

ORCODA LIMITED

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement (**Statement**) outlines the main corporate governance practices currently in place for Orcoda Limited (**Company** or **Orcoda**) and addresses the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Board believes the Company accords with the majority of the principles and recommendations of the ASX Corporate Governance Council.

The corporate governance policies and practices described below are those that have been in place for the 2018-19 financial year, or as at the date of this Statement where indicated. The Board continues to review the governance framework and practices of the Company to ensure they meet the interests of shareholders.

All references to the Company's website are to: www.Orcoda.com

Principle 1: Lay solid foundations for management and oversight

(a) Role of the Board

The Board is committed to effectively representing and promoting the Company, and thereby adding long-term value to all shareholders. The board is accountable to shareholders for the management of the Company's business and affairs and as such is responsible for the overall strategy, governance and performance of the Company. To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Company has established a governance framework at 1(b) below, which sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management.

The Board operates under a formal charter, which can be found on the Company's website.

(b) Governance Framework

The diagram below depicts the operation of the Company's governance framework

BOARD

Formally delegates certain functions to Board Committees and to management via the formal Board and Committee charters.

Directly retains responsibility for a number of matters including:

- Strategy – Overseeing the companies strategic direction
- Oversight of Management - the appointment of the MD, succession planning, monitoring the performance of the MD and senior management and the approval of their remuneration policies
- Shareholders – reporting to shareholders
- Other Stakeholders – maintaining appropriate relationships with Orcoda stakeholders
- Ethics and Responsible Decision-Making – actively promoting ethical and responsible decision making and monitoring compliance with policies governing the operation of the Group.
- Oversight of Financial Management and Capital Management – reviewing and approving the annual operating budgets, approving decisions concerning the capital of the company, and determining dividend policy and approving related dividends
- Compliance and Risk Management – monitoring strategic risk management systems and the integrity of internal control and reporting systems

Audit, Risk and Finance Committee

Key functions

To oversee and review:

- The integrity of the Company's external financial reporting and financial statements
- The appointment, remuneration, independence and competence of Orcoda external auditors;
- The effectiveness of Orcoda system of risk management and internal controls; and
- Orcoda systems and procedures for compliance with applicable legal and regulatory requirements

Remuneration and Nomination Committee

Key functions:

To review and make recommendations on:

- Executive remuneration and incentive policy
- Level of remuneration for non executive directors
- Design of all equity based plans
- Board size and composition
- Criteria for board membership
- Appointment, re-elections and succession.

MD and Senior Executives

(c) Board committees

The ultimate responsibility for the oversight of the operations of the Company rests with the Board. However, the Board may discharge any of its responsibilities through committees of the Board in accordance with the Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Board has established the following standing Board Committees, which assist it with the execution of its responsibilities. The composition and effectiveness of the committees are reviewed on an annual basis:

- Audit, Risk and Finance Committee; and
- Remuneration and Nomination Committee

Each of these committees operate in accordance with specific charters approved by the Board which can be found on the Company's website.

(d) The Company Secretary

The Company Secretary acts as secretary of the Board, attending all meetings of the Board and its committees. The Company Secretary is accountable to the Board through the chairperson on all corporate governance matters and the proper functioning of the Board.

(e) Diversity

In appointing members to the Board, consideration is given to the skills, business experience and educational backgrounds of candidates. The advantage of having a mix of relevant business, executive and professional experience on the Board; the importance of cultural and ethical values; and the benefits of diversity, including gender diversity is also recognized. These factors will also be considered in any future appointments to the Board including any identified skills 'gaps'.

A formal Diversity Policy has been adopted by the Board that outlines the Group's commitment to diversity in the workplace and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. Orcoda promotes an inclusive workplace where employee differences in areas like gender, age, culture, disability and lifestyle choice are valued.

The policy does not include measurable objectives for achieving gender diversity. Due to the current size of the organization and stage of business maturity, this is deemed not necessary at this point in time. In addition, the Group has always had a policy of actively encouraging gender diversity at all levels in the organisation, and a culture that supports workplace diversity. The following proportions of females are provided with respect to the Company:

- The proportion of female directors: 0%
- The proportion of female employees in the whole organisation: 28%
- The proportion of female employees in senior positions: 16%

The Board may consider establishing measurable objectives for achieving gender diversity at later date.

(f) Board and director performance

The Board is committed to enhancing its effectiveness through performance management and review. The Board and Committee review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and to provide recommendations to enhance its effectiveness.

The existing Board and Committee review process involves each director completing a confidential questionnaire covering the role, composition, processes and the carrying out of its responsibilities. The results of the questionnaire and an analysis of these results are then reported to the Board by the company secretary.

The Board has not conducted a performance review in during the year in accordance with the process outlined above. A review of the performance of the Committees was not undertaken during the year due to recent Board and management changes. It is envisaged that a performance review will be undertaken in FY20 of the Board and the Committees.

(g) Senior Executives

The Board delegates the responsibility for the day-to-day management of the Company and implementation of the strategic plan to the Managing Director (**MD**), who is assisted by the executives who report to him.

The MD consults with the Chairman on any matters, which the MD considers, are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board, regardless of value. The authorisation thresholds for the control of expenditure and capital commitments are established and defined in the Company's Delegations and Authorities Policy, which are set to optimise the function and decision-making of the executive as the Company continues to grow and expand, whilst maintaining appropriate oversight by the Board.

Subject to these policy limits and the directions of the Audit and Risk Committee, the MD may sub-delegate the day-to-day running of the Company to the senior executive team. The exercise of delegated authority is restricted to specific organisational functions and roles.

The Delegations and Authorities Policy details the delegated thresholds for various types of commitment and individual positions, as well as the authorisation processes that are required to be followed.

All senior executives are appointed to their positions after a rigorous recruitment process. Each member of the senior executive team, including the executive directors, are employed pursuant to employment contracts, covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. Each contract refers to a specific formal job description. Each contract sets out the remuneration of the executive, including their entitlements to any rights under incentive plans.

(h) Performance of Senior Executives

The evaluation for all executives is based on specific criteria, including the business performance of the Company, whether strategic objectives are being achieved, and the development of management and personnel.

The MD's performance is formally assessed on an annual basis by the Board. All key performance indicators (**KPIs**) are carefully considered by the Remuneration and Nomination Committee, which evaluates the MD's performance and makes recommendations to the Board.

An annual assessment of the performance of all other senior executives is undertaken by the Board on the basis of recommendations by the MD, who conducts performance reviews in relation to each senior executive, as part of that review the MD intends to carry out a leadership and role suitability evaluation of all senior executives with a third party provider to ensure the company has the right people in the right seats to ensure the company can grow. These reports will be done for evaluation by the Board of Directors.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Annual Report under the heading 'Remuneration Report'.

Principle 2: Structure the board to add value

(a) Board size and composition

The Constitution of the Company provides that there will be a minimum of three directors and not more than ten directors.

At the date of this report, the Board comprises the Managing Director, the Chairman, and executive director and two non-executive directors.

The current members of the Board are:

- Mr Nicholas Johansen (Non-Executive Chairman), appointed 21 June 2018
- Mr Brendan Mason (Non-Executive Director), appointed 29 July 2017
- Mr Geoffrey Jamieson (Executive Director), appointed 7 March 2018
- Mr Stephen Pronk (Non-Executive Director), appointed 14 April 2019

The Board will consider bringing other Directors on to the Board to ensure the necessary skill base is in place as required to grow the company.

Directors' details are listed in the Annual Report in the Directors Report, including details of their other listed entity directorships and experience.

(b) Board skills and diversity

The Board considers that its directors and senior management have the combined skills and experience to discharge their respective responsibilities.

The full biographies of all directors are included in the Director's Report in the Annual Report.

The table following sets out the skills and experience considered by the Board to be important for its directors to collectively possess to effectively discharge their duties.

The Board, in FY2020 intends to carry out a third party evaluation of each Board member to ensure they have the skill base to help grow the company into the future.

In addition to the skills and experience set out in table below, the Board considers that each current director has the following attributes:

- Honesty and integrity;
- The ability to think strategically;
- The time available to devote to Orcoda's business;
- A willingness to question and challenge; and
- A commitment to the highest standards of governance.

All directors are expected to use their range of relevant skills, knowledge and experience to apply their judgement to all matters discussed at Board meetings. The Company considers that through their membership the Board of the Company together holds the following core competencies.

SKILL	DESCRIPTION
Strategy	Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions.
Accounting, Finance and Risk	The ability to analyse financial statements and reporting, critically assess the financial performance of the Group, contribute to budget planning and efficient use of capital and resources.
Managerial/Management Experience	A broad range of commercial and business experience in business systems, practices, improvements, risk and compliance, sales, technology and human resources.
Negotiation Skills	The ability to negotiate effective deals across a variety of contexts; including different industries, products and services.
Industry experience	Experience and broad understanding of the resources, ASX industry experience and logistics markets in Australia, including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework.
Investment	Experience in all aspects of the negotiation, structuring, risk management and assessment of both acquisitions and divestments. This also includes expertise in considering and implementing efficient capital management including alternative capital sources and distributions, yields and markets.
IT and Digital Technical Experience	Expertise in the area of technology including governance of technology projects and keeping abreast of emerging technology relevant to the Company.
Government Relations	Expertise in the in the critical analysis of government policy both in terms of policy development, interest group input and lobbying and legislation. Effective networks.
Community Relations	Expertise in managing communication between the Company and the community in which it operates so as to build positive and effective relationships.
Investor Relations	Experience in the integration of finance, communication, marketing and ASX compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation.
Environment	Knowledge of the environment in which the Company operates, the impact the Company has on that environment and related environmental risks.

People and performance	Appreciation for the best practices in HR planning and management with familiarity in employment legislation and labour relations, recruitment, compensation, performance reviews and conflict management.
Legal and compliance	Ability to identify key risks to the group in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
ASX governance	Knowledge and experience in best practice ASX and Corporations Act, governance structures, policies and processes.
China/Asian Experience	An understanding of business operations in China/Asia, legal and compliance matters, key contacts and relationships, and people and cultural considerations.

Whilst the current Board composition meets the Company's needs, this skills and experience analysis will assist to identify opportunities for director training and development and to determine skills gaps that may be addressed through future board appointments.

(c) Director Nomination Matters

Pursuant to its charter (available on the Company's website), the Remuneration and Nomination Committee reviews, and where appropriate, makes recommendations to the board on the size and composition of the board, including assessment of necessary and desirable competencies of board members. To this end, the Remuneration and Nomination Committee will periodically assesses the appropriate mix of competencies, skills, experience and expertise required by the Board and assess the extent to which the required skills and experience are represented on the Board.

The Remuneration and Nomination Committee is also responsible for reviewing and making recommendations to the Board on its membership, including recommendations for the appointment and re-election of directors and where necessary, proposing candidates for consideration by the Board. The Remuneration and Nomination Committee must have regard to the factors set out in the Remuneration and Nomination Committee Charter, including that the Board should comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds in accordance with the Diversity Policy.

Ultimately, the full Board determines who is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence and reference checks.

The Remuneration and Nomination Committee's current membership, the independence of the members and details of Audit and Risk Committee meetings and attendance by each Committee member are set out in this Corporate Governance Statement and the Directors Report in the Annual Report.

(d) Director Remuneration and Induction

Non-executive directors are appointed pursuant to formal letters of appointment which, among other things, set out the key terms and conditions of the appointment, the Board's expectations in relation to the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration.

Non-executive director remuneration is reviewed on an annual basis.

(e) Directors' independence

The majority of its members are independent as required by the relevant ASX Recommendation.

All directors, including the Executive Director, remain mindful of their public responsibilities to exercise their judgement in an unfettered manner and provide effective oversight of management.

All members of the Board, whether independent directors or not, exercise independent judgement in making decisions in the best interests of the Company as a whole.

In determining the independent status of each director, the Board has adopted the approach contained in ASX Principle 2, and specifically assesses the independence of all directors against the criteria outlined in Box 2.3 of the ASX Recommendations.

Taking the issues described in Box 2.3, the Board notes the following:

- Mr Geoffrey Jamieson is not considered to be independent due to his executive position as Acting-CEO and CFO, and by virtue of being a substantial shareholder.
- Mr Stephen Pronk may be considered non-independent by virtue of being a substantial shareholder of the Company.
- Mr Brendan Mason may be considered non-independent by virtue of being an executive director within the past three (3) years.

The Board has considered these other factors, and have determined that despite this association (for Mr Mason and Mr Pronk), the Board considers each to be independent, as their associations do not materially impact their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

Where it is determined that a non-executive director should no longer be considered independent, the Company intends make an announcement to the market.

(f) Directors' interests

Directors are required to keep the board advised of any interest that may be in conflict with those of the Company, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting while the matter is considered in their absence.

The Company has also entered into a deed of disclosure with each director, which is designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' security holdings. Directors and their nominated related party shareholdings, are also monitored to identify changes that may require urgent disclosure.

Standing items at each Board meeting going forward include:

- Director's Security holding Register; and
- Director's Standing Notice Register.

(g) Chairman

The role of Chairman and MD is not occupied by the same person. The Board has agreed that the positions of Chairman and MD must be separate, and the Chairman should remain an independent non-executive director.

Mr Nicholas Johansen was appointed Chairman of the Company on 1 July 2018 and is considered an independent director in accordance with recommendation 2.5 of the ASX recommendations.

(h) Board meetings

The Board typically schedules meetings on a bi-monthly basis, with additional meetings convened as required. Agenda's for each meeting are prepared by the Company Secretary together with the MD and input from the Chairman, and are distributed prior to the meeting together with supporting papers.

Standing items include the MD's report and the financial report, as well as reports addressing matters of strategy, governance and compliance. Senior executives are directly involved in board discussions, and directors have a number of further opportunities to contact a wider Company of employees, including visits to business operations.

Board papers include minutes of board committees as well as papers on material issues requiring consideration. Senior executives are invited to attend board meetings to present on particular operational or strategic items as required, and the board may seek further information on any issue, from any executive.

(i) Independent advice

The Board has a policy of enabling directors to seek independent professional advice for Company related matters at the Company's expense, subject to the prior notification of the Chairman and where the estimated costs are considered to be reasonable.

Principle 3: Act Ethically and Responsibly

(a) Code of conduct and ethical behaviour

The Board acknowledges the need for high standards of corporate governance practice and ethical conduct by all directors and employees of the Company.

The Board has endorsed a Code of Conduct which outlines acceptable behaviour and attitudes expected from all staff to promote and maintain the confidence and trust of all those dealing with the Company.

The Company's Code of Conduct, which may be viewed on the Company's website, is the subject of periodic review to ensure that it covers all relevant issues and sets standards consistent with the Company's commitment to ethical and responsible behaviours.

The code of conduct sets out Orcoda policies on various matters including conflicts of interest, use of Orcoda property, confidentiality, equal opportunity, environment health and safety, compliance with laws and regulations and responsibility to shareholders and the financial community,

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

The code also sets out the consequences for a breach of the code of conduct, including the possibility of legal or disciplinary action.

(b) Employee and director trading in Orcoda Limited securities

In accordance with ASX Listing Rule 12.9, Orcoda has adopted a written policy for dealing in securities which is intended to explain the prohibited type of conduct in relation to dealings in securities under the Corporations Act and to establish a best practice procedure in relation to directors', officers', employees', contractors' and their families and associates' dealings in shares in Orcoda.

The securities trading policy sets out the restrictions that apply to dealing with shares including "closed periods", during which certain persons are generally not permitted to deal with shares along with a procedure under which certain persons are required to submit prior notification and obtain written confirmation prior to dealing in shares outside the "closed periods". Prohibited periods are:

- in the two weeks prior to the release of the Company's quarterly reports and for 1 business day after the release of the report;
- in the 1 month prior to the release of the Company's half-year financial results and for 1 business day after the release of the results;
- in the 1 month prior to the release of the Company's full-year financial results and for 1 business day after the release of the results; or
- for any other time period determined by the Board.

The policy also prohibits short term trading, margin lending, short selling and hedging of the Company's securities.

The Company's Security Trading Policy may be viewed on the Company's website.

Principle 4: Safeguard integrity in corporate reporting

The Audit, Risk and Finance Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Company's financial reporting and the system of internal control. A key component of the Committee's role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil its responsibilities in regard to financial reporting, the internal control environment, and audit management where appropriate across the Company.

The Audit, Risk and Finance Charter, which is available on the Company website, takes into account the roles and responsibilities of the Audit Risk and Finance Committee as well as contemporary governance practices. The Audit, Risk and Finance Committee Charter includes details on the appointment and oversight of the external auditor. The Company will ensure the external auditor is available to shareholders at the Annual General Meeting to answer any questions they may have about the Company's external audit.

The Audit, Risk and Finance's current membership, the independence of the members and details of Audit, Risk and Finance meetings and attendance by each Committee member are set out earlier in this Corporate Governance Statement and the Directors Report in the Annual Report.

The qualifications and experience of the members of the Audit Risk and Finance Committee are outlined in the Directors Report in the Annual Report.

In accordance with the Company's legal obligations and Recommendation 4.2 of the ASX Recommendations, the MD and Group Financial Controller have made the following certifications to the Board in relation to the Financial Statements for each financial period in 2019:

- The financial statements and associated notes comply in all material respects with the Accounting Standards as required by Section 296 of the Corporations Act 2001, Corporations Regulations, International Reporting Standards and other mandatory professional reporting requirements;
- The financial statements and associated notes give a true and fair view, in all material respects, of the financial position and performance of the Company for the period as required by Section 297 of the Corporations Act 2001;

- The financial records of the company have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
- The integrity of the financial statements are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the board of directors;
- The risk management and internal compliance and control systems of the Company relating to financial reporting objectives are operating effectively, in all material respects; and
- Subsequent to the end of the financial period, no changes or other matters have arisen that would have a material effect on the operation of risk management and internal compliance and control systems of the Company.

Additionally the MD and Group Financial Controller are responsible for the identification, assessment, management and reporting of material business risks to the Risk Committee and the Orcoda Board.

Principle 5: Make timely and balance disclosure

The Company is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its shareholders are kept well-informed of all major developments affecting the Company's state of affairs, in order to promote transparency and investor confidence.

Orcoda has adopted a Continuous Disclosure and Shareholder Communication Policy and it incorporates the continuous disclosure framework as set out in the ASX Listing Rules Chapter 3, as well as ASX Listing Rules Guidance Note 8. This policy is available on the Group's website.

The Continuous Disclosure Policy and Shareholder Communication Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. More specifically, the policy:

- Explains the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act;
- Establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of information reported by the Board;
- Establishes processes for the disclosure of price sensitive information, taking into account the clarification provided by ASX Guidance Note 8;
- Establishes internal processes for briefing of analysts, investor and media groups, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market; and
- Outlines authorisation procedures for ASX announcements.

The Continuous Disclosure Policy includes policies on Shareholder Communication as follows:

- Communication of information;
- Analysts and institutional investors;
- Analyst reports;
- Inadvertent disclosure or mistaken non-disclosure;
- Media relations and public statements;
- Reports to shareholders;

- Orcoda website;
- Use of electronic communication and other technology;
- General meetings;
- Notices of meetings;
- Auditor to attend AGM; and
- Shareholder privacy.

Principle 6: Respect the rights of security holders

The Board aims to ensure that its shareholders are kept well-informed of all major developments and business events that are likely to materially affect the Company's operations and financial standing, and the market price of its securities. Information is communicated to shareholders through:

- The Company's website under the Investor Information and Home tabs;
- Annual and half year financial reports lodged with the ASX and made available to all shareholders;
- Announcement of market-sensitive and other information, including annual and half year results announcements and analyst presentations released to the ASX; and
- The Chair and MD's addresses to, and the results of, the Annual General Meeting.

The Company's website contains a large amount of information for investors and this is primarily contained in the 'Home', 'About' and 'Reporting' tabs.

The following information for investors is located under these tabs:

- ASX releases;
- Shareholder reports;
- Media articles;
- Presentations;
- Directors details; and
- Corporate Governance information – including Charters and Policies.

The website has provision for electronic contact to be made with the Company.

The Company has a Continuous Disclosure and Shareholder Communication Policy that includes a formal procedure for dealing with potentially price-sensitive information. The policy sets out how the Company meets its disclosure obligations under ASX Listing Rule 3.1. The Company's policy is to lodge with the ASX and place on its website all market-sensitive information, including annual and half year result announcements and analyst presentations, as soon as practically possible.

The Company produces two sets of financial information each financial year: the half year financial report for the six months ended 31 December and the annual financial report for the year ended 30 June. Both are made available to shareholders and other interested parties.

Shareholders have the right, and are encouraged, to attend the Company's Annual General Meeting, held in October/November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the notice of meeting is also posted on the Company website and lodged with the ASX.

In addition, a document is enclosed with the notice of meeting to invite shareholders to submit questions of the board, auditors or management, which are addressed at the Annual General Meeting.

Shareholders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all shareholders are eligible to vote on all resolutions. Shareholders who cannot attend the Annual General Meeting may lodge a proxy in accordance with the Corporations Act. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

Transcripts of the Chair and MD's reports to shareholders are also released to the ASX upon the commencement of the Annual General Meeting. These transcripts, together with the results of the meeting are also posted on the Company's website and the ASX.

The Company's Disclosure and Shareholder Communication Policy outlines the processes to be followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The policy also outlines requirements for communications with analysts and investors to ensure that the communications are effective and comply with the Company's continuous disclosure obligations.

All shareholders are provided the option to receive communications from the Company and the share registry electronically and are encouraged to do so, with election documentation included in regular mail outs to shareholders.

Principle 7: Recognise and manage risk

The Board is responsible for ensuring that sound risk management framework and policies are in place. The Board has delegated to the Audit, Risk and Finance Committee the responsibility for identifying and overseeing major risks and ensuring that systems are in place to manage them.

In addition, the Audit, Risk and Finance Committee:

- Identifies and assesses the Company's material business risks;
- Regularly reviews and updates the Company's risk profile; and
- Oversees the risk management policies and systems.

The Audit, Risk and Finance Committee's current membership and the independence of the members are set out earlier in this Corporate Governance Statement. Details of Audit and Risk Committee meetings and attendance by each Committee member are outlined earlier in this statement and in the Directors Report contained in the Annual Report.

The Company's risk management framework is integrated with its day-to-day business processes and functional responsibilities.

A review of the Company's risk management framework was not carried out during the year ended 30 June 2019. The committee intends to undertake this review during the FY20 year.

(a) Internal Audit

The Company does not have an internal audit function as the board considers the Company not of the size to warrant such a function. Risk is monitored and managed by reporting to the Audit, Risk and Finance Committee.

(b) Economic, environmental and social sustainability risks

In accordance with Recommendation 7.4, the Audit and Risk Committee has considered whether the group has any material exposure to economic, environmental and social sustainability risks. Economic, environment and social sustainability are not considered key risks at this time.

Principle 8: Remunerate fairly and responsibly

The Board has established a Remuneration and Nomination Committee, which in accordance with its Charter (available on the Company's website), is responsible for reviewing and making recommendations to the Board in respect of:

- Executive remuneration;
- Executive incentive plans;
- Remuneration of the Company's key management personnel;
- Equity based incentive plans;
- Recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the MD and any other executive director and all senior executives reporting directly to the MD; and
- The disclosure of remuneration in the Company's Annual Report.

Details of Remuneration and Nomination Committee are outlined earlier in the Corporate Governance Statement and in the Directors Report contained in the Annual Report.

The Company distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Orcoda policy is to reward executives with a combination of fixed, performance-based and equity-based incentives.

Non-executive directors receive Board fees that are set having regard to the responsibilities and risks of the role and market competitiveness.

For details of the Company's remuneration structure, please refer to the Remuneration Report in the Company's Annual Report.

The use of derivatives or other hedging arrangements for securities of the company is prohibited. This is outlined in the Company's Securities Trading Policy available on the Company's website.

This Corporate Governance Statement was approved by a resolution of the Board on 25 September 2019.