



## Corporate Governance Statement

Effective corporate governance is critical to the long-term success of Titomic. The Board and all levels of management are committed to maintaining and enhancing a strong corporate governance framework. Titomic corporate governance policies are available in the Corporate Policies section of the Company's website. The Board regularly reviews these policies and the Company's corporate governance practices against the requirements of both the Corporations Act 2001(Cth) and the Listing Rules of the Australian Securities Exchange (ASX), and current best practice.

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

---

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

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

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

Under the ASX Listing Rules, on 30 September 2022 the Company released Appendix 4G - Key to Disclosures - Corporate Governance Council Principles and Recommendations. This sets out the extent to which the Company has followed the principles and recommendations in the reporting period.

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

The Company is committed to gender diversity in its workplace and the Company has a Diversity, Inclusion and Appropriate Behaviour Policy in place. Whilst no quota is specifically in place the Company has been actively working on diversity and inclusive actions and it is the intention to implement measurable objectives for achieving gender diversity.

The Board has not carried out a performance evaluation this year but a process for evaluating the performance of senior executives has been carried out.

## **TITOMIC**

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



## Principle 2: Structure the Board to be Effective and Add Value

---

### Independence of Directors

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

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

The Board considers that all Directors are independent apart from Herbert Koeck and Jeff Lang. Jeff Lang retires from the Board on the date of the upcoming AGM to be held later in the year.

### Board Committees

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

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

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

### Skills

The Board believes that the Company has a good mix of skills on its Board. The Board intends to review the skills, knowledge and experience represented on the Board against the skills and experience needed to deliver the Company’s strategy on an ongoing basis. The Board intends to prepare and disclose a skills matrix to comply with ASX’s requirements.

## Principle 3: Culture of Acting Lawfully, Ethically and Responsibly

---

### Code of conduct

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

The key aspects of the Code are to:

- act with, honesty, integrity and fairness, and in the best interests of the Company as a whole;
- act in strict compliance with all applicable laws, regulations, policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



- reports of unethical practices;
- avoid conflicts of interest; and
- use the Company's resources and property properly.

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

## Securities trading policy

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

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

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

Those closed periods are currently defined as the following periods:

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

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

## Principle 4: Safeguard the integrity of Corporate Reports

---

### Audit and Risk Management

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

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



Since the retirement of Richard Fox as a Director, currently the Committee comprises Mr. Richard Willson (Committee Chair) and Mr. Humphrey Nolan. In accordance with its charter, it is intended that all members of the Committee should be financially literate and have familiarity with financial management, and at least one member should have relevant qualifications and experience.

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

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

The Board has adopted a policy regarding the services that the Company may obtain from its auditor. The Company does not have an internal audit function.

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

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

The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively

If the Board releases any periodic corporate report to the market that is not audited or reviewed by an external auditor, then it will ensure it receives external professional advice to ensure proper verification of such corporate report

## **TITOMIC**

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



## Principles 5: Make Timely and Balanced Disclosure

---

### Continuous disclosure policy

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

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

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

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

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

The Board receives copies of all material market announcements promptly after they have been made.

If the Company gives a new and substantive investor or analyst presentation then it releases a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

## Principles 6: Respect the Rights of Security Holders

---

### Communications with Shareholders

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

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

The Company has an investor relations program that facilitates effective two-way communication with investors.

The Company ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company gives security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



## Principle 7: Recognise and manage risk

---

### Risk management policy

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

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

The Board and Management, with the full participation of Staff, have implemented and successfully maintained certification of the following 'risk-based thinking' standards AS9100D, ISO9001 and ISO27001, directly addressing the management of risk for process and data security, including cybersecurity, export controls and sanctions regulations, through commitment to regular system review, monitoring and training. This policy acts as the foundation on which Titomic is building a culture encouraging risk-based thinking and promoting continual improvement, resulting in successful and long-term trusted relationships with customers from the Defence and commercial industries and supporting staff engagement and development.

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

## Principle 8: Remunerate fairly and responsibly

---

### Remuneration and Nomination

Under its charter, the Remuneration and Nomination Committee must have at least three members, a majority of whom (including the Chair) must be independent Directors and to the extent possible, Non-Executive Directors. Since the retirement of Richard Fox as a Director, currently the Committee comprises of all Non-Executive Directors being Mr. Richard Willson (Committee Chair) and Mr. Dag Stromme.

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

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

- has coherent remuneration policies and practices which enable the Company to attract and retain executives and Directors who will create value for Shareholders, including succession planning for the Board and executives;
- fairly and responsibly remunerate Directors and executives, having regard to the performance of the Company, the performance of the executives and the general

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



remuneration environment;

- has policies to evaluate the performance of the Board, individual Directors and executives on (at least) an annual basis; and
- has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet the Company's needs.

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

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

The Company does not 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 an equity based remuneration scheme.

30<sup>th</sup> September 2022

---

- - - END - -

**TITOMIC**

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644