

# SIMAVITA LIMITED

ARBN 165 831 309

## Statement of compliance with ASX Corporate Governance Principles

1. This Statement describes Simavita Limited's (**Company**) corporate governance practices as at the date of admission of the Company to the Official List of ASX Limited (**ASX**).
2. As a company with listed securities on the ASX official list, the Company is required under ASX Listing Rules to provide a statement disclosing the extent to which it will follow, as at the date of its admission to the official list, the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**) and must identify the Recommendations that will not be followed (if any) and reasons for not following them.
3. As set out in section 9.4 of the Company's prospectus for the offer of CHESSE Depository Interests dated 17 December 2014 (**Prospectus**), the Board recognises that to fulfill its responsibilities, sound and effective corporate governance is crucial. The Board has adopted a Corporate Governance Policy which meets a substantial number of the Recommendations.
4. The Company's position in relation to each of the Recommendations is as follows:

No	Principle	Compliance
1.	<b>Lay solid foundations for management and oversight</b>	<b>Board functions (Recommendation 1.1)</b> <ul style="list-style-type: none"><li>• The roles and responsibilities of the Board are set out in section 1.1 the Company's Corporate Governance Policy.</li></ul> <b>Senior executive performance evaluation (Recommendation 1.2)</b> <ul style="list-style-type: none"><li>• The process for evaluating the performance of senior executives is set out in section 1.6 of the Company's Corporate Governance Policy.</li></ul> <p><i>The Company complies with Recommendation 1.1, 1.2 and will comply with Recommendation 1.3.</i></p>
2.	<b>Structure the board to add value</b>	<b>Details of Directors (Recommendations 2.1, 2.2 and 2.3)</b> <ul style="list-style-type: none"><li>• The Directors bring wide and varied experience to the Board. Details of the Director's skills and experience are disclosed in section 3.1 of the Prospectus.</li><li>• A majority of the Directors are independent for the purposes of the Recommendations.</li><li>• The Chairman of the Board is to be an independent non-executive director.</li></ul> <b>Nomination committee (Recommendation 2.4)</b> <ul style="list-style-type: none"><li>• The Company has a Nomination and Remuneration</li></ul>

Committee as set out in section 5 of the Company's Corporate Governance Policy. The Nomination and Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders in ensuring that the Board is appropriately remunerated.

**Board performance evaluation (Recommendation 2.5)**

- The Nomination and Remuneration Committee will meet at least annually to review its performance and compare its performance with the requirements of the Corporate Governance Policy.

*Whilst the Company does not comply with Recommendation 2.2, the Board considers that the composition of the Board and its processes are appropriate. The Company complies with Recommendation 2.1, 2.2, 2.4, 2.5 and will comply with Recommendation 2.6*

3. Promote ethical and responsible decision-making

**Code of conduct (Recommendation 3.1)**

- The Company will comply with section 6 of its Corporate Governance Policy which sets out the Code of Conduct including the responsibility, legal obligations and ethical conduct expected of the employees and directors of the Company.

**Diversity policy (Recommendations 3.2, 3.3, 3.4 and 3.5)**

- The Company will comply with section 2 of its Corporate Governance Policy which sets out its Diversity Policy. The Company's Diversity Policy includes the key principles and measurable objectives used to support the achievement of diversity at all levels of the Company's workforce.

*The Company complies with Recommendation 3.1, 3.2, 3.3, 3.4 and will comply with Recommendation 3.5.*

4. Safeguard integrity in financial reporting

**Audit committee (Recommendations 4.1, 4.2, 4.3 and 4.4)**

The Company has established an Audit and Risk Committee to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal and regulatory compliance and financial reporting. The Audit and Risk Charter is set out in section 4 of the Company's Corporate Governance Policy.

*The Company complies with Recommendation 4.1, 4.2, 4.3 and will comply with Recommendation 4.4.*

5. Make timely and balanced disclosure

**Continuous disclosure policy (Recommendation 5.1)**

- As set out in section 1.11, 3 and 6.4 of the Company's Corporate Governance Policy, the Company is aware of its obligations in respect of continuous disclosure of material information and embraces the principle of providing access to that information to the widest audience of investors.

*The Company complies with Recommendation 5.1 and will comply with Recommendation 5.2.*

6. Respect the rights of shareholders

**Communications policy (Recommendation 6.1)**

- As set out in section 6.5 of the Company's Corporate Governance Policy, the Company has adopted a Shareholder communications strategy to promote effective, timely and accurate communication with its holders of listed securities, market participants and other stakeholders.

*The Company complies with Recommendation 6.1 and will comply with Recommendation 6.2.*

7. Recognise and manage risk

**Risk management (Recommendation 7.1)**

- The Company has a risk management charter and an Audit and Risk Committee.
- The Audit and Risk Committee is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing and prospective actions.

**Risk management and internal control systems (Recommendation 7.2)**

- The Company has internal controls and a risk management system as outlined in section 4.5(c) of its Corporate Governance Policy.

**Assurance under section 295A of the Corporations Act (Recommendation 7.3)**

- The Company will comply with its obligations and obtain the necessary assurances required under section 295A of the Corporations Act.

*The Company complies with Recommendation 7.1, 7.2, 7.3 and*

*will comply with Recommendations 7.4.*

8. Remunerate fairly and **Remuneration (Recommendations 8.1, 8.2 and 8.3)** responsibly

- The Company has a Nomination and Remuneration Committee as set out in section 5 of the Company's Corporate Governance Policy. The Board's Nomination and Remuneration Committee consists of at least 3 independent directors.

*The Company complies with Recommendations 8.1 to 8.3 and will comply with Recommendation 8.4.*