

## Appendix 4G

### Key to Disclosures

#### Corporate Governance Council Principles and Recommendations

Name of entity

HGL Limited

ABN/ARBN

25 009 657 961

Financial year ended:

30 September 2021

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

- These pages of our annual report:
- This URL on our website: [www.hgl.com.au/site/About-Us/corporate-governance](http://www.hgl.com.au/site/About-Us/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 24 November 2021 and has been approved by the board.

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

Date: 24/11/2021

Name of authorised officer authorising lodgement: Iain Thompson  
Secretary

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>1</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>	
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 (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.	<input checked="" type="checkbox"/>	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	

<sup>1</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>2</sup> 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		Where a box below is ticked, <sup>1</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
1.5	<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>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) 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> <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 and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>1</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
1.7	<p>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><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>1</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>		
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>	
2.2	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.	<input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our Corporate Governance Statement
2.3	<p>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, affiliation 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 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>	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement;
		<p>and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement;</p> <p>and the length of service of each director in our Annual Report.</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>1</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Code of Conduct at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>	
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>		
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>	
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>	<input checked="" type="checkbox"/>
4.3	<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>	<input type="checkbox"/>
		<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>1</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at <a href="http://www.hgl.com.au/site/About-Us">www.hgl.com.au/site/About-Us</a>	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement	
6.4	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.	<input checked="" type="checkbox"/>	
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	



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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
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>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
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 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>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
7.3	<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>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>1</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
7.4	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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Annual Report.	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>1</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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>		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
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>	<input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Remuneration Report of our Annual Report	
8.3	<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>	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>1</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>2</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	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.		<input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable
9.3	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.	<input type="checkbox"/>	<input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable

## HGL Limited

### Corporate Governance Statement

#### Introduction

This HGL Ltd Corporate Governance statement is current at 24 November 2021, and was reviewed and approved by the Board of Directors on that date.

This statement makes reference to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations 3<sup>rd</sup> edition (ASX Recommendations), as released in March 2014.

Copies of all relevant Corporate Governance documents can be found on the HGL Ltd website, at [www.hgl.com.au/site/About-Us/corporate-governance](http://www.hgl.com.au/site/About-Us/corporate-governance).

The following terms have been used to indicate the level of compliance during the year:

- Full – this recommendation was complied with in full for the entire financial year
- Partial – this recommendation was only partially complied with during the year, and HGL continued to not comply with the recommendation in full at 30 September 2020
- Non-compliance – this recommendation was not complied with at all during the year

Where non-compliance is indicated, the Commentary outlines the “why not” in accordance with the ASX Recommendations

Principle	Compliance for full year	Commentary
<b>1: Lay solid foundations for management and oversight</b>		
<b>1.1</b> <i>A listed entity should have and disclose a board charter setting out: 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.</i>	Full	The Company’s Board Charter outlines the roles and responsibilities of the board and management, and can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>
<b>1.2</b> <i>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.</i>	Full	The Company requires these checks to be undertaken.  The Explanatory Information attached to the AGM Notice of Meeting includes all relevant information to assist shareholders to decide on whether or not to elect or re-elect a director.

Principle	Compliance for full year	Commentary
<p><b>1.3</b> <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p>	Full	Each Director and senior Executive has a written agreement in place.
<p><b>1.4</b> <i>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.</i></p>	Full	The role of the company secretary has had dual accountability, with matters to do with the operation of the board accountable to the board, and other matters relevant to the role accountable to the Chief Executive Officer. This accountability is formalised through its inclusion in the Board Charter.
<p><b>1.5</b> <i>A listed entity should:</i></p> <ul style="list-style-type: none"> <li>a) <i>have and disclose a diversity policy;</i></li> <li>b) <i>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</i></li> <li>c) <i>disclose in relation to each reporting period:</i> <ul style="list-style-type: none"> <li>1. <i>the measurable objectives set for that period to achieve gender diversity;</i></li> <li>2. <i>the entity's progress towards achieving those objectives; and</i></li> <li>3. <i>either:</i> <ul style="list-style-type: none"> <li>A. <i>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</i></li> <li>B. <i>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.</i></li> </ul> </li> </ul> </li> </ul> <p><i>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</i></p>	Partial	<p>A copy of the Company's diversity policy can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a></p> <p>HGL does not currently have measurable objectives for achieving gender diversity. The Company employs 5 staff plus the board of Directors, and all roles have low turnover. Further diversification will be considered when a vacancy next arises.</p>
<p><b>1.6</b> <i>A listed entity should:</i></p> <ul style="list-style-type: none"> <li>a) <i>have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</i></li> <li>b) <i>disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</i></li> </ul>	Partial	The board did not undertake a formal periodic evaluation during the year, as board and management resources during the period when a review would ordinarily be undertaken were engaged on other strategic matters.

Principle	Compliance for full year	Commentary
<p><b>1.7</b> 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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Full	The performance of the Senior Executives is reviewed on an ongoing basis by the Board as a whole, and each year as part of the annual salary review and performance incentive consideration.
<b>2: Structure the board to be effective and add value</b>		
<p><b>2.1</b> The board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, and disclose:</li> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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;</li> </ol> <p style="text-align: center;"><u>OR</u></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>	Partial	<p>The functions of a Nomination and Remuneration Committee are carried out by the full board, due to the relative size of the Board of Directors and composition of the board.</p> <p>The historical Nomination and Remuneration Committee Charter (which can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>) has been adopted as an Appendix to the Board Charter, and therefore continues to be the reference point for the board on matters relevant to board structure, including board composition and balance.</p> <p>Cheryl Hayman, an independent Director who was previously the Chair of this Committee, continues to be the designated lead director on nomination and remuneration matters.</p>
<p><b>2.2</b> 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>	Full	<p>The board has developed a skills matrix that outlines the mix of skills and experience the board is looking to achieve in its membership. The skills identified will be used in assessing competency requirements for filling any future board vacancies.</p> <p>Key skills the board aims to achieve include Corporate Governance, e-Commerce, Finance, Importation, Marketing, Risk Management, Strategy Development, Technology, Capital raising and Investor relations.</p>

Principle	Compliance for full year	Commentary
<p><b>2.3</b> <i>A listed entity should disclose:</i></p> <p>a) <i>the names of the directors considered by the board to be independent directors;</i></p> <p>b) <i>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</i></p> <p>c) <i>the length of service of each director.</i></p>	Full	<p>The board currently consists of one independent director, Cheryl Hayman, and four non-independent directors.</p> <p>Peter Miller, Joseph Constable and Sandy Beard are not considered to be independent due to their relationship with substantial shareholders of the Company. Kevin Eley is not considered to be independent due to his previous role as CEO of HGL prior to joining the board and his length of service.</p> <p>Notwithstanding the technical classification of directors as non-independent, all directors act independently in board deliberations and discussions, and in the best interests of shareholders as a whole.</p> <p>Director length of service is outlined in the Directors report in the Annual Report each year.</p>
<p><b>2.4</b> <i>A majority of the board of a listed entity should be independent directors.</i></p>	Non-compliance	<p>HGL does not comply with this recommendation, however notwithstanding the technical classification of directors as non-independent, all directors act independently in board deliberations and discussions, and in the best interests of shareholders as a whole</p>
<p><b>2.5</b> <i>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.</i></p>	Non-compliance	<p>HGL does not comply with this recommendation, however notwithstanding the technical classification of directors as non-independent, all directors act independently in board deliberations and discussions, and in the best interests of shareholders as a whole</p>
<p><b>2.6</b> <i>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.</i></p>	Full	<p>HGL complies with this recommendation.</p>
<p><b>3: Instil a culture of acting lawfully, ethically and responsibly</b></p>		
<p><b>3.1</b> <i>A listed entity should articulate and disclose its values.</i></p>		<p>HGL complies with this recommendation.</p>
<p><b>3.2</b> <i>A listed entity should:</i></p> <p>a) <i>have and disclose a code of conduct for its directors, senior executives and employees; and</i></p> <p>b) <i>ensure that the board or a committee of the board is informed of any material breaches of that code.</i></p>	Full	<p>HGL complies with this recommendation.</p> <p>The code of conduct can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a></p>



Principle	Compliance for full year	Commentary
<p><b>3.3</b> A listed entity should:</p> <p>a) have and disclose a whistleblower policy; and</p> <p>b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Full	<p>HGL complies with this recommendation.</p> <p>The whistleblower policy can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a></p>
<p><b>3.4</b> 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>	Full	<p>HGL complies with this recommendation.</p> <p>The anti-bribery and corruption policy can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a></p>
<b>4: Safeguard integrity of corporate reports</b>		
<p><b>4.1</b> The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, who is not the chair of the board,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the relevant qualifications and experience of the members of the committee; and</li> <li>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;</li> </ol> <p><u>OR</u></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>	Partial	<p>The functions of an Audit Committee are carried out by the full board, due to the relative size of the Board of Directors and composition of the board.</p> <p>The historical Audit and Risk Committee Charter (which can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>) has been adopted as an Appendix to the Board Charter, and therefore continues to be the reference point for the board on matters relevant to financial and corporate reporting and audit matters.</p> <p>Kevin Eley, who was previously the Chair of this Committee, continues to be the designated lead director on audit and reporting matters.</p>
<p><b>4.2</b> 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>	Full	<p>HGL complies with this recommendation, with this declaration provided to the Board for each half year and full year reporting period, prior to the board approving and signing the financial statements.</p>

Principle	Compliance for full year	Commentary
<b>4.3</b> <i>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.</i>	Full	The Board of HGL approves all announcements released to the ASX, after interrogating the contents of the announcement and considering all facts relevant to the announcement for accuracy.
<b>5: Make timely and balanced disclosure</b>		
<b>5.1</b> <i>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</i>	Full	HGL complies with recommendation.  A copy of the continuous disclosure policy can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>
<b>5.2</b> <i>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</i>	Full	HGL complies with recommendation.
<b>5.3</b> <i>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.</i>	Full	HGL complies with recommendation.
<b>6: Respect the rights of security holders</b>		
<b>6.1</b> <i>A listed entity should provide information about itself and its governance to investors via its website.</i>	Full	HGL complies with this recommendation.  All governance documents can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>
<b>6.2</b> <i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</i>	Full	HGL understands the importance of engaging with existing and potential investors.  Contact details for the company and its share registry are provided on the HGL website, which allows shareholders to contact the company. Company announcements are made available on the website and distributed via email to registered users. Shareholders are sent updates following the release of half and full year results and the AGM.  The company will respond to any enquiries that may be made from time to time.  Shareholders are encouraged to attend any General Meeting of the company, and are given the opportunity to ask questions at that time.
<b>6.3</b> <i>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</i>	Full	Shareholders are encouraged to attend any General Meeting of the company, and are given the opportunity to ask questions at that time. Shareholders are also given the opportunity to ask questions in advance of the meeting.

Principle	Compliance for full year	Commentary
<p><b>6.4</b> <i>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</i></p>	Full	HGL complies with recommendation.
<p><b>6.4</b> <i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i></p>	Full	Shareholders are encouraged to deal with both the company and the share registry electronically, with contact details listed on the HGL website.
<b>7: Recognise and manage risk</b>		
<p><b>7.1</b> <i>The board of a listed entity should:</i></p> <p>a) <i>have a committee or committees to oversee risk, each of which:</i></p> <ol style="list-style-type: none"> <li>1. <i>has at least three members, a majority of whom are independent directors; and</i></li> <li>2. <i>is chaired by an independent director, and disclose:</i></li> <li>3. <i>the charter of the committee;</i></li> <li>4. <i>the members of the committee; and</i></li> <li>5. <i>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;</i></li> </ol> <p><u>OR</u></p> <p>b) <i>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.</i></p>	Partial	<p>The functions of a Risk Committee are carried out by the full board, due to the relative size of the Board of Directors and composition of the board.</p> <p>The historical Audit and Risk Committee Charter (which can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>) has been adopted as an Appendix to the Board Charter, and therefore continues to be the reference point for the board on matters relevant to risk management.</p>
<p><b>7.2</b> <i>The board or a committee of the board should:</i></p> <p>a) <i>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</i></p> <p>b) <i>disclose, in relation to each reporting period, whether such a review has taken place.</i></p>	Non-compliance	A formal review of the Company's risk management framework has not been undertaken during the current reporting period.
<p><b>7.3</b> <i>A listed entity should disclose:</i></p> <p>a) <i>if it has an internal audit function, how the function is structured and what role it performs; OR</i></p> <p>b) <i>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.</i></p>	Partial	It is not considered necessary to have an internal function given the size of the HGL Group, its operating activities, and the fact that there is an external audit conducted on its financial systems.

Principle	Compliance for full year	Commentary
<p><b>7.4</b> 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.</p>	Full	The Directors report contained within the Annual Report includes a summary of key risks faced by the Group and how those risks are mitigated.
<b>8: Remunerate fairly and responsibly</b>		
<p><b>8.1</b> The board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, and disclose:</li> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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;</li> </ol> <p><u>OR</u></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>	Partial	<p>The functions of a Nomination and Remuneration Committee are carried out by the full board, due to the relative size of the Board of Directors and composition of the board.</p> <p>The historical Nomination and Remuneration Committee Charter (which can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a>) has been adopted as an Appendix to the Board Charter, and therefore continues to be the reference point for the board on matters relevant to remuneration.</p> <p>Cheryl Hayman, an independent Director who was previously the Chair of this Committee, continues to be the designated lead director on nomination and remuneration matters.</p>
<p><b>8.2</b> 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>	Full	HGL complies with this recommendation, with the Remuneration Report containing a discussion around remuneration policies.
<p><b>8.3</b> 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>	Full	<p>The HGL Share Trading Policy prohibits the use of hedging type transactions to protect against share price fluctuations on shares that are unvested or subject to a trading lock. There is also a prohibition on employees using HGL securities as security against any type of financial product, such as margin loans.</p> <p>A copy of the policy can be found at <a href="http://www.hgl.com.au/site/About-Us/corporate-governance">www.hgl.com.au/site/About-Us/corporate-governance</a></p>
<b>9: Additional recommendations that apply only in certain cases</b>		
<p><b>9.1</b> 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</p>	N/A	We do not have a director in this position and this recommendation is therefore not applicable

Principle	Compliance for full year	Commentary
<i>understands and can discharge their obligations in relation to those documents.</i>		
<b>9.2</b> <i>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</i>	Full	We are established in Australia and this recommendation is therefore not applicable
<b>9.3</b> <i>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.</i>	Full	We are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable