

SelfWealth Limited Corporate Governance Statement

Year Ended 30 June 2020

SelfWealth Limited (“the Company” or “SelfWealth”) is committed to implementing the highest standards of corporate governance. In determining what those standards should involve, SelfWealth has considered the ASX Corporate Governance Council’s (“the Council”) 3rd Edition Corporate Governance Principles and Recommendations (“ASX Recommendations”).

The table below summarises the Company’s compliance with the 3rd edition of the ASX Corporate Governance Council’s (“CGC”) Principles and Recommendations (“Recommendations”).

Under the ASX Listing Rules, the Company is required to provide an annual Appendix 4G - Key to Disclosures Corporate Governance Council Principles and Recommendations document with the lodgment of the Company’s Annual Report disclosing the extent to which it has followed the recommendations in the reporting period. Except where mentioned below, the Board does not anticipate that it will depart from the ASX Recommendations; however, it may do so in the future if it considers that such a departure would be reasonable.

A review of the Company’s Corporate Governance Framework is performed on a periodic basis to ensure that it is relevant and effective in light of the changing legal and regulatory requirements. The Board of Directors (“the Board”) continues to adopt a set of Corporate Governance Practices and a Code of Conduct appropriate for the size, complexity and operations of the Company.

Unless otherwise stated, all Policies and Charters meet the ASX’s Corporate Governance 3rd Edition Principles and Recommendations and throughout the year ended 30 June 2020 (“Reporting Period”), the Company considers that it has complied with the ASX 3rd Edition Principles and Recommendations and that these have been in effect for the full reporting period.

SelfWealth’s Corporate Governance Statement and other policies can be [found on our website](#).

Corporate Governance Council Recommendation

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Principle 1 – Lay Solid Foundations for Management and Oversight

Recommendation 1.1: Role of the Board and Board Charter

Complies

The Board has adopted a Board Charter which establishes those matters reserved for the Board and authority delegated to management.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objective of the Company.

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of Senior Management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

Year Ended 30 June 2020

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Company's registered office or on its website at www.selfwealth.com.au.

Recommendation 1.2: Pre-appointment checks now covers Senior Executives

Complies

The Company undertakes comprehensive reference checks prior to appointing a Director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of a Director.

Any Director that is being considered for appointment to the Board will be subject to background and probity checks to verify their educational and employment history and to determine if they possess skills and experience that is complementary to the efficient operation and functioning of the Board.

Year Ended 30 June 2020

1.2(a) This process was undertaken in respect of the appointment of Mr Tam Vu as a Non-Executive Director to the Board. Upon Mr Vu's appointment, on 3 February 2020, his details were notified to the ASX.

1.2(b) At the upcoming 2020 AGM to be held in October 2020, Mr John O'Shaughnessy and Mr Tam Vu will stand for re-election and election, respectively. Security holders will be provided with all material information in the AGM Notice of Meeting relevant to a decision on whether to

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re-elect John O'Shaughnessy and elect Tam Vu as Non-Executive Directors for a 3- year term.

Recommendation 1.3: Written agreement with each Director and Senior Executive setting out the terms of their appointment

Complies

All Non-Executive Directors and Senior Executives have written agreements setting out the terms of their appointment.

The terms of the appointment of Non-Executive Directors, Executive Directors and Senior Executives are agreed upon and set out in writing at the time of appointment.

Directors are not appointed for specific terms of appointment and are subject to rotational requirements for re-lection. Criterion for continued office is effective contribution, which is regularly reviewed in the evaluation of the Board's performance.

Disclosure Obligations

The Directors have obligations under a Disclosure of Interests and Transactions in Securities Agreement entered into with the Company to inform the Company of any securities trading in the Company.

Securities Trading Policy

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

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

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

Recommendation 1.4: Company Secretary to be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board

Complies

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

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Recommendation 1.5: Diversity Policy

See below

The current workforce of the Company is made up of individuals with diverse skills, backgrounds, perspectives and experience and this diversity is recognised, valued and respected.

Year Ended 30 June 2020

The following table demonstrates the Company's gender diversity as at 30 June 2020:

	Number of Males	Number of Females	Total	Proportion of Women (%)
Directors	4	-	4	-
Other Senior Executives	3	1	4	20%
Other Company employees	11	4	15	27%
Total Directors & Staff	18	5	23	22%

1.5(a) While the Company is committed to gender diversity in its workplace, the Board believes that the Company is not yet at a size where it is appropriate to implement measurable objectives for achieving gender diversity.

1.5(b) The Company's Diversity Policy is published on the Company's website.

Complies

Recommendation 1.6: Periodically evaluation of performance of the Board, Committees and each Director and disclosure of which

Complies

The Board undertakes an annual evaluation of its performance, and each of the Committees and individual Directors.

Year Ended 30 June 2020

A Board Performance Review and skills evaluation was carried out during the reporting period.

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Recommendation 1.7: Senior Executive review

Complies

All Senior Executives of the Company are subject to an annual performance evaluation. During the reporting period, individual performance evaluations were conducted. This provided feedback and evaluation for future development.

Principle 2 – Structure the Board to Add Value

Recommendation 2.1: Nominations Committee

Complies

The full Board acts as its Nomination Committee and regularly reviews Board membership. This includes an assessment of the necessary and desirable competencies of Board members, Board succession plans, evaluation of the Board's performance and consideration of appointments and removals.

Recommendation 2.2: Board Skills Matrix

Complies

When a Board vacancy occurs, the Nomination Committee identifies the particular skills, diversity, experience and expertise that will best complement Board effectiveness, and then undertakes a process to identify candidates who can meet those criteria.

Year Ended 30 June 2020

During the year, the Board identified Tam Vu to have the requisite skills, diversity, experience and expertise to join the Board as an Independent Non-Executive Director.

The Board has undertaken a review of the performance of John O'Shaughnessy, who stands for re-election at the AGM in October 2020.

A skills matrix (disclosed below) is utilised to assess the relevant criteria for candidates for appointment to the Board.

Skills Matrix

- (a) Accounting/ financial experience
- (b) Business and commercial experience
- (c) Knowledge of the Company's industry

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(d) Executive management experience	
(e) Strategy	
(f) Risk and Compliance oversight	
(g) Corporate Governance and compliance	
(h) Talent management and remuneration oversight	
(i) Relevant technical expertise	

Recommendation 2.3: Independent Directors and assessing independence

Complies

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

With the appointment of 2 new Directors over the past 2 years, the Company considers the Board to be independent.

Year Ended 30 June 2020

The names, skills and experience of the directors in office at the date of this Statement, and the period of office of each Director, are set out in the Directors' Report and in the Annual Report.

2.3(a) The Board currently comprises of three Independent Non-Executive Directors (including the Chairman) and one Executive Director (the Managing Director).

2.3(b) The Board considers that Mr. Tony Lally, Mr. John O'Shaughnessy and Mr. Tam Vu are free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement and accordingly Mr. Tony Lally, Mr. John O'Shaughnessy, Mr. Tam Vu are considered, and have been deemed to be, an independent Director.

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Recommendation 2.4: A majority of the Board of a listed entity should be Independent Directors

Complies

The Board has been formed so that it has an effective mix of personnel, committed to adequately discharging their responsibilities and duties and being of value to the Company.

Year Ended 30 June 2020

The Board considers all current Directors, other than the Managing Director, Mr Robert Edgley, to be independent of management influence. The names of the Directors, their independence under the ASX Recommendations, qualifications and experience are stated in the Directors' Profiles of the Annual Report 2020 along with the term of office held by each.

Recommendation 2.5: Chair of the Board should be an Independent Director

Complies

The roles of Chairman and Managing Director are exercised by separate individuals.

Year Ended 30 June 2020

The Company's Chairman, Mr. Tony Lally, is considered an Independent Director as defined in the ASX Recommendations.

Recommendation 2.6: Director induction

Complies

New Directors are asked to comply with the Company's adherence to Recommendation 1.3 as set out above. New Directors will receive and agree to their Continuous Disclosure obligations and the Company's Share Trading Policy.

New Directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors. New Directors are also introduced to external service providers in order to build the relationships necessary to meet the requirements of the role. New Directors receive a formal letter of appointment setting out the key terms and conditions together with corporate expectations relevant to their appointment. Directors are individually responsible for maintaining relevant and up to date skills and knowledge.

Principle 3 – Act Ethically and Responsibly
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Recommendation 3.1: Code of Conduct

Complies

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

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The key aspects to the code are to:

- Act with honesty, integrity and fairness and in the best interests of the Company as a whole.
- Act in strict compliance with all applicable laws, regulations, policies and procedures.
- Have responsibility and accountability for individuals for reporting and investigating reports of unethical practices.
- Avoid conflicts of interest.
- Use the Company's resources and property properly.

Material breaches of the Code of Conduct are reported to the Audit & Risk Committee and the Board.

3.1(a) The Code of Conduct is available on the company's website

Principle 4 – Safeguard Integrity in Corporate Reporting

Recommendation 4.1: Audit Committee

Complies

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

Minutes of all Committee meetings are provided to the Board and the Chairman of the Committee also reports to the Board after each Committee meeting.

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

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

Year Ended 30 June 2020

4.1(a) Currently, the Committee comprises of Mr. John O'Shaughnessy (Chair), Mr. Tony Lally and Mr. Tam Vu, who are all Independent Non-Executive Directors. In accordance with its charter, it is intended that all Members of the Committee should be financially literate and have

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Compliant

- i) familiarity with financial management, and at least one member should have relevant qualifications and experience. Other Non-Executive Directors of the Board are entitled to be present at all meetings of the Committee. Meetings of the Committee are attended, by invitation, by the Managing Director, the Chief Financial Officer, the Compliance Manager, the engagement partner from the Company's external auditor and such other senior staff or professional people as may be appropriate from time to time.

4.1(a)(iii) The Audit and Risk Committee Charter is disclosed on the Company's website.

iii)

4.1(a)(v) The number of meetings of the Committee held during the year is set out in the Directors' Report.

v)

Recommendation 4.2: CEO and CFO opinion for Financial Reporting

Complies

The CEO and CFO have provided the Board with 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.

Recommendation 4.3: External Auditor to attend AGM

Complies

When the Company releases information to the market that is not audited, any data and figures contained in the report, such as annual financial data, is reviewed to ensure it is accurate and consistent with the Company's audited financial statements and other core data metrics such as active trader growth.

The Company's external auditor attends each Annual General Meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Principle 5 – Make Timely and Balanced Disclosure

Recommendation 5.1: Continuous Disclosure Policy

Complies

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

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

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Compliant

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

All Directors are responsible to ensure that the disclosure policy is adhered to.

All public announcements made by the Company can be obtained from the ASX's website www.asx.com.au.

Principle 6 – Respect the Rights of Security Holders

Recommendation 6.1 Governance information on website

Complies

Shareholders may elect to, and are encouraged to, receive communications from the Company and its share registry electronically.

Information, which is available on the Company's website, is communicated to shareholders via:

- The Annual Report which is also distributed to shareholders where specifically requested.
- The Appendix 4D, containing summarised financial information and a review of the operations during the period since the Annual Report, which is distributed to shareholders where specifically requested.
- Other correspondence regarding matters impacting on shareholders as required.

Presentations at relevant industry and sector conferences.

Recommendation 6.2 Investor relations program

Complies

All marketing, media and external communications are through the General Manager of Marketing or the Company Secretary.

Any Shareholder wishing to make inquiries of the Company is advised to contact the registered office.

Recommendation 6.3: Facilitation and encouragement of participation at meetings of Security Holders

Complies

Shareholders are encouraged to participate in the Annual General Meeting ("AGM") to ensure a high level of accountability and identification with the Company's strategies and goals. Important issues are presented to shareholders as separate resolutions.

Shareholders who are unable to attend the AGM may vote by appointing a proxy using the form included with the Notice of Meeting or via the online facility. The Company's Constitution allows for direct voting at the AGM. Further, shareholders are also invited to submit questions in advance of the AGM so that the Company can ensure those issues are addressed at the meeting.

Year Ended 30 June 2020

For the 2020 AGM, it is intended to conduct a virtual meeting due to restrictions imposed on the physical attendance of shareholders at the meeting

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Compliant

by COVID-19.

Recommendation 6.4: Substantive resolutions of Security Holders to be decided by a poll rather than by a show of hands Complies

The Company has in place, through its share registrar, Link Market Services Limited, a mechanism for substantive resolutions of Security Holders to be decided by a poll rather than by a show of hands.

Year Ended 30 June 2020

Voting on all resolutions will be conducted by a poll at the 2020 AGM.

Principle 7: Recognise and Manage Risk

Recommendation 7.1 Risk Committee Complies

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities. The Audit Committee has established a Risk Management Framework for risk oversight and management within the Company which is periodically reviewed at least annually and updated. In accordance with this policy, management periodically reports to the Board on the management of material business risks and whether those risks are being managed effectively. Management reports to the Board on risk management through regular operations reports, and via direct and timely communication to the Board where and when applicable (refer Principle 4).

Recommendation 7.2: Annual Risk Management Framework review Complies

The Company recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision-making, defines opportunities and mitigates material events that may impact security holder value.

The Board reviews the Company's Risk Management Framework periodically and, in any event, at least annually to satisfy itself that it continues to be sound. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures to help manage these risks.

Year Ended 30 June 2020

A review of the Company's Risk Management Framework occurred during the financial year ended 30 June 2020.

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Recommendation 7.3: Internal Audit Function

N/A

Due to the size and scale of the company there is no internal audit function.

Utilisation of external audit and risk firm to review specific risks in certain areas has been undertaken to ensure the Company is continually improving the effectiveness of risk management and internal control process

Recommendation 7.4: Material exposure to environmental or social risks and, if so, the management of these risks

N/A

The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks

Principle 8 – Remunerate Fairly and Responsibly

Recommendation 8.1: Remuneration Committee

Complies

The Company has in place a HR & Remuneration Committee. Under its charter, this Committee must have at least three members, a majority of whom (including the Chair) must be Independent Directors and to the extent possible, Non-Executive Directors.

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

- Has coherent remuneration policies and practices which enable the Company to attract and retain Executives and Directors who will create value for Shareholders, including succession planning for the Board and Executives.
- Fairly and responsibly remunerate Directors and Executives, having regard to the performance of the Company, the performance of the executives and the general remuneration environment.
- Has policies to evaluate the performance of the Board, individual Directors and Executives on (at least) an annual basis.
- Has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet the Company's needs.

The HR & Remuneration Committee will meet as often as is required by its Charter or other policy approved by the Board to govern the operation of the Committee, but at least once each calendar year.

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

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Compliant

Year Ended 30 June 2020

- 8.1(a) Currently, the Committee comprises of all Independent Non-Executive Directors being Mr Tam Vu (Chair), Mr Tony Lally and Mr John O'Shaughnessy.
- 8.1(a)(iii) The HR & Remuneration Committee Charter is available in the Company's website.

Recommendation 8.2: Remuneration Policies regarding Directors and Senior Executives

Complies

Executives, other than the Non-Executive Directors, are given the opportunity to receive their base remuneration in the form of cash and non-cash benefits. To assist in achieving these objectives, the Company's remuneration policy links the nature and amount of senior executives' remuneration to the Company's financial and operational performance.

All key Senior Executives have the opportunity to qualify for participation in the Company's Short-Term Incentive ("STI") and Long-Term Incentive ("LTI") Plans which currently provide benefits where specified performance criteria are met.

Year Ended 30 June 2020

Current remuneration is disclosed in the Remuneration Report contained in the Directors' Report of the Annual Report 2020.

Shareholders are invited to vote on the adoption of the Remuneration Report at the Company's Annual General Meeting.

Recommendation 8.3: Equity-based remuneration schemes

Complies

Senior Executive Remuneration Policy

- 8.3(a) The Company is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with 'Best Practice' as well as supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. Shares and/or options may also be granted based on an individual's performance, with those granted to Directors subject to Shareholder approval.
- 8.3(b) All participants in an equity based remuneration scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in company securities to any other person.

Non-Executive Director Remuneration Policy

- 8.3(a) Non-Executive Directors are remunerated out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors may be entitled to statutory superannuation, but no other retirement benefits. Non-Executive Directors do not receive performance-based bonuses and do not participate in equity schemes of the Company without prior Shareholder

approval.