company has a Disclosure and Communication Policy, which sets out the corporate governance measures adopted by the Company to ensure that market releases are presented in a clear and factual way, ensure that shareholders have equal and timely access to material information concerning the Company and to communicate effectively with shareholders.</p> <p>The Disclosure and Communication Policy is available on the Company's website at https://gratific.com/investor-relations/.</p>
Recommendation 5.2	A listed entity should ensure that its board receives copies of all market announcements promptly after they have been made.	Yes	The Board receives copies of market announcements from the Company Secretary as soon as they are released to the ASX.
Recommendation 5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company lodges a copy of any investor presentations containing new or substantive information with the ASX Market Announcements Platform ahead of the presentation.
PRINCIPLE 6 Respect the rights of security holder			
Recommendation 6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance is available on the Company's website at https://gratific.com/investor-relations/ .
Recommendation 6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company has adopted a Disclosure and Communication Policy to facilitate effective two-way communication with investors. This Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website at https://gratific.com/investor-relations/ .
Recommendation 6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	<p>Shareholders are encouraged to participate at all general meetings and AGMs of the Company.</p> <p>The Shareholder Communication Policy is available on the Company's website at https://gratific.com/investor-relations/.</p>

Recommendation 6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	The Company confirms that all substantive resolutions are decided based on poll.
Recommendation 6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders have been given the option to receive information from the share registry electronically or by post. The registry maintains a database of investors who wish to receive information updates about the Company
PRINCIPLE 7 Recognise and manage risk:			
Recommendation 7.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; (ii) is chaired by an independent director and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	Yes	<p>The Company has an Audit and Risk Committee which incorporates both Audit and Risk functions.</p> <p>See above discussion in recommendation 4.1 which is also applicable for recommendation 7.1.</p>
Recommendation 7.2	<p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> (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 (b) disclose, in relation to each reporting period, whether 	Yes	The Company undertook a review of its Risk Management Statement and Risk Management Policy in March.

such a review has taken place.

Recommendation 7.3	<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>	No	<p>Due to the size of the Company, it does not have an internal audit function, however has been an increased focus over the past year with the hiring of a CFO and insourcing the company secretary role.</p> <p>Accordingly, the responsibility of evaluating and improving the effectiveness of the Company's risk management and internal control processes rest primarily with the Audit and Risk Committee. The Audit and Risk Committee Charter identifies risk management and internal compliance and control systems and provides that the Audit and Risk Committee is responsible for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>
Recommendation 7.4	<p>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.</p>	Yes	<p>The Company's business operations have been certified as carbon neutral by Climate Active and Gratific is a Climate Active Network member.</p> <p>The Company has implemented a Modern Slavery Statement outlining its commitment to implementing effective systems and controls to reduce the likelihood of modern slavery taking place within any Gratific business or supply chain. The Statement is available on the Company's website at https://gratific.com/investor-relations/.</p> <p>The Company discloses in its Annual Report whether it has any other material exposure to environmental or social risks and if so, how to manage those risks.</p>

PRINCIPLE 8 Remunerate fairly and responsibly:

Recommendation 8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>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 which incorporates both Remuneration and Nomination functions.</p> <p>See above discussion in recommendation 2.1 which is also applicable for recommendation 8.1.</p>
Recommendation 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>	Yes	<p>Detailed commentary on the remuneration of the executive and Non- Executive Directors and senior executives is set out in the Remuneration Report contained within the Company's Annual report.</p> <p>The Company follows the practice of disclosing the amount of remuneration and all monetary and non-monetary components for each director and executive during the reporting period.</p>
Recommendation 8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. 	Yes	<p>The Company has adopted an equity-based remuneration scheme. The Company's Securities Trading Policy sets out whether the 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). The Securities Trading Policy prohibits participants limiting exposure to elements of their remuneration which have not vested or remain subject to a holding lock, but otherwise participants are permitted to enter into transactions permitted by law. The Securities Trading Policy is available on the Company's website at https://gratifii.com/investor-relations/.</p>



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