

## ANGEL SEAFOOD HOLDINGS LTD

ACN 615 035 366

### 2019 CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement discloses the extent to which Angel Seafood Holdings Ltd (Company) follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition) (**Recommendations**). This Corporate Governance Statement should be read in conjunction with the 2019 Annual Report which is available at [www.angelseafood.com.au/investors](http://www.angelseafood.com.au/investors).

The Company has adopted a Corporate Governance Plan which provides the terms of reference for the Company's corporate governance duties. This is available on the Company's website at [www.angelseafood.com.au/investors](http://www.angelseafood.com.au/investors).

Recommendations	Comply	Explanation
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>The Company has adopted a Board Charter that sets out the specific 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.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website. See <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a></p>

Recommendations	Comply	Explanation
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>The Company has guidelines for the appointment and selection of members of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. These detailed checks were undertaken as part of the due diligence process before appointment of Directors at the time of initial ASX listing.</p> <p>The whole Board is currently undertaking the responsibilities of the Nomination Committee (see also section 2.1 below), including in relation to considering candidates for re-election or election at the 2018 and 2019 Annual General Meetings.</p> <p>Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. The required information was included in the Notice of Meeting for the 2018 Annual General Meeting and will be included in the Notice for the 2019 Annual General Meeting.</p>
<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	<p>The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has written agreements with each of its Directors and senior executives.</p>
<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	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>

Recommendations	Comply	Explanation																
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) 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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>a. the measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them; and</p> <p>b. either:</p> <p>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</p> <p>ii. 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>Partially</p>	<p>The Company has adopted a Diversity Policy which reflects the Company’s commitment to realising the benefits that flow from fostering a balanced and diverse workforce – one which embraces differences in age, gender, culture and physical ability.</p> <p>The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives if any have been set and the Company’s progress in achieving them. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company’s website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p> <p>The Board does not presently intend to set measurable gender diversity objectives because:</p> <p>(a) the Company is in the very early stages of its growth and the establishment now of fixed gender targets would introduce rigidity and complication to the process of identifying appointees based on skill and merit; and</p> <p>(b) historically the industry has not attracted a significant proportion of women, so the Board wants to firstly analyse and consider the female participation rate, and second, understand the drivers for increased female representation at various levels of seniority before committing to measurable objectives for gender diversity.</p> <p>The need for measurable objectives is reviewed annually to take into account the Company’s growth, the historical gender mix, and changes in community and industry perceptions.</p> <p>The respective proportions of men and women in the Company as at 30 June 2019 were as follows:</p> <table border="1" data-bbox="1279 1190 2170 1321"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Total number</th> </tr> </thead> <tbody> <tr> <td>Non-executive Directors</td> <td>100%</td> <td>0%</td> <td>3</td> </tr> <tr> <td>Senior Executives</td> <td>100%</td> <td>0%</td> <td>2</td> </tr> <tr> <td>Other staff</td> <td>73.7%</td> <td>18.2%</td> <td>22</td> </tr> </tbody> </table> <p>For the purposes of the table above, ‘Senior Executives’ is defined as the CEO, who is also an executive director, and the Chief Financial Officer, who were listed as key management personnel (KMP) in the annual financial report.</p>		Male	Female	Total number	Non-executive Directors	100%	0%	3	Senior Executives	100%	0%	2	Other staff	73.7%	18.2%	22
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Recommendations	Comply	Explanation
		The Company is not a “relevant employer” under the Workplace Gender Equality Act because it has fewer than 100 employees.
<p>Recommendation 1.6</p> <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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Company’s Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company’s Corporate Governance Plan, which is available on the Company’s website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p> <p>The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process. Due to the relatively short period since initial ASX listing in 2018, the Board intends that formal evaluations of the Board and its Committees will be conducted in FY20. In the interim, a continuous improvement process has been undertaken and changes to process have been implemented as a result of regular informal evaluations of learnings to date, forward work plans, effectiveness and performance. The Board last considered performance of the Non-executive Directors in August 2019 as part of the annual remuneration review. The Chairman and Board considered performance of individual non-executive Directors as part of the process for determining recommendations to shareholders for Director re-elections at the 2018 and 2019 AGMs.</p>

Recommendations	Comply	Explanation
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; 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>	<p>Yes</p>	<p>The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance and remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means KMPs (as defined in the Corporations Act) other than a non-executive Director. The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website at <a href="http://www.angelseafood.com.au">www.angelseafood.com.au</a>.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. A performance evaluation for the Chief Executive Officer (CEO) was undertaken by the Board in respect of the CEO's performance in the period to 30 June 2018 and in relation to the first Short-term Incentive key performance indicator, which was due for completion by 30 September 2018. A further evaluation for the CEO was undertaken in respect of performance to 31 December 2018 and completion of performance hurdles to that date, in respect of which the Board approved vesting of Performance Shares in February 2019. Performance evaluations for the CEO and CFO in respect of FY19 performance have been conducted. Further details are contained in the Remuneration Report section of the Directors' Report forming part of the 2019 financial statements. A copy is available on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p>

Recommendations	Comply	Explanation
<b>Principle 2: Structure the Board to add value</b>		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>a. has at least three members, a majority of whom are independent directors; and</li> <li>b. is chaired by an independent director, and disclose: <ol style="list-style-type: none"> <li>c. the charter of the committee;</li> <li>d. the members of the committee; and</li> <li>e. 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</li> </ol> </li> </ol> <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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Board has determined that the function of the Remuneration and Nomination Committee is most efficiently carried out with full board participation and accordingly, the Company has elected not to establish a separate Remuneration and Nomination Committee at this stage.</p> <p>As a result, the duties that would ordinarily be assigned to the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter are carried out by the full board.</p> <p>A copy of the Remuneration and Nomination Committee Charter is available in the Corporate Governance Plan on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p> <p>The Board devotes time at board meetings to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>The Board skills matrix is set out in the Company's Corporate Governance Plan (see <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>) and shows that the Board of the Company comprises directors with a broad range of complementary technical, commercial, financial and other skills, experience and knowledge relevant to overseeing the business, risk management and governance of the company.</p> <p>The Board skills matrix is reviewed periodically as a tool to assess the appropriate balance of skills, experience, independence and knowledge necessary for the Board to discharge its duties and responsibilities effectively.</p>

Recommendations	Comply	Explanation
<p>Recommendation 2.3</p> <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, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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</p> <p>(c) the length of service of each director</p>	Yes	<p>The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considered the independence of Directors in detail during the reporting period. The Board considers both each non-executive Director to be independent.</p> <p>Details of the independence status of Directors and their length of service are included in the Directors' Report in the 2019 Annual Report (see <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>).</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	Yes	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>During FY19, the Board comprised a total of 4 directors, three of whom were considered to be independent, non-executive Directors, including the Chairman who has a casting vote.</p>
<p>Recommendation 2.5</p> <p>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 Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. The Chairman, Tim Goldsmith is an independent non-executive director and is not the CEO of the Company.</p>

Recommendations	Comply	Explanation
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively</p>	<p>Yes</p>	<p>The Company's program for the induction of new directors is tailored to each new Director depending on their personal requirements, background skills, qualifications and experience and includes the provision of a formal letter of appointment and an induction pack containing sufficient information to allow the new Director to gain an understanding of the business of the Company and the roles, duties and responsibilities of Directors. Each of the current directors was briefed extensively by management &amp; existing Directors prior to their appointment. This included field visits and the provision of documentation in relation to policies and strategic plans.</p> <p>All Directors are encouraged to undergo continual professional development and, subject to prior approval by the Chairman, all Directors have access to numerous resources and professional development training to address any skills gaps.</p> <p>In addition, opportunities to develop the skills and experience of individual board members are considered as part of the Company's annual board performance review process.</p> <p>Directors regularly undertake site visits to the Company's operations.</p>
<b>Principle 3: Act ethically and responsibly</b>		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Yes</p>	<p>The Company has a Corporate Code of Conduct that applies to its Directors, employees and contractors.</p> <p>The Company's Corporate Code of Conduct is available in the Corporate Governance Plan on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p>

Recommendations	Comply	Explanation
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>a. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>b. 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>c. the charter of the committee;</li> <li>d. the relevant qualifications and experience of the members of the committee; and</li> <li>e. 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</li> </ol> <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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Yes</p>	<p>The Board has a designated and separate Audit and Risk Committee.</p> <p>The Company's Audit and Risk Committee has three members, all of whom are independent, non-executive Directors. The Committee is chaired by a Director who is not the Chair of the Board and is independent.</p> <p>Members of the Committee are: Ashley Roff (Chairman), Michael Porter and Tim Goldsmith.</p> <p>The Audit and Risk Committee Charter is included in the Corporate Governance Plan available on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>. Qualifications and experience of Committee members are included in the Directors' Report in the Company's 2019 Annual Report, available on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p> <p>The Audit and Risk Committee meets at least three times per year in accordance with its Charter. Details of the number of meetings and attendance of members are included in the Directors' Report in the Company's 2019 Annual Report, available on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>. In the financial year ended 30 June 2019, 5 meetings of the Committee were held. In the period since the end of the financial year to the date of this report, 2 meetings have been held.</p>

Recommendations	Comply	Explanation
<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 Company's Audit and Risk Committee is responsible for ensuring that, before the Board approves the Company's interim and annual financial reports, the Company has received from its CEO and person fulfilling the role of CFO, for the financial statements for each period including quarterly, half-yearly and full year, a declaration that the financial records of the Company 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> <p>These CEO-CFO declarations were provided in respect of each of the quarterly, half-yearly and full year reports during FY19 and to the date of this report.</p>
<p>Recommendation 4.3</p> <p>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.</p>	Yes	<p>The Company will ensure its external auditor attends each AGM (in person or by telephone) and is available to answer questions from security holders relevant to the audit.</p> <p>The external auditor attended the Company's 2018 AGM.</p>
<b>Principle 5: Make timely and balanced disclosure</b>		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the ASX listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has adopted a Continuous Disclosure Policy which details the processes and procedures which have been adopted by the Company to ensure that it complies with its continuous disclosure obligations as required under the ASX Listing Rules and other relevant legislation.</p> <p>The Continuous Disclosure Policy, included in the Corporate Governance Plan, is available on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p>

Recommendations	Comply	Explanation
<b>Principle 6: Respect the rights of security holders</b>		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>Shareholders can access information about the Company and its governance (including its Constitution and adopted governance policies) from the Company's website on the "Corporate Governance" page at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a></p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors</p>	Yes	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders.</p> <p>A copy of the Company's Shareholder Communications Strategy policy is included in the Corporate Governance Plan which is available on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>Shareholders have the option of electing to receive all shareholder communications by e-mail and can update their communication preferences with the Company's registrar at any time.</p> <p>The Shareholder Communications Policy available in the Corporate Governance Plan at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a> confirms the Company's position that shareholders are actively encouraged to participate at all general meetings of the Company. The Notice of Meeting for the Annual General Meeting encourages shareholder participation, including by appointment of a proxy if they are unable to attend a meeting in person. At the meeting, as indicated in the Explanatory Memorandum accompanying the Notice of Meeting, the Chairman provides an appropriate opportunity for shareholders to ask questions and make comments.</p>

Recommendations	Comply	Explanation
<b>Principle 7: Recognise and manage risk</b>		
<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> <ol style="list-style-type: none"> <li>a. has at least three members, a majority of whom are independent directors; and</li> <li>b. is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>c. the charter of the committee;</li> <li>d. the members of the committee; and</li> <li>e. 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</li> </ol> <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>	<p>Yes</p>	<p>The Board has an Audit and Risk Committee comprising three members, the majority of whom are independent non-executive Directors. The Committee is chaired by a Director who is not the Chair of the Board and is independent.</p> <p>Members of the Committee are: Ashley Roff (Chairman), Michael Porter and Tim Goldsmith.</p> <p>The Audit and Risk Committee Charter is available in the Corporate Governance Plan on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p> <p>In accordance with its Charter, the Audit and Risk Committee meets at least three times per year. At each meeting, the Committee undertakes the roles and responsibilities associated with overseeing risk and maintaining the Company's risk management framework. Details of the number of meetings in FY19 and attendance of members are included in the Directors' Report in the Company's 2019 Annual Report, available on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>. In the period since the end of the financial year, 2 meetings have been held.</p>

Recommendations	Comply	Explanation
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	Partially	<p>The Company's process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. The Company's Risk Management Policy (in the Corporate Governance Plan at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>) details the Company's disclosure requirements with respect to the review of the Company's risk management procedures and internal compliance and controls.</p> <p>The Company undertook an extensive risk identification process in the 2017/18 financial year to prepare for its IPO in February 2018. A summary of this work was recorded in the Company's IPO Prospectus (see <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>) and updated details are also described in the 2019 Annual Report. The Board has actively continued to monitor the Company's exposure to these risks at each Board meeting and Audit and Risk Committee meeting. Formal review and a substantial body of work on further development of the formal risk management framework (including refinement of the risk register and measurement and mitigation strategies) to improve the maturity of the framework was commenced in FY19 and is continuing.</p>
<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 risk management and internal control processes.</p>	Yes	<p>The Audit and Risk Committee is responsible for monitoring the need for a formal internal audit function. Due to the size and nature of the Company's operations, the Company does not consider it necessary to establish a formal internal audit function at this stage.</p> <p>The effectiveness of internal controls is the responsibility of the CEO and the CFO who was appointed in February 2019, overseen by the Audit and Risk Committee. Prior to the appointment of the CFO, this was the responsibility of the external accounting firm responsible for the preparation of the Company's monthly management and statutory accounts. The CFO is responsible for evaluation of existing controls and implementation of improved processes and a number of improvements have been implemented in 2019. In addition, the external Auditor reports to the Audit and Risk Committee on irregularities (if any observed) and recommends particular areas of focus and testing for the purposes of continuous improvement of each Audit. The CEO is required to report to the Board and the Audit and Risk Committee at each meeting on any known breaches of</p>

Recommendations	Comply	Explanation
		Company policy and procedures. The CEO and CFO are required for the Company's quarterly reports and half year and annual accounts to assure the Board in writing that in their opinion the Company maintains a sound system of risk management and internal control which is operating effectively.
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The nature of its agribusiness operations, products, location, water tenure and future growth strategies expose the Company to a range of material economic, environmental and social sustainability risks.</p> <p>The Company's Risk Management Policy in the Corporate Governance Plan available at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a> details the Company's risk management systems which assist in identifying and managing these particular risks as an integral part of the risk management oversight and monitoring responsibilities outlined previously. Details of risks, including in these categories, are discussed in the Directors' Report in the 2019 Annual Report available at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p>

**Principle 8: Remunerate fairly and responsibly**

Recommendations	Comply	Explanation
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>i. has at least three members, a majority of whom are independent directors; and</li> <li>ii. is chaired by an independent director</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>iii. the charter of the committee;</li> <li>iv. the members of the committee; and</li> <li>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</li> </ul> <p>(b) if it does not have a remuneration committee, disclose that fact</p>	Yes	<p>Due to its size, the Board has determined that the function of the Remuneration and Nomination Committee is most efficiently carried out with full board participation and accordingly, the Company has elected not to establish a separate Remuneration and Nomination Committee at this stage. As a result, the duties that would ordinarily be assigned to the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter are carried out by the full board.</p> <p>The Remuneration and Nomination Committee Charter is available on the Company's website.</p> <p>The Board devotes time at Board meetings to discuss the performance of the Board and senior executives. The Board considers an annual performance review of the Board and any senior executives as well as the level and composition of remuneration for Company directors and senior executives, in line with its Remuneration Policy.</p>

Recommendations	Comply	Explanation
<p>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>		<p>The Board considered performance and reviewed remuneration of the Non-executive Directors in August 2019 and determined that there would be no change to Directors' fees in FY20. During FY19, performance and remuneration reviews of the CEO for FY18 and for both the CEO and CFO for FY19 have been undertaken.</p> <p>Further details of the remuneration policy, framework and reviews undertaken during the reporting period are included in the Remuneration Report forming part of the Directors' Report in the Annual Report, available at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</p>
<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>The Company's policies and practices regarding the remuneration of non-executive and executive directors and other senior employees are set out in its Remuneration and Nomination Committee Charter, a copy of which is available in the Corporate Governance Plan on the Company's website at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>. Details of policies and the remuneration framework are also provided in the Remuneration Report forming part of the Directors' Report in the Annual Report, also available at <a href="http://www.angelseafood.com.au/investors">www.angelseafood.com.au/investors</a>.</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>	Yes	<p>The Company's Remuneration and Nomination Committee (the function of which is currently performed by the full Board) is responsible for the review and approval of any equity-based remuneration schemes offered to Directors and employees of the Company. Further, in accordance with the Remuneration and Nomination Committee Charter, the Remuneration and Nomination Committee is also responsible for granting permission, on a case by case basis, for scheme participants to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Scheme.</p> <p>As indicated above, the functions of the Remuneration and Nomination Committee are currently undertaken by the Board.</p> <p>The Company's policy in this regard is set out in the Company's Remuneration and Nomination Committee Charter, a copy of which is available in the Corporate Governance Plan on the Company's website at <a href="http://www.angelseafood.com.au">www.angelseafood.com.au</a>.</p>