

CONNEXION TELEMATICS LTD
ACN 004 240 313
(Company)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 24 August 2022 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company's Corporate Governance Plan is available on the Company's website at <https://connexionltd.com/investors-corporate-info/>.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 (a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	Refer Section 1.2 of the Company's Board Charter for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a Director; and	YES	Refer Section 21 of the Company's Board Charter for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/ Information is included in The Company's Notice of Meetings to shareholders.

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(a) 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.																		
<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>	YES	The Company currently had executed Letters of Appointment with Non-Executive Directors. Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2022 Annual Report.																
<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>	YES	Refer Section 5 of the Company's Board Charter for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/																
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p>	[PARTIALLY/ YES]	<p>Refer to the Company's Diversity Policy for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p> <p>Refer to the Company's Diversity Policy for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p> <p>The proportion of women on the board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows:</p> <table border="1" data-bbox="1326 1086 1975 1442"> <thead> <tr> <th>Gender</th> <th>Board</th> <th>Senior executive positions</th> <th>Whole organisation</th> </tr> </thead> <tbody> <tr> <td>No. of men</td> <td>4</td> <td>3</td> <td>19</td> </tr> <tr> <td>No. of women</td> <td>0</td> <td>0</td> <td>3</td> </tr> <tr> <td>% women</td> <td>0%</td> <td>0%</td> <td>16%</td> </tr> </tbody> </table>	Gender	Board	Senior executive positions	Whole organisation	No. of men	4	3	19	No. of women	0	0	3	% women	0%	0%	16%
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<p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity's most recent “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act.</p>		<p>The Board has not yet set measurable objectives for the Company as the operations are still in ramp up and development sage.</p>
<p>Recommendation 1.6 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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>YES</p>	<p>Refer the Company's Board and Senior Executive Evaluation Policy for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p> <p>No formal performance evaluation was undertaken during the period to June 2021 due to the size and nature of the Company's operations, coupled with the new appointments being made during the year. The Board will undertake such reviews when deemed appropriate.</p>
<p>Recommendation 1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>YES</p>	<p>Refer the Company's Board and Senior Executive Evaluation Policy for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p> <p>No formal performance evaluation was undertaken during the period to June 2021 as there was significant engagement between the executive and Board in order to be able to determine the performance for the year. Further, The CEO was appointed just prior to the beginning of the financial year.</p>
<p>Principle 2: Structure the Board to be effective and add value</p>		
<p>Recommendation 2.1 The Board of a listed entity should:</p>	<p>No</p>	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to nomination.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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>Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p> <p>The Board fulfils the roles and responsibilities that would typically be undertaken by a nomination committee. There are certain matters set out in the Selection and Appointment of New Directors Policy which assist with this process.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.</p>	No	<p>Refer Section 2 of the Company's Board Charter for further detail which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p> <p>The makeup of the Board has remained consistent for a period after undergoing significant change in the 2017 financial year. Further changes were made during the financial year ended 30 June 2021 which included the appointment of a further 2 Independent Non-Executive Directors to supplement the Board skillset. The Board continues to assess its requirements as part of an overall review of the operations and requirements.</p>

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<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>The Board consists of 4 directors, three of whom are considered as Independent non-executive directors being; Mr Robert Downey, Mr Greg Ross and Mr Simon Scalzo.</p> <p>The Board considers each non-executive director to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The other Directors currently considered by the Board to not be independent on the basis that they have also been engaged in executive management or consulting roles or were substantial shareholders or holders of other equity instruments.</p> <p>Other information in respect to each director can be located in the director's report contained within the annual report for the year ended 30 June 2022.</p>
<p>Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.</p>	Yes	<p>The Board consists of 4 directors, three of whom are considered as Independent non-executive directors being; Mr Robert Downey, Mr Greg Ross and Mr Simon Scalzo.</p>
<p>Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	<p>The Chair, Mr Robert Downey is an Independent Director.</p>
<p>Recommendation 2.6 A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>	No	<p>There is no formal policy for inducting new directors however they are provided with relevant policies and information to be able to carry out their functions as a newly appointed director in a diligent and professional manner.</p>
<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p>		
<p>Recommendation 3.1 A listed entity should articulate and disclose its values.</p>	No	<p>The Company has yet to formally articulate and disclose its values. The Company includes similar information on its website which sets out its key strengths and offerings.</p>

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<p>Recommendation 3.2 A listed entity should:</p> <p>(a) have and disclose a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	YES	The Board have adopted a code of conduct. The Code can be found at the following link: https://connexionltd.com/investors-corporate-info/
<p>Recommendation 3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(a) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p>	YES	The Board have adopted a Whistleblower Policy. The Policy can be found at the following link: https://connexionltd.com/investors-corporate-info/
<p>Recommendation 3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.</p>	No	The Company is currently considering the drafting and implementation of an anti-bribery and corruption policy to formally implement processes which are considered an adhered to at present.
Principle 4: Safeguard the integrity of corporate reports		
<p>Recommendation 4.1 The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p>	No	Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the audit committee. Refer to Company's 2022 Annual Report.

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<p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p> <p>The full Board considers matters typically considered by an Audit Committee</p>
<p>Recommendation 4.2</p> <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 the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The CEO and CFO (or equivalent positions held) execute Section 295A declarations and submit to the Board prior to approving the Annual Report.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	YES	<p>The Board receives detailed information in respect to the Quarterly Reports and other Corporate Reports that were required to be lodged with the ASX throughout the year. Management avail themselves to the Board for any queries or further provision of detailed information ahead of approval for release.</p>
<p>Principle 5: Make timely and balanced disclosure</p>		
<p>Recommendation 5.1</p>	YES	<p>The Company has such a policy and can be found at the following link: https://connexionltd.com/investors-corporate-info/</p>

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A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.		
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	The Board receives all announcements prior to release to the market.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	All substantive investor or analyst presentations are released on the ASX Markets Announcement Platform ahead of such presentations.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	YES	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	YES	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/
Recommendation 6.4	YES	All substantive resolutions at securityholder meetings are decided by a poll rather than a show of hands.

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A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.		
<p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	No	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the entity's risk management framework.</p> <p>The full Board considers matters typically considered by a risk Committee.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p>	YES	The Company, through the interaction of the board and management, regularly undertakes reviews of its risk management framework to establish an effective and efficient system for:

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>		<p>(i) identifying, assessing, monitoring and managing risk; and</p> <p>(ii) disclosing any material change to the Group's risk profile.</p> <p>For further detail refer to:</p> <ul style="list-style-type: none"> - Refer to Section 1.2 (c) of the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Partially	<p>The Company does not have an internal audit function. The Audit Committee directly oversees relevant risk areas as part of its risk management function.</p> <p>For further detail refer to:</p> <ul style="list-style-type: none"> - Refer to Section 1.2 (c) of the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>There is no material exposure to environmental and social sustainability risk.</p> <p>In respect to economic risks, A range of factors can influence the level of the Company's sustainability.</p> <ul style="list-style-type: none"> ▪ Funding Risk: - The economic success of the Company may be dependent on the Company being able to raise sufficient funds either through debt or equity in order to further develop its technology. The Board assesses

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		<p>funding on an ongoing basis and ensures the Company is adequately funded. Funding initiatives are considered by the Board and decisions are made based on the circumstances facing the Company.</p> <ul style="list-style-type: none"> ▪ Developing Intellectual Property – the company has a track record of developing conceptual proprietary knowledge, continued development is an important part of the economic sustainability of the company. ▪ Maintaining ownership of existing Intellectual Property. ▪ Developing additional technology.
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1 The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or 	NO	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the remuneration of directors and senior executives</p> <p>The full Board considers matters typically considered by a risk Committee.</p> <p>Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: https://connexionltd.com/investors-corporate-info/</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
(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>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.</p>	YES	<p>Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) and CEO is disclosed in the Company's Annual report, as lodged with the ASX and issued to shareholders.</p> <p>A copy of the latest Annual Report containing this disclosure can be accessed at the Company's website.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	N/A	The Company does not have an equity-based remuneration scheme in place.
Additional recommendations that apply only in certain cases		
<p>Recommendation 9.1</p> <p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>		The Board currently consists of all English-speaking directors.
Recommendation 9.2		N/A

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A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		
<p>Recommendation 9.3</p> <p>A listed entity established outside Australia, and an externally managed 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.</p>		N/A