

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

TERRAGEN HOLDINGS LIMITED

ABN / ARBN

36 073 892 636

Financial year ended:

30 JUNE 2020

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website:
<http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/>

The Corporate Governance Statement is accurate and up to date as at *30 June 2020* and has been approved by the board.

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

Date: 19 October 2020

Name of Secretary authorising lodgement:

Kara King

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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

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

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) 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 entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
8.3	A listed entity which has an equity-based remuneration scheme should: (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.	... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement



TERRAGEN HOLDINGS LIMITED

ABN 36 073 892 636

CORPORATE GOVERNANCE STATEMENT

FOR THE PERIOD 11 DECEMBER 2019 TO 30 JUNE 2020

Corporate Governance Statement for the period 11 December 2019 to 30 June 2020

The Board of Terragen Holdings Limited (“Terragen” or “Company”) is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Company and its stakeholders. This corporate governance statement details the compliance of Terragen’s corporate governance framework and practices for the period from 11 December 2019 (being the date of Terragen’s listing on the ASX) to 30 June 2020 with the Third Edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (“ASX Recommendations”).

It is noted that the Fourth Edition of the ASX Recommendations was released in February 2019 and takes effect for a listed entity’s first full financial year commencing on or after 1 January 2020. Many of Terragen’s corporate governance policies and practices as set out in this Corporate Governance Statement also comply with the Fourth Edition of the ASX Recommendations.

ASX recommendation	Compliance by Terragen
Principle 1 – Lay solid foundations for management and oversight <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>	
Recommendation 1.1 A listed entity should disclose the respective roles and responsibilities of its board and management, and those matters expressly reserved to the board and those delegated to management.	<p>Terragen has adopted a formal charter (Board charter) clearly setting out the respective roles and responsibilities of the Board and management.</p> <p>Responsibilities reserved to the Board include:</p> <ul style="list-style-type: none">• providing leadership and setting the strategic objectives of Terragen;• appointing the chairperson;• appointing and when necessary replacing the CEO;• approving the appointment and when necessary replacement of other senior executives of Terragen;• overseeing management’s implementation of Terragen’s strategic objectives and its performance generally;• through the chairperson, overseeing the role of the Company Secretary;• approving operating budgets and major capital expenditure;• overseeing the integrity of Terragen’s accounting and corporate reporting systems, including the external audit;• overseeing Terragen’s process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of Terragen’s securities;• ensuring that Terragen has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;• approving Terragen’s remuneration framework; and• monitoring the effectiveness of Terragen’s governance practices. <p>A copy of the Board Charter is available on Terragen’s website.</p>

ASX recommendations	Compliance by Terragen
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and • provide security holders with all material information in its possession relevant to a decision on whether to elect or re-elect a director. 	<p>The Board undertakes appropriate checks before appointing or nominating Board candidates. In addition, Terragen has established a Nomination and Remuneration Committee to identify and make recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise and the results of appropriate checks.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>All Directors and senior executives have entered into written appointment agreements with Terragen.</p> <p>Specifically:</p> <ul style="list-style-type: none"> • the non-executive Directors have each executed a letter of appointment setting out the terms and conditions of their appointment; and • the Managing Director and senior executives of Terragen have entered into service contracts, setting out the terms and conditions of their employment.
<p>Recommendation 1.4</p> <p>The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company Secretary is accountable directly to the Board, through the chairperson, on all matters to do with the proper functioning of the Board.</p> <p>Terragen has adopted a formal charter (Board charter) setting out the Company Secretary's responsibilities. Under the Board Charter, the Company Secretary is responsible for:</p> <ul style="list-style-type: none"> • advising the Board and its committees on governance matters; • monitoring the Board and committee policy and procedures are followed; • coordinating the timely completion and dispatch of Board and committee papers; • ensuring the business at Board and committee meetings is accurately captured in the minutes; and • helping to organise and facilitate the induction and professional development of Directors and the Company Secretary.

ASX recommendations**Compliance by Terragen**

Recommendation 1.5

A listed entity should:

- 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 entity's progress in achieving them;
- disclose that policy or a summary of it; and
- disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

- (i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
- (ii) 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.

Terragen has a diversity policy (Diversity Policy) in place.

The Diversity Policy entrusts the Board with the responsibility for designing and overseeing the implementation of the Diversity Policy.

Under the Diversity Policy, the Board is:

- required to develop initiatives that will promote and achieve diversity goals;
- responsible for reviewing this diversity policy and will assess the status of diversity within Terragen and the effectiveness of this policy in achieving the measurable objectives which have been set to achieve diversity; and
- responsible for assessing the effectiveness of Terragen's diversity objectives each year.

Terragen is not a relevant employer under the Workplace Gender Equality Act.

As at 30 June 2020, Terragen had not set measurable objectives for achieving gender diversity but intends to do so in the future. The respective proportions of women on the board, in senior executive positions and across the whole organisation as at 30 June 2020 were:

	Number of women	Total	Women as a proportion of the total
Non-Executive Directors	1	6	17%
Senior Management	1	7	14%
Whole organisation	8	21	38%

For the purposes of the above analysis Senior Management includes the Managing Director and the direct reports to the Managing Director.

Recommendation 1.6

A listed entity should:

- have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Before each annual general meeting, the Board assesses the performance of any Director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the Director. The Board (excluding the Chairman) will conduct the review of the Chairman.

ASX recommendations**Compliance by Terragen**

Recommendation 1.7

A listed entity should:

- have and disclose a process for periodically evaluating the performance of its senior executives; and
- disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Under the Board Charter, senior executives' performance will be considered by the independent Directors in a meeting separate to the Board meetings. The Chairman is responsible for ensuring independent Director meetings take place on a regular basis.

No performance evaluation of senior executives was undertaken in the period 11 December 2019 to 30 June 2020; however, it is the intention of the Board that a performance evaluation of senior executives will be undertaken during the financial year ending 30 June 2021.

Principle 2 – Structure the board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

ASX recommendations

Recommendation 2.1

The board of a listed entity should:

- 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:
 - (i) the charter of the committee;
 - (ii) the members of the committee; and
 - (iii) 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
- 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.

Compliance by Terragen

The Board has adopted a dedicated Nomination and Remuneration Committee, which has authority and power to exercise the roles and responsibilities granted to it under a nomination and remuneration committee charter (Nomination and remuneration committee charter), and any other resolutions of the Board from time to time. In the period 11 December 2019 to 30 June 2020, the committee comprised three Directors who were all non-executive Directors, the majority of whom are independent. The chairperson is one of the independent, non-executive Directors.

As at 30 June 2020 the members of the Nomination and Remuneration Committee were:

- Chairperson Dr Gregory Robinson;
- Member Ingrid van Dijken; and
- Member Mr Sam Brougham,

The Nomination and Remuneration Committee Charter is available on Terragen's website.

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.

The Board has not, at this time, adopted a board skills matrix. However, Terragen seeks to appoint directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business. In addition, the Board Charter provides that the Chairman is responsible for overseeing that membership of the Board is skilled and appropriate for Terragen's needs. The Nomination and Remuneration Committee is responsible for identifying candidates with appropriate skills, experience and expertise.

ASX recommendations**Compliance by Terragen**

Recommendation 2.3

A listed entity should disclose:

- the names of the directors considered by the board to be independent directors;
- if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles 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
- the length of service of each director.

As at 30 June 2020, Travis Dillon, Paul Schober, Greg Robinson, John Ryals and Ingrid van Dijken were each considered to be an independent Director.

The Board will regularly assess the independence of each Director in light of the interests disclosed by them. That assessment will be made at least annually at, or around the time, that the Board considers candidates for election to the Board, and each independent Director is required to provide the Board with all relevant information for this purpose.

If the Board determines that a Director's independent status has changed, that determination will be disclosed to the market in a timely fashion.

The period of service of each Director in office as at 30 June 2020 is as follows:

Director	Date appointed
Dr Paul Schober	17 June 2017
Sam Brougham	10 July 2017
Dr Greg Robinson	14 September 2012
Dr John Ryals	11 December 2019
Ingrid van Dijken	11 December 2019
Travis Dillon	1 May 2020
Jim Cooper	25 June 2020

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

As at 30 June 2020, the Board consisted of five independent and two non-independent Directors; as such the Board had a majority of 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 Chief Executive Officer of the entity.

The Chairman of the Board from the Listing Date to 30 June 2020 was Paul Schober who is an independent, non-executive Director.

Jim Cooper was appointed Chief Executive Officer on 25 June 2020. Justus Homburg served as Chief Executive Officer for the period 11 December 2019 to 25 June 2020.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Under the Board Charter, the Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

The Company Secretary is responsible for facilitating the induction and professional development of Directors.

Principle 3 – Act ethically and responsibly

A listed entity should act ethically and responsibly.

ASX recommendations

Recommendation 3.1

A listed entity should:

- have a code of conduct for its directors, senior executives and employees; and
- disclose that code or a summary of it.

Compliance by Terragen

The Board has adopted a code of conduct (code of conduct) which sets out the values, commitments, ethical standards and policies of Terragen and outlines the standards of conduct expected of Terragen’s business and people, taking into account Terragen’s legal and other obligations to its stakeholders.

The Code of Conduct applies to all Directors, as well as all officers, employees, contractors, consultants, other persons who act on behalf of Terragen, and associates of Terragen.

The Code of Conduct covers the following:

- Terragen’s core values;
- conflicts of interest;
- opportunities, benefits and ownership of work;
- anti-bribery and gifts;
- dealings with politicians and government officials;
- confidentiality;
- privacy;
- fair dealing;
- discrimination, bullying, harassment and vilification;
- health and safety;
- protection and use of Terragen’s assets and property;
- compliance with laws;
- responsibility to shareholders and other stakeholders;
- related party transactions;
- insider trading; and
- whistleblower protection.

The Code of Conduct is available on Terragen’s website.

Principle 4 – safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

ASX recommendations

Compliance by Terragen

Recommendation 4.1

The board of a listed entity should:

- have an audit committee which:
 - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (ii) is chaired by an independent director, who is not the chair of the board,
- and disclose:
- (i) the charter of the committee;
 - (ii) the relevant qualifications and experience of the members of the committee; and
 - (iii) 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
- 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.

The Board is committed to following Recommendation 4.1 and has established an Audit and Risk Committee. This committee is responsible for, amongst other things, appointing Terragen's external auditors and overseeing the integrity of Terragen's financial reporting systems and financial statements.

The members of the Audit and Risk Committee during the period from 11 December 2019 to 30 June 2020:

- Chairperson Dr Gregory Robinson;
- Member Dr Paul Schober; and
- Member Mr Sam Brougham,

all of whom were non-executive Directors and the majority who are also independent. The Chairperson was an independent director.

All members of the Audit and Risk Committee have experience in finance and / or the management of publicly listed companies.

Terragen has also adopted an Audit and Risk Committee Charter that is available on Terragen's website.

The Audit and Risk Committee met once during the period 11 December 2019 to 30 June 2020 with all committee members in attendance.

Recommendation 4.2

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.

The Board has implemented a process to receive written assurances from its Chief Executive Officer and Chief Financial Officer that the declarations that will be provided under Section 295A of the Corporations Act are founded on a system of risk management and internal control and that the system is operating in all material respects in relation to financial reporting risks.

The Board obtains these assurances prior to approving the annual financial statements for all half year and full year results.

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Terragen has adopted a formal Disclosure and Communication Policy, where there is an express requirement that the external auditor will attend the AGM and be available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 5 – make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX recommendations

Recommendation 5.1

A listed entity should:

- have a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules; and
- disclose that policy or a summary of it.

Compliance by Terragen

Consistent with the Board’s commitment to improving its disclosure policy, the Board has adopted a Disclosure and Communication Policy, which sets out Terragen’s commitment to the objective of promoting investor confidence and the rights of shareholders by:

- complying with the continuous disclosure obligations imposed by law;
- ensuring that company announcements are presented in a factual, clear and balanced way;
- ensuring that all shareholders have equal and timely access to material information concerning Terragen; and
- communicating effectively with shareholders and making it easy for them to participate in general meetings.

The Disclosure and Communication Policy is available on Terragen’s website at <http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/>

Principle 6 – respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

ASX recommendations

Compliance by Terragen

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Terragen recognises the rights of its shareholders and other interested stakeholders to have easy access to balanced, understandable and timely information concerning the operations of the Terragen Group. The Chief Executive Officer and the Company Secretary will be primarily responsible for ensuring communications with shareholders are delivered in accordance with this strategy and with its current market disclosure policy.

Terragen strives to communicate with shareholders and other stakeholders in a regular manner as outlined in Principle 5 of this statement.

Information concerning Terragen and its governance practices is available on its website at <http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/>

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

As mentioned above under Recommendation 5.1, the Board has adopted a Disclosure and Communication Policy, which supports its commitment to effective communication with its shareholders. In addition, Terragen intends to communicate with its shareholders:

- by making timely market announcements;
- by posting relevant information on its website;
- by inviting shareholders to make direct inquiries to Terragen; and
- through the use of general meetings.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Board encourages participation of shareholders at the Annual General Meeting or any other shareholder meetings to ensure a high level of accountability and identification with Terragen's strategy and goals. Upon the dispatch of any notice of meeting to shareholders, the Company Secretary will send out material with that notice stating that shareholders are encouraged to participate at the meeting.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Terragen's Shareholders may elect to receive information from Terragen and its registry electronically. Otherwise, Terragen and its registry will communicate by post with shareholders who have not elected to receive information electronically.

Principle 7 – recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

ASX recommendations

Compliance by Terragen

Recommendation 7.1

The board of a listed entity should:

- have a committee or committees to oversee risk, each of which:
 - (i) has at least three members, a majority of whom are independent directors; and
 - (ii) is chaired by an independent director;

and disclose:

- (i) the charter of the committee;
 - (ii) the members of the committee; and
 - (iii) 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
- 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.

The Board has adopted a formal Audit and Risk Committee to, amongst other things, ensure Terragen has an effective risk management system in place and to manage key risk areas.

As noted above, for the period from 11 December 2019 to 30 June 2020 the members of the Audit and Risk Committee were:

- Chairperson Dr Gregory Robinson;
- Member Dr Paul Schober; and
- Member Mr Sam Brougham,

all of whom are non-executive Directors and the majority of whom are independent. The Chairperson is an independent non-executive director.

The Audit and Risk Committee met once during the period 11 December 2019 to 30 June 2020 with all committee members in attendance.

Terragen has adopted an Audit and Risk Committee Charter which is available on Terragen's website at

<http://www.terragen.com.au/Corporate/CorporateGovernanceDocuments-444/>

Recommendation 7.2

The board or a committee of the board should:

- review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- disclose, in relation to each reporting period, whether such a review has taken place.

Under the Board Charter, the Board will ensure that Terragen has in place an appropriate risk management framework and will set the risk appetite within which the Board expects management to operate.

Further, it is intended that the Audit and Risk Committee will, among other things, review and update the risk profile and ensure that Terragen has an effective risk management system.

Section 5 of the Company's Prospectus dated 18 October 2019 disclosed the Board's assessment of all material risks to which Terragen is exposed including exposure to economic, environmental and social sustainability risks.

It is intended that the Board will review, at least annually, Terragen's risk management framework.

Terragen will disclose, at the relevant time, whether a review of Terragen's risk management framework was undertaken during the relevant reporting period.

ASX recommendations**Compliance by Terragen**

Recommendation 7.3

A listed entity should disclose:

- if it has an internal audit function, how the function is structured and what role it performs; or
- 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 risk management and internal control processes.

Terragen does not currently have a separate internal audit function. The Audit and Risk Committee and the Board have determined that because of the limited resources of the Company and the scope of the risks involved it is more appropriate for the Audit and Risk Committee to monitor the need for a separate internal audit function.

The Audit and Risk Committee is responsible for ensuring that Terragen has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The committee will also be responsible for conducting investigations of breaches or potential breaches of these internal controls.

In addition, the Audit and Risk Committee will be responsible for preparing a risk profile which describes the material risks facing Terragen, regularly reviewing and updating this risk profile, and assessing and ensuring that there are internal controls in place for determining and managing key risks.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Terragen disclosed all material risks facing Terragen in Section 5 of the Prospectus dated 18 October 2019, including exposure to economic, environmental and social sustainability risks.

Principle 8 – remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives to align their interests with the creation of value for security holders.

ASX recommendations

Recommendation 8.1

The board of a listed entity should:

- have a remuneration committee which:
 - (i) has at least three members, a majority of whom are independent directors; and
 - (ii) is chaired by an independent director;
- disclose:
 - (i) the charter of the committee;
 - (ii) the members of the committee; and
 - (iii) 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
- 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.

Recommendation 8.2

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.

Compliance by Terragen

Terragen has established a Nomination and Remuneration Committee. The committee is responsible for developing, reviewing and making recommendations on:

- the remuneration framework for Directors, including the process by which any pool of Directors' fees approved by security holders is allocated to Directors;
- the remuneration packages to be awarded to senior executives;
- equity-based remuneration plans for senior executives and other employees; and
- superannuation arrangements for Directors, senior executives and other employees.

As noted above, at Listing the members of the Nomination and Remuneration Committee are:

- Chairperson Dr Gregory Robinson;
- Member Ingrid van Dijken; and
- Member Mr Sam Brougham,

all of whom are non-executive Directors and the majority who are independent. The Chairperson is an independent non-executive Director.

Terragen has adopted a Nomination and Remuneration Committee Charter which is available on Terragen's website.

The Nomination and Remuneration Committee did not meet as a separate committee during the period as it was considered more appropriate for the full Board to meet to consider matters related the appointment of new Directors during the period 11 December 2019 to 30 June 2020. All members of the Nomination and Remuneration Committee were present at the meetings of the Board at which the appointment of new Directors was considered.

Each Director and senior executive have entered into a separate agreement with Terragen. The remuneration of Directors and senior executives is to be reviewed annually.

Information regarding Terragen's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives is disclosed in the Remuneration Report included in the company's Annual Report for the year ended 30 June 2020.

ASX recommendations	Compliance by Terragen
<p data-bbox="252 286 475 309">Recommendation 8.3</p> <p data-bbox="252 333 635 389">A listed entity which has an equity-based remuneration scheme should:</p> <ul data-bbox="252 414 635 663" style="list-style-type: none"> <li data-bbox="252 414 635 591">• 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 <li data-bbox="252 616 635 663">• disclose that policy or a summary of it. 	<p data-bbox="676 286 1519 342">Terragen’s Trading Policy is a code that is designed to minimise the potential for insider trading.</p> <p data-bbox="676 367 1519 456">The Trading Policy explains when options or rights under an employee incentive scheme can be exercised and outlines Terragen’s restrictions around margin lending, short-term or speculative trading in Terragen and hedging.</p> <p data-bbox="676 481 1519 524">The Trading Policy is available on Terragen’s website at http://www.terrigen.com.au/Corporate/CorporateGovernanceDocuments-444/</p>

Responsibility for Corporate Governance Framework

The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the ASX Listing Rules. All Directors have unfettered access to the advice and services of the Company Secretary.

Independent professional advice

To fulfil their duties and responsibilities as Directors, each Director (following consultation with the Chairman) may seek independent legal or other professional advice about any aspect of the Company’s operations. Generally, this advice will be available to all Directors. The cost of the advice is borne by the Company.