

2020 CORPORATE GOVERNANCE STATEMENT

This corporate governance statement sets out IXUP Limited's (**Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations. This corporate governance statement is current as at 21 October 2020 and has been approved by the board of the Company (**Board**).

| ASX Principles and Recommendations | Comply (Yes/No) | Explanation |
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| 1. Lay solid foundations for management and oversight | | |
| <p>1.1. <i>A listed entity should disclose:</i></p> <p>(a) <i>the respective roles and responsibilities of its board and management; and</i></p> <p>(b) <i>those matters expressly reserved to the board and those delegated to management.</i></p> | Yes | <p>The Board is responsible for the corporate governance of the Company.</p> <p>The Board has adopted a Board Charter which outlines the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws. Pursuant to the Board Charter, the Board assumes responsibilities including, but not limited to the following:</p> <ul style="list-style-type: none"> (a) overseeing the Company, including its control and accountability systems; (b) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Chief Operating Officer (or equivalent), the Chief Financial Officer (or equivalent), the Company Secretary and other senior management personnel; (c) ratifying the appointment, and where appropriate, the removal of, senior executives; (d) in conjunction with members of the senior management team, developing corporate objectives, budgets, strategies and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities; (e) establishing appropriate levels of delegation to the executive Directors, and other senior management personnel to allow them to manage the business efficiently; (f) monitoring actual performance against budgeted or planned performance expectations and reviewing operating information at a requisite level, to |

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| | | <p>understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;</p> <p>(g) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;</p> <p>(h) via management, identifying areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;</p> <p>(i) overseeing the management of safety, occupational health and environmental matters;</p> <p>(j) once it is determined appropriate, forming committees (which may include an audit committee, remuneration committee and/or a nomination committee), and once committees are formed, appointing members to, and reviewing the composition of, those committees;</p> <p>(k) reviewing and approving accounting policies and principles to be adopted by the Company;</p> <p>(l) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review, and are prepared in accordance with the accounting policies approved by the Board for the period under review;</p> <p>(m) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;</p> <p>(n) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;</p> <p>(o) overseeing and ensuring that the Company remains in compliance with its taxation, market disclosure and other regulatory obligations;</p> <p>(p) having a framework in place to ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and</p> <p>(q) reporting accurately to shareholders, on a timely basis;</p> <p>(r) until such Committees are established, performing the functions of the Audit Committee, Nomination Committee and Remuneration Committee.</p> <p>A copy of the Board Charter is available on the Company's website at the following URL: https://investors.ixup.com/investor-centre/?page=corporate-governance</p> <p>The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully</p> |

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| | | informed basis. The Company intends to regularly review the balance of responsibilities between the Board and management to ensure that the division of functions remains appropriate to the needs of the Company. |
| <p>1.2. <i>A listed entity should:</i></p> <p>(a) <i>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</i></p> <p>(b) <i>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></p> | Yes | <p>The Company undertakes backgrounds checks with regards to the person's character, experience, education, criminal record and bankruptcy history prior to nomination for election as a director. Any material adverse information revealed by these checks is released to security holders prior to the general meeting at which they can be elected.</p> <p>When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the security holders of the Company.</p> |
| <p>1.3. <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p> | Yes | <p>Directors and senior executives of the Company are given letters of appointment and/or service agreements prior to their engagement with the Company.</p> |
| <p>1.4. <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> | Yes | <p>The Company Secretary was appointed by and is responsible to the Board through the Chairman. The Company Secretary co-ordinates the Board agenda.</p> |

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| <p>1.5. <i>A listed entity should:</i></p> <p>(a) <i>have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</i></p> <p>(b) <i>disclose that policy or a summary of it; and</i></p> <p>(c) <i>disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</i></p> <p>(1) <i>the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</i></p> <p>(2) <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></p> | <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p> | <p>The Company has adopted a Diversity Policy which outlines the Company's general diversity objectives.</p> <p>A copy of the Diversity Policy is available on the Company's website at the following URL: https://investors.ixup.com/investor-centre/?page=corporate-governance</p> <p>The Company has undertaken a review of its diversity objectives, with the following objectives having been set by the Board:</p> <p>Objective 1: Meet ASX200 target of 40% female representation across the business by June 2022</p> <p>Objective 2: Diversity analysis to develop team/company profile and identify potential diversity issues</p> <p>Objective 3: Ensure equivalent pay for equivalent skill set/role</p> <p>Objective 4: Introduce recruitment processes to alleviate unconscious bias in candidate selection</p> <p>Objective 5: Formalise flexible work arrangements</p> <p>The Company anticipates that it will provide the market an update on its progress towards achieving these objectives from the Corporate Governance Statement for FY21 onwards.</p> <p>The Company's workforce gender demographics for the year ended 30 June 2020 are as follows:</p> <ol style="list-style-type: none"> 1. The proportion of female directors: 33.3% 2. The proportion of female employees who are senior executives: 0% 3. The proportion of female employees in the entire organisation: 30% <p>For the purposes of the Diversity Policy, 'senior management' means an employee who directly reports to the CEO or the Board. There are only currently two members of senior management.</p> |
| <p>1.6. <i>A listed entity should:</i></p> <p>(a) <i>have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</i></p> <p>(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></p> | <p>Yes</p> <p>Yes</p> | <p>The Company has adopted an informal process for the review and evaluation of performance of the Board. The review involves consideration of a number of matters including:</p> <p>(a) comparison of the performance of the Board against the requirements of the Board Charter;</p> <p>(b) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;</p> <p>(c) reviewing the Board's interaction with management;</p> <p>(d) identification of any particular goals and objectives of</p> |

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| | | <p>the Board for the next year;</p> <p>(e) reviewing the type and timing of information provided to the directors; and</p> <p>(f) identification of any necessary or desirable improvements to Board or Committee charters.</p> <p>The Chairman is responsible for conducting performance appraisals of non-executive directors having regard to:</p> <p>(a) contribution to Board discussion and function;</p> <p>(b) degree of independence including relevance of any conflicts of interest;</p> <p>(c) availability for, and attendance at, Board meetings and other relevant events;</p> <p>(d) contribution to Company strategy;</p> <p>(e) membership of, and contribution to, any Board committees; and</p> <p>(f) suitability to Board Structure and composition.</p> <p>The Board is responsible for annually reviewing the performance of the Managing Director. The specific performance measures may include:</p> <p>(a) financial measures of the Company's performance;</p> <p>(b) the extent to which key operational goals and strategic objectives are achieved;</p> <p>(c) development of management and staff;</p> <p>(d) compliance with legal and Company policy requirements; and</p> <p>(e) achievement of key performance indicators.</p> <p>A review was not undertaken in FY20 as the Board determined that it would be more appropriate to conduct a review of the Board's performance in FY21.</p> |
| <p>1.7. <i>A listed entity should:</i></p> <p>(a) <i>have and disclose a process for periodically evaluating the performance of its senior executives; and</i></p> <p>(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></p> | <p>Yes</p> <p>Yes</p> | <p>The Managing Director/CEO (as applicable) is responsible for assessing the performance of senior executives within the Company. This is completed through a formal process involving an annual formal meeting with each senior executive and ongoing informal monitoring throughout each financial year. The basis of evaluation is agreed performance measures.</p> <p>The Company did not undertake formal performance evaluations of senior executives in the financial year ended 30 June 2020 in accordance with the process detailed above.</p> |
| <p>2. Structure the board to add value</p> | | |
| <p>2.1. <i>The board of a listed entity should:</i></p> <p>(a) <i>have a nomination committee which:</i></p> | <p>No</p> | <p>Given the Company's current size and stage of development, the Company does not consider that it is practicable to have a separate nomination committee responsible for the</p> |

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| <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(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; or</i></p> <p>(b) <i>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.</i></p> | Yes | <p>appointment of Directors or to implement a corresponding nomination committee charter. The appointment of new Directors and undertakings of appropriate checks before appointment will be the responsibility of the entire Board. The Board will ensure that all material information to a decision on whether or not to elect or re-elect a Director is provided to security holders.</p> |
| <p>2.2. <i>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.</i></p> | Yes | <p>The Board strives to ensure that it is comprised of Directors with a blend of skills, experience and attributes appropriate for the Company and its business. The Company has a board skills matrix, setting out the mix of skills and diversity of the current Directors of the Company. A copy of the Board Skills Matrix is available on the Company website: https://investors.ixup.com/investor-centre/?page=corporate-governance</p> |
| <p>2.3. <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> | Yes | <p>The Board has reviewed the position and associations of each of the Directors in office during the reporting period and has determined that the following current directors of the Company are considered independent:</p> |
| | Yes | <ul style="list-style-type: none"> • Mr Grant Paterson; • Mr Scott Wilkie (resigned, 31 July 2020); and • Ms Freya Smith. |
| | Yes | <p>In making this determination, the Board has had regard to the independence criteria in the ASX Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other directors as appropriate.</p> |
| | | <p>The Company has disclosed the details of each Director (including their length of service) in the Company's 2020 Annual Report.</p> |

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| 2.4. <i>A majority of the board of a listed entity should be independent directors.</i> | Yes | The Board considers that three of the five Directors were independent Directors during the reporting period. |
| 2.5. <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> | Yes | The Company's current Chairman is Mr Grant Paterson, who is an independent director and is not the same person as the CEO. The CEO of the Company during the reporting period was Mr Peter Leihn (resigned, 31 July 2020). |
| 2.6. <i>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</i> | Yes | <p>The Company has an induction programme for each new Director upon appointment. This includes meeting with members of the existing Board and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.</p> <p>On an ongoing basis, and subject to approval of the Chairman, Directors may request and undertake training and professional development, as appropriate, at the Company's expense.</p> |
| 3. Promote ethical and responsible decision-making | | |
| 3.1. <i>A listed entity should:</i> | | |
| (a) <i>have a code of conduct for its directors, senior executives and employees; and</i> | Yes | <p>The Board is committed to the establishment and maintenance of appropriate ethical standards in order to instil confidence in both clients and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct which outlines how the Company expects each person who represents it to behave and conduct business.</p> <p>A copy of the Code of Conduct is available on the Company's website at the following URL: https://investors.ixup.com/investor-centre/?page=corporate-governance</p> |
| (b) <i>disclose that code or a summary of it.</i> | Yes | |
| 4. Safeguard integrity in financial reporting | | |
| 4.1. <i>The board of a listed entity should:</i> | | |
| (a) <i>have an audit committee which:</i> | | <p>The Company, considering its current size and stage of development, does not have a separately constituted audit committee.</p> <p>The Company in general meetings is responsible for the appointment of external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.</p> |
| (1) <i>has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i> | No | |
| (2) <i>is chaired by an independent director, who is not the chair of the board, and disclose:</i> | No | |
| (3) <i>the charter of the committee;</i> | No | |
| (4) <i>the relevant qualifications and experience of the members of the committee; and</i> | No | |
| (5) <i>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</i> | No | |

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| <i>(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.</i> | Yes | |
| 4.2. <i>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.</i> | Yes | The Company has received a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and comply with the proper standards. |
| 4.3. <i>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</i> | Yes | An external auditor will be present at the AGM and be available to answer questions from security holders relevant to the audit. |
| 5. Make timely and balanced disclosure | | |
| 5.1. <i>A listed entity should:</i> <i>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</i> <i>(b) disclose that policy or a summary of it.</i> | Yes | The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well-informed market in its securities and compliance with the continuous disclosure requirements imposed by law, including the Corporations Act and the ASX Listing Rules. |
| | Yes | A copy of the Company's Continuous Disclosure Policy is available at the following URL: https://investors.ixup.com/investor-centre/?page=corporate-governance |
| 6. Respect the rights of shareholders | | |
| 6.1. <i>A listed entity should provide information about itself and its governance to investors via its website.</i> | Yes | The Company provides information about itself and its governance to its investors on the Company's website via the following URL: https://investors.ixup.com/Investor-Centre/ |
| | | The Company will regularly update the website and contents therein as deemed necessary. |

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| 6.2. <i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</i> | No | The Company does not have a formal investor and media relations plan in place. |
| 6.3. <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> | Yes | <p>The Company has a formal shareholder communications policy in place whereby information will be communicated to shareholders through:</p> <ul style="list-style-type: none"> (a) continuous disclosure of all relevant financial and other information to the ASX; (b) periodic disclosure through the annual report (or concise annual report), half year financial report and quarterly reporting of corporate activities; (c) notices of meetings and explanatory material; (d) the annual general meeting; (e) periodic newsletters or letters from the Chairman or Managing Director; and (f) publishing information on the Company's website at www.ixup.com/. <p>A copy of the Company's formal shareholder communications policy is available at the following URL: https://investors.ixup.com/investor-centre/?page=corporate-governance</p> |
| 6.4. <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> | Yes | The Company encourages shareholders to register for receipt of announcements and updates electronically. |
| 7. Recognise and manage risk | | |
| 7.1. <i>The Board of a listed entity should:</i> | | |
| (a) <i>have a committee or committees to oversee risk, each of which:</i> | | |
| (1) <i>has at least three members, a majority of whom are independent directors; and</i> | No | The Company, due to its size and current stage of development, does not have a separately constituted risk committee. As the Company develops, the Board intends to review its practices, and if deemed necessary, establish a risk committee. |
| (2) <i>is chaired by an independent director,</i> | No | The Board is currently responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings. |
| and disclose: | | |
| (3) <i>the charter of the committee;</i> | No | |
| (4) <i>the members of the committee; and</i> | No | |
| (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> | No | The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity. |
| or | | |
| (b) <i>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact</i> | Yes | |

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| <i>and the processes it employs for overseeing the entity's risk management framework.</i> | | |
| <p>7.2. <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</i></p> <p>(b) <i>disclose in relation to each reporting period, whether such a review has taken place.</i></p> | <p>Yes</p> <p>Yes</p> | <p>The Company currently has in place a risk framework, including a risk register, which continuously reviewed. The Company confirms that such a review took place in FY20.</p> |
| <p>7.3. <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> | <p>No</p> <p>Yes</p> | <p>The Company does not have an internal audit function and does not disclose the processes it uses to improve risk management.</p> <p>Nonetheless, the Company remains committed to continually improving the effectiveness of its risk management and internal control processes through:</p> <ul style="list-style-type: none"> (a) regular Board meetings; (b) annual reports by Management to the Board on the efficiency and effectiveness of risk management; (c) six-monthly external audits; and (d) rigorous appraisal of new investments and retaining advisers familiar with the Company. |
| <p>7.4. <i>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.</i></p> | Yes | <p>All material risks to economic, environmental and social sustainability risks will be announced to the market, in accordance with the requirements of the ASX Listing Rules and otherwise.</p> |
| <p>8. Remunerate fairly and responsibly</p> | | |
| <p>8.1. <i>The Board of a listed entity should:</i></p> <p>(a) <i>have a remuneration committee which:</i></p> <p>(1) <i>has at least three members, a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the members of the committee; and</i></p> <p>(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</i></p> | No | <p>The Company does not have in place a separately constituted remuneration committee due to the size of current operations of the Company.</p> <p>The determination of a Director's remuneration is considered and determined by the Board (in the absence of that Director) having regards to the inputs and value to the Company of the contribution by that Director.</p> <p>The Board may award additional remuneration to Directors called upon to perform extra services or make special exertions on behalf of the Company</p> |

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| <p><i>the members at those meetings; or</i></p> <p><i>(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.</i></p> | Yes | |
| <p>8.2. <i>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.</i></p> | Yes | <p>The Company has adopted a Remuneration Policy which outlines the remuneration of non-executive and executive directors.</p> <p>A copy of the Company's Remuneration Policy is available at the following URL: https://investors.ixup.com/investor-centre/?page=corporate-governance</p> |
| <p>8.3. <i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p><i>(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</i></p> <p><i>(b) disclose that policy or a summary of it.</i></p> | Yes | <p>The Company has a Securities Trading Policy that prohibits Key Management Personnel (including directors and the Company Secretary) from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements (or vested entitlements that remain subject to a holding lock) relating to any element of their remuneration.</p> <p>A copy of the Securities Trading Policy is available on the Company's website at the following URL: https://investors.ixup.com/investor-centre/?page=corporate-governance</p> |