



## **SPOOKFISH LIMITED**

### **Corporate Governance Plan**

## Table of Contents

1. Board Charter
2. Procedures for Selection and Appointment of Directors
3. Performance Evaluation Practices
4. Code of Conduct
5. Securities Trading Policy
6. Diversity Policy
7. Audit Committee Charter
8. Continuous Disclosure Policy
9. Shareholders Communications Policy
10. Risk Management and Internal Compliance and Control
11. Remuneration Committee Charter
12. Nomination Committee Charter

# 1. Board Charter

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## 1.1 Role of the Board

The Board of Directors is responsible for guiding and monitoring Spookfish Limited (**Company**) on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- (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 Company Secretary and 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, develop corporate objectives, strategies and operations plans and approve and appropriately monitor 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 to allow them to manage the business efficiently;
- (f) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- (g) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- (h) identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- (i) overseeing the management of safety, occupational health and environmental matters;
- (j) 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;

- (k) 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;
- (l) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- (m) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- (n) reporting accurately to shareholders, on a timely basis.

While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees. The Board has not established any committees at this time. Until such time as the Board determines that it is appropriate to establish separate committees, the function of the

- (a) Audit Committee,
- (b) Nomination Committee, and
- (c) Remuneration Committee,

as set out in this Charter will be performed by the Board.

Each Director has the right to seek independent professional advice on matters relating to his position as a Director of the Company at the Company's expense, subject to the prior approval of the Chair, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved Directors will, unless the remaining Directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the constitution of the Company, directors (other than the Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The constitution does not specify a maximum term for which a Director may hold office.

The Board may not delegate its overall responsibility for the matters listed above. However, the responsibility for the day-to-day operation and administration of the Company may be delegated by the Board to the Managing Director. The Board will ensure that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive Directors.

While there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- (a) Board approval and monitoring of a strategic plan;

- (b) approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- (c) procedures are in place to incorporate presentations at each Board meeting by financial, operations and marketing management, as appropriate.

## 1.2 Independent Directors

The Board has accepted the following definition of an Independent Director:

An Independent Director is a Director who is not a member of management, is a non-executive Director and who;

- (a) is not, and has not within the last three years, been employed in an executive capacity by the Company or another group member, and there has been a period of at least three years between ceasing such employment and serving on the Board;
- (b) is not, and has not within the last three years been, a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (c) is not, and has not within the last three years, a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (d) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (e) has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- (f) has no close family ties with any person who fall within any of the categories described above; or
- (g) has been a Director of the entity for such a period that his or her independence may have been compromised.

If a Director's independent status changes, this should be disclosed to the market in a timely manner.

## 1.3 Director Responsibilities

- (a) Where a Director has an interest, position, association or relationship of the type described in the Independence Tests, but the Board is of the opinion that it does not compromise the independence of the Director, the Company must disclose the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion.
- (b) Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.

- (c) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (d) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (e) No member of the Board (other than a Managing Director) may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

#### **1.4 Role of the Chair**

The Chair is responsible for the leadership of the Board, for the efficient organisation and conduct of the Board's functioning and for the briefing of all Directors in relation to issues arising at Board meetings. The Chair is also responsible for overall shareholder communication, chairing shareholder meetings, arranging Board performance evaluation, and presides over meetings of the Board. The Chair is responsible for leading and managing the Board in the discharge of its duties.

The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between directors and between the Board and management.

Any other position which the Chair may hold either within, or outside, the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

In the event that the Chairman is absent from a meeting of the Board, then the Board shall appoint a Chairman for that meeting in an Acting capacity.

#### **1.5 Role of the Managing Director**

The roles of the Chair and Managing Director should not be combined except in particular circumstances, in particular where the size of the company necessitates the combining of the roles and is approved by the Board.

The Managing Directors' duties are to:

- (a) have the overall responsibility for running the affairs of the Company under delegated authority from the Board including undertaking and assessing risk management and internal control effectiveness and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results;
- (b) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- (c) be accountable for planning, coordinating and directing the operations of the company;
- (d) promote the interests of the Company; and

- (e) faithfully and diligently perform the duties and exercise the powers consistent with the position of a Managing Director of the Company and assigned by the Board.

In fulfilling his or her duties, the Managing Director:

- (a) reports directly to the Board;
- (b) provides prompt and full information to the Board regarding the conduct of the business of the Company; and
- (c) complies with reasonable directions given by the Board.

## **1.6 Role of the Company Secretary**

The Company Secretary supports the effectiveness of the Board by monitoring that board policy and procedures are being followed, and by coordinating the timely completion and despatch of board agenda and briefing papers. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

## **1.7 Roles of Directors and Officers**

Individual Directors should devote the necessary time to the tasks entrusted to them. All Directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers should be aware of their legal obligations.

## 2. Procedures for Selection and Appointment of Directors

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The Board shall ensure that, collectively, it has the appropriate range and expertise to properly fulfil its responsibilities, including

- (a) accounting and finance;
- (b) business development and risk management;
- (c) industry and public company experience; and
- (d) an appropriate ratio and skills matrix for executive and non-executive directors.

In the circumstances where the Board believes there is a need to appoint another Director, whether due to retirement of a Director or growth or complexity of the Company, certain procedures will be followed, including the following:

- (e) determine the skills and experience appropriate for the appointee having regard to those of the existing directors and any other likely changes to the Board;
- (f) agree the process and timetable for seeking such a person, which may involve an external search firm;
- (g) a short list of candidates will be prepared for the Board's consideration and interview. The selection process will encourage visitation to the Company's operating sites and an understanding of management information systems. Candidates will be assessed on the following basis:
  - (i) competencies and qualifications;
  - (ii) independence;
  - (iii) other directorships;
  - (iv) time availability;
  - (v) contribution to the overall balance of the composition of the Board; and
  - (vi) depth of understanding of the role and legal obligations of a director.
- (h) undertake appropriate checks before appointing a person, or putting forward to securities holders a candidate for election, as a Director; and providing securities holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Chairman regularly reviews the composition of the Board to ensure that the Board continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

If an invitation to become a Director is accepted, the Board will appoint the new Director, subject to the entering into of a written agreement with that Director, and that person will then stand for re-election by shareholders at the next annual general meeting. Shareholders will be provided with relevant information on the candidates for re-election.





When appointed to the Board, a new Director will receive an induction appropriate to their experience.

### 3. Performance Evaluation Practices

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As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for Non-Executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established processes to review its own performance and the performance of individual directors (including the Managing Director where appointed) and any committees of the Board, annually.

#### 3.1 Board

An informal process has been established to review and evaluate the performance of the Board. Given the size of the Company, the Board is continuously reviewing the role of the Board, assessing its performance over the previous period, including comparison with others, and examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The review may include consideration of the following measures:

- (a) comparison of the performance of the Board against the requirements of the Board charter;
- (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;
- (c) review the Board's interaction with management;
- (d) identification of any particular goals and objectives of the Board for the next year;
- (e) review the type and timing of information provided to the directors; and
- (f) identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

#### 3.2 Committees

Similar procedures to those for the Board review are applied to evaluate the performance of the Board committees, if any.

An assessment will be made of the performance of any committee against each charter and areas identified where improvements can be made.

### 3.3 Non-executive directors

The Chairman will have primary responsibility for conducting performance appraisals of Non-Executive Directors in conjunction with each Non-Executive Director, having particular regard to;

- (a) contribution to Board discussion and function;
- (b) degree of independence including relevance of any conflicts of interest;
- (c) availability for, and attendance at, Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of, and contribution to, any Board committees; and
- (f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a director's performance, the Chairman must consult with the remainder of the Board regarding whether a director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Director be put to shareholders.

### 3.4 Chief Executive Officer

The Board will annually review the performance of the Chief Executive Officer (or equivalent, if applicable). At the commencement of each financial year, the Board and the Chief Executive Officer will agree a set of general Company specific performance measures to be used in the review of the forthcoming year.

These will include:

- (a) financial measures of the Company's performance;
- (b) the extent to which key operational goals and strategic objectives are achieved;
- (c) development of management and staff;
- (d) compliance with legal and Company policy requirements; and
- (e) achievement of key performance indicators.

### 3.5 Senior executives

The Chairman or Chief Executive Officer, as applicable, is responsible for assessing the performance of the key executives within the Company, in consultation with the Board and in accordance with the Remuneration Committee Charter. This is to be performed 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 of senior executives will be an agreed performance measures.

## 4. Code of Conduct

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### 4.1 Purpose

The purpose of this Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

### 4.2 Accountabilities

(a) Managers and Supervisors

Managers and supervisors are responsible and accountable for:

- (i) undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- (ii) the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- (iii) ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

(b) Employees

All employees are responsible for:

- (i) undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
- (ii) reporting suspected corrupt conduct; and
- (iii) reporting any departure from the Code of Conduct by themselves or others.

### 4.3 Personal and Professional Behaviour

When carrying out your duties, you should:

- (a) behave honestly and with integrity and report other employees who are behaving dishonestly;
- (b) carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- (c) operate within the law at all times;
- (d) act in the best interests of the Company;
- (e) follow the policies of the Company; and

- (f) act in an appropriate businesslike manner when representing the Company in public forums.

#### 4.4 Conflict of Interest

Potential for conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced by a personal interest when carrying out your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

- (a) Some situations that may give rise to a conflict of interest include situations where you have:
  - (i) financial interests in a matter the Company deals with or you are aware that your friends or relatives have a financial interest in the matter;
  - (ii) directorships/management of outside organisations;
  - (iii) membership of boards of outside organisations;
  - (iv) personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
  - (v) secondary employment, business, commercial, or other activities outside of the workplace which impacts on your duty and obligations to the Company;
  - (vi) access to information that can be used for personal gain; and
  - (vii) offer of an inducement.
- (b) You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise your ability to perform your duties impartially. You must report any potential or actual conflicts of interest to your manager.
- (c) If you are uncertain whether a conflict exists, you should discuss that matter with your manager and attempt to resolve any conflicts that may exist.
- (d) You must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to your manager.

#### 4.5 Public and Media Comment

- (a) Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.
- (b) Employees must not make official comment on matters relating to the Company unless they are:
  - (i) authorised to do so by the Chairman or Chief Executive Officer/Managing Director, as applicable; or
  - (ii) giving evidence in court; or

- (iii) otherwise authorised or required to by law.
- (c) Employees must not release unpublished or privileged information unless they have the authority to do so from the Chairman or Chief Executive Officer/Managing Director, as applicable.
- (d) The above restrictions apply except where prohibited by law, for example in relation to “whistleblowing”.

#### **4.6 Use of Company Resources**

Requests to use Company resources outside core business time should be referred to management for approval.

If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing, and safeguarding the property and following any special directions or conditions that apply.

Employees using Company resources *without* obtaining prior approval could face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purposes.

#### **4.7 Security of Information**

Employees are to make sure that confidential and sensitive information cannot be accessed by unauthorised persons. Sensitive material should be securely stored overnight or when unattended. Employees must ensure that confidential information is only disclosed or discussed with people who are authorised to have access to it. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorised persons, and may incur disciplinary action.

#### **4.8 Intellectual Property / Copyright**

Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions and is valuable to the Company.

The Company is the owner of intellectual property created by employees in the course of their employment unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property from the Company Secretary/Chairman before making any use of that property for purposes other than as required in their role as employee.

#### **4.9 Discrimination and Harassment**

Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.

Such harassment or discrimination may constitute an offence under legislation. The Company’s executives should understand and apply the principles of equal employment opportunity.

#### **4.10 Corrupt Conduct**

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;
- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct.

#### **4.11 Occupational Health and Safety**

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically all employees are responsible for safety in their work area by:

- (a) following the safety and security directives of management;
- (b) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- (c) minimising risks in the workplace.

#### **4.12 Legislation**

It is essential that all employees comply with the laws and regulations of the countries in which we operate. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known violation must be reported immediately to management.

#### **4.13 Fair Dealing**

The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each employee should endeavour to deal fairly with the Company's suppliers, customers and other employees.

#### **4.14 Insider Trading**

All employees must observe the Company's "Security Trading Policy". In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific time periods when Directors, management and employees are permitted to buy and sell the Company's securities.

#### **4.15 Responsibilities to Investors**

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis.

#### **4.16 Breaches of the Code of Conduct**

Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.

Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

#### **4.17 Reporting Matters of Concern**

Employees are encouraged to raise any matters of concern in good faith with the head of their business unit or with the Company Secretary, without fear of retribution.



## 5. Securities Trading Policy

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### 5.1 Introduction

The shares of Spookfish Limited ACN 123 511 017 (**Company**) are listed on the Australian Securities Exchange (**ASX**).

This policy outlines:

- (a) when Directors, senior management and other employees of the Company may deal in Company Securities;
- (b) when Directors, senior management and other employees of the Company may deal in securities of another publicly traded entity (because they may obtain inside information about another entity's securities while performing their duties for the Company); and
- (c) procedures to reduce the risk of insider trading.

### 5.2 Defined Terms

In this policy:

**Black Out Periods** means:

- (a) from the last day of the month of a fiscal quarter (currently 31 March, 30 June, 30 September and 31 December) to and including the second trading day after the public announcement of the financial results of the quarter, as applicable;
- (b) from the last day of the financial year (currently 31 December) to and including the second trading day after the public announcement of the financial results of the year;
- (c) from the last day of the half financial year (currently 30 June) to and including the second trading day after the public announcement of the half yearly financial results of the half year; and
- (d) such other periods as the Company may notify from time to time, for example, where the Company was considering a major transaction that could have a material effect on the stock price.

**Clearance Officer** means persons appointed by the Company from time to time who are responsible for processing the securities dealing clearance.

**Company Securities** includes shares, debentures, rights, options and any other financial products of the Company traded on any stock exchange.

**Designated Person** means a Director or person having authority for planning, directing and controlling the activities of the Company, directly or indirectly, whether as an employee or consultant, and any other person who, from time to time, is notified by the Company that they are deemed a designated person.

**Key Management Personnel** means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Securities Dealing Clearance Request** means the form set out as Attachment B to this policy.

### 5.3 Insider Trading

If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is illegal for the person to:

- (a) deal in the securities;
- (b) procure another person to deal in the securities; or
- (c) give the information to another person (also known as "tipping") who the person knows, or ought reasonably to know, is likely to:
  - (i) deal in the securities; or
  - (ii) procure someone else to deal in the securities.

Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or Director engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

### 5.4 What is Inside information?

Inside information is information that:

- (a) is not generally available; and
- (b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

Information is generally available if it:

- (c) is readily observable;
- (d) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (e) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 5.4(a) or 5.4(b) above.

## 5.5 What is Dealing in Securities?

Dealing in securities includes:

- (a) applying for, acquiring, or disposing of, securities;
- (b) entering into an agreement to apply for, acquire, or dispose of, securities; and
- (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

## 5.6 When Employees May Deal

An employee (who is not a Designated Person) may deal in Company Securities or the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

## 5.7 When Employees May Not Deal

An employee (who is not a Designated Person) may not deal or procure another person to deal in Company Securities or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

## 5.8 When a Designated Person May Deal

A Designated Person may only deal in Company Securities if he or she has complied with clause 5.11 below.

A Designated Person may deal in the securities of another publicly traded entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

## 5.9 When a Designated Person May Not Deal

Subject to clause 5.10, a Designated Person may not deal or procure another person to deal in Company Securities:

- (a) during Black Out Periods;
- (b) if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities;
- (c) if he or she has not complied with paragraph 11 below.

A Designated Person may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

## 5.10 Exceptional Circumstances

A Designated Person, who is not in possession of inside information in relation to Company Securities, may be given clearance by a Clearance Officer to sell or otherwise dispose of Company Securities during a Black Out Period in any of the following exceptional circumstances:

- (a) if the Designated Person is in severe financial hardship. A Designated Person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities;
- (b) if the Designated Person is required by a court order, or there are other enforceable undertakings, for example in a bona fide family settlement, to transfer or sell the Company Securities or there is some other overriding legal or regulatory requirement for the Designated Person to do so;
- (c) in any other circumstances that may be deemed exceptional by the Chairman of the Company (or the Board if the Chairman is involved).

The Designated Person seeking clearance must satisfy a Clearance Officer or the Chairman or the Board (as applicable) that the Designated Person is in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant Company Securities is the only reasonable course of action available.

## 5.11 Securities Dealing Clearance

Before dealing in Company Securities, a Designated Person must submit a Securities Dealing Clearance Request.

A Clearance Officer may only give clearance during periods that are not Black Out Periods or in any of the exceptional circumstances listed in clause 5.10. However, a Clearance Officer may not give clearance during those periods or circumstances if:

- (a) there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Person knows about the matter) when the Designated Person requests clearance or proposes to deal in Company Securities; and
- (b) a Clearance Officer has any other reason to believe that the proposed dealing breaches this policy.

Any clearance given by a Clearance Officer shall be for a specified duration as determined by a Clearance Officer.

A Clearance Officer must keep a written record of:

- (c) any information received from a Designated Person in connection with this policy; and
- (d) any clearance given under this policy.

## 5.12 Dealings by Associated Persons and Investment Managers

If a Designated Person may not deal in the Company Securities, he or she must take all reasonable and necessary steps to prevent any dealing in the Company Securities by:

- (a) any associated person (including family or nominee companies and family trusts); or
- (b) any investment manager on their behalf or on behalf of any associated person.

### 5.13 Excluded Trading

Notwithstanding clauses 5.9(a) and 5.9(c) but subject to clause 5.9(b), the following types of trading are excluded from the operation of this policy:

- (a) transfers of Company Securities already held by a Designated Person into a superannuation fund or other saving scheme in which the Designated Person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Designated Person is a trustee, trading in Company Securities by that trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a Black Out Period is taken by the other trustees or by the investment managers independently of the Designated Person;
- (d) undertakings to accept, or acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the Company Security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board of the Company. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (f) a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (g) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Black Out Period and the Company has been in an exceptionally long Black Out Period or the Company has had a number of consecutive Black Out Periods and the Designated Person could not reasonably have been expected to exercise it at a time when free to do so; and
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided by a Clearance Officer and where:
  - (i) the Designated Person did not enter into the plan or amend the plan during a Black Out Period; and
  - (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when, or whether to trade.

#### **5.14 Communicating Inside Information**

If an employee (including a Designated Person) has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, the employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:

- (a) deal in Company Securities or those securities of the other entity; or
- (b) procure another person to deal in Company Securities or the securities of the other entity.

An employee must not inform colleagues (except a Clearance Officer) about inside information or its details.

#### **5.15 Hedging Prohibition**

A member of the Key Management Personnel must not enter into an arrangement with anyone if that arrangement would have the effect of limiting the exposure of the member to risk relating to an element of the member's remuneration that:

- (a) has not vested in the member; or
- (b) has vested in the member but remains subject to a holding lock.

Without limiting paragraph 5.15(a), remuneration that is not payable to a member until a particular day is, until that day, remuneration that has not vested in the member.

#### **5.16 Acknowledgement of this Policy**

Each employee (including a Designated Person) shall be required to provide to the Company an acknowledgement of this policy in the form in Attachment A.

#### **5.17 Breach of Policy**

A breach of this policy by an employee (including a Designated Person) may lead to disciplinary action. It may also be a breach of the law.

#### **5.18 Assistance and Additional Information**

Employees (including Designated Persons) who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact a Clearance Officer.



## Schedule 1 – Attachment A

### FORM OF ACKNOWLEDGEMENT BY EMPLOYEE

- (a) I have read and understood the document titled "Securities Trading Policy" of Spookfish Limited (the **Securities Trading Policy**).
- (b) I agree to be bound by, and to comply with, the Securities Trading Policy.
- (c) I acknowledge and agree that the Securities Trading Policy forms part of the terms of my appointment as an employee/director/consultant of Spookfish Limited.

.....

Signature

Name: .....

Date: .....

To be returned to the Company Secretary on completion.

## Schedule 2 –Attachment B

### Securities Trading Policy

#### Clearance Request

In accordance with the Securities Trading Policy of Spookfish Limited (**Company**), before dealing in any Company Securities you are required to obtain clearance.

Please forward this request to a Clearance Officer.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Location: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

I request permission to trade the following securities which are proposed to be held by myself personally and/or other parties with whom I have an interest as follows:

Type of Security	Number of Securities	Buy/Sell/Exercise & Hold/Exercise & Sell

I confirm that:

- (d) it is not a Black Out Period;
- (e) I am not in possession of Inside Information;
- (f) I will not deal in the above securities until I am notified that clearance is approved; and
- (g) I may be refused permission to deal without explanation.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

This form is valid for a period of three business days from the date of approval. After this time, clearance will lapse and a further request will need to be completed. This form will be returned to you with the period of validation completed if approval has been granted.



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For completion by a Clearance Officer:

Approval for the above dealing has been:

cleared for a period of three business days

refused

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

## 6. Diversity Policy

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The Company is committed to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its Directors, officers and employees.

Diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives, including persons with co-existing domestic responsibilities. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. The Company values the differences between its people and the contribution these differences make to the Company.

### 6.1 Role of the Board

It is the responsibility of the Board to foster an environment where:

- (a) Individual differences are respected.
- (b) The ability to contribute and access employment opportunities is based on performance, skill and merit.
- (c) Inappropriate attitudes, behaviours and stereotypes are confronted and eliminated.

### 6.2 Objectives

The Company encourages diversity in employment, and in the composition of its Board, as a means of ensuring the Company has an appropriate mix of skills and talent to conduct its business and achieve the Company's goals.

Specifically, the Company will provide equal opportunities in respect to employment and employment conditions, including:

- (a) **Hiring:** The Board will ensure appropriate selection criteria based on diverse skills, experience and perspectives is used when hiring new staff, including Board members. Job specifications, advertisements, application forms and contracts will not contain any direct or inferred discrimination. The Board is empowered to engage professional consultants to assist in the hiring process by presenting diverse candidates to the Company for consideration.
- (b) **Training:** All internal and external training opportunities will be based on merit and in light of Company and individual needs. The Board will consider senior management training and executive mentoring programs to develop skills and experience to prepare employees for senior management and Board positions.
- (c) **Career Advancement:** All decisions associated with career advancement, including promotions, transfers, and other assignments, will meet the Company's needs and be determined on skill and merit.

### **6.3 Achieving diversity**

The Company is currently in an early stage of its development and given that the Company currently has few employees, the application of measurable objectives in relation to gender diversity, at various levels of the Company's business, is not considered to be appropriate nor practical.

The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them. The future implementation of any measurable objectives will be disclosed to Shareholders via the Company's website and outcomes following the implementation of measurable objectives will be disclosed in its annual report.

In lieu of the application of measurable objectives to the Diversity Policy, the Board will be active in its implementation of the objectives, and the results of implementing such objectives will be highlighted in the Company's annual report.

### **6.4 Work environment**

The Company will ensure that all officers, employees and contractors have access to a work environment that is free from harassment. The Company will not permit unwanted conduct based on an officer, employee or contractor's personal circumstances or characteristics.

The Board and senior managers are required to ensure that the work environment is harassment free, and to ensure that complaints or reports of sexual, racial or other harassment are treated seriously, confidentially, and sympathetically by the Company.

### **6.5 Reporting Responsibility**

It is the responsibility of all directors, officers and employees to comply with the Company's Diversity Policy and report violations or suspected violations in accordance with this Diversity Policy.

The Board will proactively monitor Company performance in meeting the standards and policies outlined in this Policy. This will include an annual review of diversity objectives set by the Board, and progress in achieving them.

The Board will consider setting key performance indicators for the Board, the Managing Director, where applicable, and senior executives that are linked to the achievement of diversity objectives set by the Board.

### **6.6 Compliance with this Diversity Policy**

Any breach of compliance with this Diversity Policy is to be reported directly to the Chair. Anyone breaching this Diversity Policy may be subject to disciplinary action, including suspension or termination.

## **7. Audit Committee Charter**

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### **7.1 Composition of the Audit Committee**

The full Board presently performs the function of an Audit Committee. A separate Audit Committee may be established when appropriate, as the Company's activities develop in size, nature and scope, and where increased efficiency and effectiveness can be derived from having a separate committee.

At least one member is to have relevant qualifications and experience.

From time to time, non Board members may be invited to attend Board meetings when audit matters are being discussed, if it is considered appropriate.

### **7.2 Role of the Audit Committee**

The Board's role as an Audit Committee is to:

- (a) monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;
- (b) review the Company's internal financial control system and, unless expressly addressed by a separate risk committee, risk management framework and systems;
- (c) monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services, taking into account the matters set out in Schedule 4;
- (d) monitor and review compliance with the Company's Code of Conduct; and
- (e) perform such other functions as assigned by law or the Company's Constitution.

### **7.3 Operations**

The full Board shall consider audit matters in its capacity as an Audit Committee as part of general meetings of the Board at least half yearly and otherwise as required. Minutes of the consideration of such matters are to be kept as part of the minutes of the general meeting of the Board.

### **7.4 Authority and Resources**

- (a) The Board may seek provision of educational information on accounting policies and other financial topics relevant to the Company to assist in fulfilling their duties. Further, the Board may seek explanations and additional information from the Company's external auditors, without management present, when required.
- (b) When considered necessary or appropriate, the Board may conduct or authorise investigations and may retain independent legal, accounting or other advisors.

## 7.5 Reporting to the Board and Shareholders

To assist the Board to carry out its audit function, the Audit Committee, if established, should compile a report to the Board on, or the Board should document for the record, at least annually, the following matters:

- (a) assessment of whether external reporting is consistent with Board members' information and knowledge and is adequate for shareholder needs;
- (b) assessment of the management processes supporting external reporting;
- (c) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- (d) recommendations for the appointment or, if necessary, the removal of the external auditor;
- (e) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Board is satisfied that provision of those services has not compromised the auditor's independence; and
- (f) the results of the review of risk management framework and internal control systems, including consideration of whether the Company has a material exposure to any particular risks.

## 7.6 Responsibilities

Annual responsibilities of the Board's function as the Audit Committee are as set out in the Audit Committee Charter – Annual Action Points contained in Schedule 3.

### **Schedule 3 – Audit Committee Charter – Annual Action Points**

- 1.** Financial Reporting and Internal Controls
  - (a) Review half-year, annual and, if applicable, quarterly financial statements.
  - (b) Assess management's selection of accounting policies and principles.
  - (c) Consider the external audit of the financial statements and the external auditor's report thereon including an assessment of whether external reporting is consistent with Board members' information and knowledge.
  - (d) Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other business risks if authorised), and the Company's risk management framework and systems generally.
  - (e) Assess if the external auditors report is adequate for shareholder needs.
  
- 2.** Annual meeting with External Auditor
  - (a) Discuss the Company's choice of accounting policies and methods, and any recommended changes.
  - (b) Discuss the adequacy and effectiveness of the Company's internal controls.
  - (c) Discuss any significant findings and recommendations of the external auditor and management's response thereto.
  - (d) Discuss any difficulties of disputes with management encountered during the course of the audit including any restrictions or access to required information.
  
- 3.** External Auditor
  - (a) Review the Company's procedures regarding the external auditor including the matters set out in Schedule 4.
  - (b) Appoint and, if necessary, remove the external auditor and approve the terms on which the external auditor is engaged including the matters set out in Schedule 4.
  - (c) Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services.
  - (d) Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees.
  - (e) Assess the overall performance of the external auditor.
  - (f) Ensure auditor attendance at Company's annual general meeting and availability to answer questions from security holders relevant to the audit.

**4. Internal Communications and Reporting**

Provide the report described in clause 7.5 of the Audit Committee Charter.

**5. Other**

- (a) Verify the composition of the Audit Committee function is in accordance with the Audit Committee Charter.
- (b) Review the independence of each Board member based on the Company's policy on assessing the independence of Directors in the Board Charter.
- (c) Review and update the Audit Committee Charter and Action Points.
- (d) Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's Code of Conduct.

## Schedule 4 – Procedure for selection and appointment of external auditor

### 1. Introduction

The Board is responsible for the preliminary appointment of the external auditor which is to be approved by shareholders at the next annual general meeting. For the time being, the full Board presently performs the function of an Audit Committee and will perform the functions set out in this Schedule to be performed by the Audit Committee. A separate Audit Committee may be established when appropriate.

The Audit Committee conducts the selection process and recommends a preferred external auditor to the Board. The Board may endorse the external auditor recommended by the Audit Committee and appoint the auditor. Alternatively the Board may wish to review the recommendation of the Audit Committee.

At the request of the Audit Committee, the chief financial officer and/or chief executive officer may assist the Audit Committee in the selection and appointment process including by proposal of an external auditor, together with a written supporting submission.

### 2. Tender

#### (a) Request for submissions

If the Audit Committee elects to undertake a tender process, the chief executive officer or chief financial officer will prepare or cause to be prepared a draft request for submissions that will be reviewed for approval by the Audit Committee (with such changes as it considers appropriate).

The request should contain sufficient information to enable a proposal and fee estimate to be given to the Company. The request should include information about the Company, its operations, its key personnel, its structure, its financials and any other relevant information.

The chief executive officer or chief financial officer will arrange for candidates to meet with a selection panel appointed by the Audit Committee.

#### (b) Selection Panel

The selection panel will comprise nominated members of the Audit Committee, and any other person the Audit Committee considers appropriate to assist it to assess the suitability of the external auditor.

### 3. Selection Criteria

The preferred external auditor should best satisfy the selection criteria identified by the Audit Committee including:

#### (a) Fees

A candidate must provide a firm fee quotation for its audit services. Price will be only one of the relevant factors in the selection of a preferred external auditor.



(b) Independence

A candidate must satisfy the Audit Committee that it is independent and outline the procedures it has in place to maintain its independence.

The external auditor must be independent from, and be seen to be independent from, the Company.

In monitoring external auditor independence, the Audit Committee will have regard to the following principles:

- (i) monitor the number of former employees of the external auditor who were involved in auditing the Company and who are currently employed in senior financial positions in the Company, and assess whether this impairs or appears to impair the auditor's judgement or independence in respect of the Company. An individual auditor who was engaged by the external auditor and participated in the Company's audit shall be precluded from employment as chief executive officer or chief financial officer of the Company for a period of at least 12 months from the time of the audit; and
- (ii) consider whether taken as a whole, the various relationships between the Company and the external auditor and the economic importance of the Company (in terms of fees paid to the external auditor for the audit as well as fees paid to the external auditor for the provision of any non-audit services) to the external audit impair or appear to impair the auditor's judgement or independence in respect of the Company.

(c) Scope of audit/issues resolution

A candidate must outline its response to the scope of audit in the request for submissions and any proposed procedures to address any issue of material significance or matter of disagreement with the Company's management.

The external auditor and the chief financial officer will be required to disclose to the Audit Committee all such issues of material significance and all matters of disagreement, whether resolved or unresolved.

(d) Non-audit work

A candidate must detail its approach to the provision of non-audit related services to the Company. Generally such work should be at most negligible.

If proposed otherwise, the Audit Committee must consider the circumstances in which the Company might use the external auditor for non-audit services. Matters to be considered include the extent, scope and potential value of non-audit fees and any circumstance where the external auditor may be required to review and rely upon work conducted by it in a non-audit capacity.

The scope of non-audit work must not be allowed to impinge upon the external auditor's independence (refer also to paragraph 4 below).

(e) Other matters

The selection criteria may include such other matters as the Audit Committee thinks fit.

4. Policy on audit and non-audit services

The Audit Committee will develop a policy that sets out the circumstances in which the Company may use the external auditor for other services. A copy of this policy will be provided to the external auditor.

The policy will be based on the following principles:

- (a) the external auditor may provide audit and audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor;
- (b) the external auditor should not provide services that are perceived to be materially in conflict with the role of auditor;
- (c) the external auditor may be permitted to provide non-audit services that are not perceived to be materially in conflict with the role of auditor, subject to the approval of the Audit Committee;
- (d) exceptions may be made to the policy (with specific Board approval) where the variation is in the interests of the Company and arrangements are put in place to preserve the integrity of the external audit process.

5. Rotation of external audit engagement partner

The Audit Committee will ensure that the external auditor has in place arrangements with regard to any legislative or regulatory requirements for rotation of the audit engagement partner.

The audit engagement partner for the audit must rotate at least every 5 years. At least two years must expire before the Audit Partner can again be involved in the audit of the Company.

6. Review of audit arrangements

The Audit Committee will periodically review the external auditor's performance, at least annually. As part of this review the Audit Committee will obtain feedback from the chief financial officer and other members of senior management regarding the quality of the audit service.

## 8. Continuous Disclosure Policy

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This policy outlines the disclosure obligations of Spookfish Limited (**Company**) as required under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules. The policy is designed to ensure that procedures are in place so that the securities exchange in which the Company's securities are listed is properly informed of matters which may have a material impact on the price at which the securities are traded.

The Company is committed to:

- (a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing Rules;
- (b) preventing the selective or inadvertent disclosure of material price sensitive information;
- (c) ensuring shareholders and the market are provided with full and timely information about the Company's activities;
- (d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

### 8.2 Disclosure officer

The Managing Director (or while the Company does not have a Managing Director, the Chairman) and the Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering this policy. The disclosure officers are responsible for all communication with ASX and for making decisions on what should be disclosed publicly under this policy.

In the absence of the Managing Director (where one has been appointed) and Company Secretary, any matters regarding disclosure issues are to be referred to the Chairman.

### 8.3 Material information

In accordance with the ASX Listing Rules, the Company must immediately notify the market (via an announcement to the ASX) of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Information need not be disclosed if:

- (a) a reasonable person would not expect the information to be disclosed; and
- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following applies:
  - (i) it would breach the law to disclose the information,
  - (ii) the information concerns an incomplete proposal or negotiation,

- (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure,
- (iv) the information is generated for internal management purposes, or
- (v) the information is a trade secret.

If an employee possesses inside information, the person must not:

- (d) trade in the Company's securities;
- (e) advise others or procure others to trade in the Company's securities; or
- (f) pass on the inside information to others, including colleagues, family or friends, knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (e.g. even if the employee or Director overhears it or is told in a social setting). For further information please refer to the Company's Securities Trading Policy.

The Company is also required to disclose information if asked to do so by the ASX, to correct or prevent a false market.

Note that the Company is deemed to have become aware of information where a director or executive officer has, or ought to have, come into possession of the information in the course of the performance of his duties as a director or executive officer.

The Corporations Act defines a material effect on price or value as being where a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities

#### **8.4 Breach of continuous disclosure policy**

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

#### **8.5 Review of communications for disclosure**

The disclosure officers will review all communications to the market to ensure that they are full and accurate and comply with the Company's obligations. Such communications may include:

- (a) media releases,
- (b) analyst, investor or other presentations,
- (c) prospectuses, and
- (d) other corporate publications.

Examples of information or events that are likely to require disclosure include:

- (e) financial performance and material changes in financial performance or projected financial performance;
- (f) changes in relation to directors and senior executives, including changes in the independence of directors;
- (g) mergers, acquisitions, divestments, joint ventures or material changes in assets;
- (h) significant developments in new projects or ventures;
- (i) material changes to the Company's security position;
- (j) material information affecting joint venture partners, customers or non-wholly owned subsidiary companies;
- (k) media or market speculation;
- (l) analyst or media reports based on inaccurate or out of date information;
- (m) industry issues which have, or which may have, a material impact on the Company; and
- (n) decisions on significant issues affecting the Company by regulatory authorities.

Employees must ensure that they bring to the attention of the disclosure officers any information which could have a material effect on the price or value of the Company's securities. Where there is any doubt as to whether an issue might materially affect the price or value of the Company's securities, the disclosure officers will assess the circumstances with appropriate senior executives and if necessary, seek external professional advice.

All presentations to analysts and investors will be released to the ASX and then be included on the Company's website.

## **8.6 Authorised spokespersons**

The Company's authorised spokespersons are the Chairman, Managing Director, and Company Secretary. In appropriate circumstances, the Managing Director (or while the Company does not have a Managing Director, the Chairman) may from time to time authorise other spokespersons on particular issues and those within their area of expertise.

No employees or consultants are permitted to comment publicly on matters confidential to the Company. Any information which is not public must be treated by employees and consultants as confidential until publicly released.

## **8.7 Reporting of disclosable information**

Once the requirement to disclose information has been determined, the disclosure officers are the only persons authorised to release that information to the ASX.

Information to be disclosed must be lodged immediately with the ASX. Any such information must not be released to the general public until the Company has received formal confirmation of lodgement by the ASX.

All information disclosed to the ASX in compliance with this policy must be promptly placed on the Company's website.

## **8.8 Market speculation and rumours**

As a guiding principle, the Company has a "no comment" policy on market speculation and rumours, which must be observed by all employees. However, the Company will comply with any request by the ASX to comment upon a market report or rumour.

## **8.9 Trading halts**

The Company may, in exceptional circumstances, request a trading halt to maintain orderly trading in the Company's securities and to manage any disclosure issues.

No employee of the Company is authorised to seek a trading halt except for the disclosure officers.

## **8.10 Meetings and group briefings with investors and analysts**

The Managing Director (or while the Company does not have a Managing Director, the Chairman) is primarily responsible for the Company's relationship with major shareholders, institutional investors and analysts and shall be the primary contact for those parties.

Any written materials containing new price-sensitive information to be used in briefing media, institutional investors and analysts are to be lodged with ASX prior to the briefing commencing. Upon confirmation of receipt by ASX, the briefing material will be posted to the Company's website. Briefing materials may also include information that may not strictly be required under continuous disclosure requirements.

The Company will not disclose price sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market. The Company considers that one-on-one discussions and meetings with investors and stockbroking analysts are an important part of pro-active investor relations. However, the Company will only discuss previously disclosed information in such meetings.

## **8.11 Periods prior to release of financial results**

During the time between the end of the financial year or half year and the actual results release, the Company will not discuss financial performance, broker estimates and forecasts and particularly, any pre-result analysis with stockbroking analysts, investors or the media, unless the information to be discussed has already been disclosed to the ASX.

## **8.12 Web-based communication**

The Company's website features discrete sections for shareholders and investors to ensure that such information can be accessed by interested parties. Such information will include

- (a) annual reports and results announcements,
- (b) all other company announcements made to the ASX,
- (c) speeches and support material given at investor conferences or presentations,
- (d) company profile and company contact details, and
- (e) all written information provided to investors or stockbroking analysts.

Announcements lodged with the ASX will be placed on the Company's website as soon as practicable after ASX confirms receipt of that information.

Shareholders may be offered the option of receiving information via e-mail instead of post.

### **8.13 Analysts reports and forecasts**

Stockbroking analysts frequently prepare reports on listed companies that typically detail their opinion on strategies, performance and financial forecasts. To avoid inadvertent disclosure of information that may affect the Company's value or share price. The Company's comments on analyst reports will be restricted to:

- (a) information the Company has issued publicly and
- (b) other information that is in the public domain.

Given the level of price sensitivity to earnings projections, the Company will only make comment to correct factual errors in relation to information publicly issued by other parties and Company statements.

## 9. Shareholders Communication Policy

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Spookfish Limited (**Company**) recognises the value of providing current and relevant information to its shareholders.

The Managing Director (or while the Company does not have a Managing Director, the Chairman) and Company Secretary have the primary responsibility for communicating with shareholders.

Information is communicated to shareholders through:

- (a) continuous disclosure to relevant stock markets of all material information;
- (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) the Company's website at [www.spookfish.com](http://www.spookfish.com).

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market.

### 9.2 Electronic communication and website

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner.

The Company's website includes the following pages, which contain relevant information for shareholders

- (a) section on the Company's corporate governance policies and practices;
- (b) reports section, which contains copies of annual, half yearly and quarterly reports;
- (c) news section, containing sections on newsletters, ASX announcements, media briefings and clippings and power point presentations;
- (d) press releases; and
- (e) research section, which contains broker research reports published on the Company.

The Company's website will be updated with material released to the ASX as soon as practicable after confirmation of release by the ASX.

All website information will be regularly reviewed and updated to ensure that information is current, or appropriately dated and archived.



The Company places the full text of notices of meeting and explanatory material on the website.

### **9.3 Written communication and annual report**

Shareholders have been given the opportunity to elect to receive a printed copy of the annual report from the Company. In addition, the Company publishes its annual report on the Company's website and notifies all shareholders of the web address where they can access the annual report.

### **9.4 Annual general meeting**

The Company recognises the rights of shareholders and encourages the effective exercise of those rights through the following means

- (a) notices of meetings are distributed to shareholders in accordance with the provisions of the Corporations Act;
- (b) notices of meeting and other meeting material are drafted in concise and clear language;
- (c) shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;
- (d) if shareholders are unable to attend a meeting, notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies;
- (e) it is general practice for a presentation on the Company's activities to be made to shareholders at each annual general meeting; and
- (f) it is both the Company's policy and the policy of the Company's auditor for the lead engagement partner to be present at the annual general meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the auditors' report.

## 10. Risk Management and Internal Compliance and Control

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Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- (d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

- (e) effectiveness and efficiency in the use of the Company's resources;
- (f) compliance with applicable laws and regulations; and
- (g) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back (at least annually) on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards.

The risk profile of the Company contains both financial and non-financial factors including but not limited to political, social, economic and environmental risks. Consideration will be given to whether the Company has a material exposure to any of these risks.

To mitigate/manage these risks, the Company has in place a broad range of risk management policies and procedures including competent management in all disciplines, an experienced Board, regular Board meetings, six monthly financial audits, rigorous appraisal of new investments and advisers familiar with the Company.

The Chief Executive Officer (or equivalent, if applicable) and the Chief Financial Officer (or equivalent, if applicable) are required in conjunction with the preparation of the annual report, the half yearly report, and any quarterly financial reports required to be lodged in accordance with the ASX Listing Rules, to state to the Board in writing that, in their opinion, 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 Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control that is operating effectively.

Management is responsible for the ongoing management of risk with standing instructions to appraise the Board of changing circumstances within the Company and within the national and international business environment.

## **11. Remuneration Committee Charter**

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### **11.1 Composition**

The full Board presently performs the function of a Remuneration Committee. A separate Remuneration Committee may be established when appropriate, as the Company's activities develop in size, nature and scope, and where increased efficiency and effectiveness can be derived from having a separate committee.

From time to time, non Board members may be invited to attend Board meetings when remuneration matters are being discussed, if it is considered appropriate.

### **11.2 Role**

The Board's function as a Remuneration Committee is to fulfil its corporate governance responsibilities with respect to remuneration by reviewing:

- (a) Remuneration packages of Executive Directors, Non-Executive Directors and senior executives; and;
- (b) Employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

### **11.3 Purpose**

The primary purpose of the Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- (a) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (b) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- (c) recommending to the Board the remuneration of executive Directors;
- (d) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- (e) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- (f) reviewing and approving the remuneration of direct reports to the Chief Executive Officer/Managing Director, and as appropriate other senior executives; and
- (g) reviewing and approving any equity based plans and other incentive schemes.

### **11.4 Operations**

The full Board shall consider remuneration matters in its capacity as a Remuneration Committee as part of general meetings of the Board at least once a year and otherwise as required. Minutes

of the consideration of such matters are to be kept as part of the minutes of the general meeting of the Board.

## 11.5 Responsibilities

The responsibilities of the Board's function as the Committee include a review of:

- the Company's remuneration policy and framework;
- senior executives' remuneration and incentives;
- superannuation arrangements; and
- remuneration by gender.

### (a) Executive Directors and Senior Management Remuneration

In considering the Company's remuneration policy and levels of remuneration for executives, the Board makes decisions which:

- (i) motivates Executive Directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (ii) demonstrates a clear correlation between senior executives' performance and remuneration;
- (iii) aligns the interest of key leadership with the long term interests of the Company's shareholders; and
- (iv) prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its Executive Directors, the Board shall document its reasons for the purpose of disclosure to stakeholders.

### (b) Non-Executive Remuneration

In considering the Company's remuneration policy and levels of remuneration for non-executive Directors, the Board is to ensure that:

- (i) fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (ii) Non-Executive Directors are remunerated by way of fees (in the form of cash and superannuation benefits);
- (iii) Non-Executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and

- (iv) Non-Executive Directors are not entitled to participate in equity based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders. To the extent that Non-Executive Directors do participate in equity based remuneration schemes, they are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its Non-Executive Directors, the Board shall document its reasons for the purpose of disclosure to stakeholders.

(c) Incentive Plans and Benefits Programs

The Board is to:

- (i) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated, the Board will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- (ii) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (iii) continually review and if necessary improve any existing benefit programs established for employees.

## 11.6 Authorities and Resources

The Board may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Board may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters.

## 12. Nomination Committee Charter

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### 12.1 Composition

The full Board presently performs the function of a Nomination Committee. A separate Nomination Committee may be established when appropriate, as the Company's activities develop in size, nature and scope, and where increased efficiency and effectiveness can be derived from having a separate committee.

From time to time, non Board members may be invited to attend Board meetings when nomination matters are being discussed, if it is considered appropriate.

### 12.2 Role

The Board's function as a Nomination Committee is to examine the selection and appointment practices of the Group as well as to monitor and review any matters of significance affecting the composition of the Board and the Executive Team.

### 12.3 Purpose

The primary purpose of the Nomination Committee is to support and advise the Board in:

- (a) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- (b) ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

### 12.4 Operations

The full Board shall consider nomination matters in its capacity as a Nomination Committee as part of general meetings of the Board as required. Minutes of the consideration of such matters are to be kept as part of the minutes of the general meeting of the Board.

### 12.5 Responsibilities

- (a) Size and Composition of the Board

To ensure that the Board has the appropriate blend of directors with the necessary skills, expertise, relevant industry experience and diversity, the Board shall:

- (i) regularly review the size and composition of the Board and consider any appropriate changes;
- (ii) identify and assess necessary and desirable Director skills and competencies and provide advice on the skills and competency levels of directors with a view to enhancing the Board;
- (iii) make recommendations on the appointment and removal of Directors;

- (iv) make recommendations on whether any Directors whose term of office is due to expire should be nominated for re-election;
- (v) regularly review the time required from Non-Executive Directors and whether Non-Executive Directors are meeting that requirement;
- (vi) regularly review the Company's Diversity Policy and make decisions as to any strategies required to address Board diversity; and
- (vii) regularly review and consider and note the relative proportion of women and men at all levels of the economic group controlled by Company.

(b) Selection Process of new Directors

The Board shall review the Company's Policy and Procedure for Selection and Appointment of Directors and the Company's Diversity Policy. Such procedure should be transparent to promote investor understanding and confidence in the process.

The Board is empowered to engage external consultants in its search for a new Director, particularly as a means to increase the presentation of candidates which meet the requirements and targets set pursuant to the Company's Diversity Policy.

The initial appointment of a new Director is made by the Board. The new Director will be required to stand for election at the Company's next general meeting.

(c) Performance Appraisal Competency

The Board shall:

- (i) develop a process for evaluation of the performance of the Board, Board committees (if any), and when deemed appropriate by the Chair, individual Board members in accordance with the Company's Process for Performance Evaluation;
- (ii) implement ways of enhancing the competency levels of Directors;
- (iii) consider and articulate the time required by Board members in discharging their duties efficiently;
- (iv) undertake continual assessment of Directors as to whether they have devoted sufficient time in fulfilling their duties as Directors;
- (v) develop a process for, and carry out, an evaluation of the performance of the Managing Director in accordance with the Company's Process for Performance Evaluation;
- (vi) review and implement the Company's induction program;
- (vii) ensure new Directors participate in the induction program; and
- (viii) provide all Directors with access to ongoing education relevant to their position in the Company, including education concerning key developments



in the Company and in the industry and environment within which it operates.

(d) Succession Plans

The Board shall review the Company's succession plans. Succession plans are to assist in maintaining the appropriate mix of skills, experience, expertise and diversity on the Board.

## **12.6 Authority and Resources**

The Board may, when it considers it necessary or appropriate, seek advice from external consultants or specialists.