

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Rhinomed Limited

ABN/ARBN

107 903 159

Financial year ended

30 June 2019

Our corporate governance statement² for the above period above can be found at:³



This URL on our website : <http://www.rhinomed.global/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 25 October 2019 and has been approved by the board.

Our corporate governance disclosures can be located at <http://www.rhinomed.global/corporate-governance/>

Date here: 25 October 2019



Sign here: Phillip Hains
Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	<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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • http://www.rhinomed.global 	
1.2	<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 in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) 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 (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.7	<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>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraph (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • http://www.rhinomed.global <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • The Directors Report 	<p><input checked="" type="checkbox"/> an explanation why the entity does not comply with 2.1(a)(1) is in our Corporate Governance Statement</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • http://www.rhinomed.global 	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... where applicable, the information referred to in paragraph (b):</p> <ul style="list-style-type: none"> • Not applicable <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • The Directors Report 	
2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	<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>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • http://www.rhinomed.global 	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a audit committee that complies with paragraph (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • http://www.rhinomed.global <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • The Directors Report 	<p><input checked="" type="checkbox"/> an explanation why the entity does not comply with 4.1(a)(1) is in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement	
4.3	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>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement	
<u>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</u>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>AND</u> <input checked="" type="checkbox"/> at this location: http://www.rhinomed.global	
<u>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</u>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at this location: <ul style="list-style-type: none"> • http://www.rhinomed.global 	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement AND	
		<input checked="" type="checkbox"/> at this location: <ul style="list-style-type: none"> • http://www.rhinomed.global 	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement AND	
		<input checked="" type="checkbox"/> at this location: <ul style="list-style-type: none"> • http://www.rhinomed.global 	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraph (2):</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> an explanation why the entity does not comply with 7.1(a)(1) is in our Corporate Governance Statement
		<p>... and a copy of the charter of the committee:</p> <input checked="" type="checkbox"/> at this location: <ul style="list-style-type: none"> • http://www.rhinomed.global 	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • The Directors Report 	
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>7.3 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>	<p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</p>	<p>[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraph (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • http://www.rhinomed.global <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at this location:</p> <ul style="list-style-type: none"> • The Directors Report 	<p><input checked="" type="checkbox"/> an explanation why the entity does not comply with 8.1(a)(1) is in our Corporate Governance Statement</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

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CORPORATE GOVERNANCE STATEMENT 2019

Last updated: 20 September 2018

Last reviewed: 14 October 2019

STATEMENT

The Board of Directors (the 'Board') of Rhinomed Limited (the 'Company') is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Commensurate with the spirit of the ASX Corporate Governance Principles and Recommendations (3rd Edition) ('Recommendations'), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Principle 1: Lay solid foundations for management and oversight

Role of the Board and Management

The Board is responsible for the overall corporate governance of the Company.

The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to senior executives. A copy of the Board Charter is available on the Company's website at <https://www.rhinomed.global/corporate-governance/>.

The Board is ultimately responsible for all matters relating to the running of the Company. The main task of the Board is to drive the performance of the Company. The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board; the Board will oversee the activities of management in carrying out these delegated duties.

The Board has the final responsibility for the successful operations of the Company. Successful operations will usually be manifest by achieving optimum shareholder value. The Board is responsible for articulating the following:

- The objectives and strategic direction of the Company;

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- The values of the Company, including how it will treat and interact with all stakeholders;

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board will include the following:

1. Leadership of the Organisation: overseeing the Group and establishing codes that reflect the values of the Group;
2. Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Group;
3. Overseeing Planning Activities: the development of the Group's strategic plan;
4. Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy;
5. Company Finances: ensuring there are adequate resources provided to achieve the objectives;
6. Human Resources: establishing appropriate human resource policies and ensuring there are adequate human resources for the Group to be successful;
7. Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Group's occupational health and safety systems to ensure the well-being of all employees;
8. Delegation of Authority: delegating appropriate powers to the CEO and the senior management team to ensure the effective day-to-day management of the Group; and
9. Ensuring there is appropriate Corporate Governance structures in place.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

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Diversity policy

The Company is committed to providing an inclusive workplace and recognises the value of individuals with diverse skills, values, backgrounds and experiences will bring to the Company. At the core of the Company's Diversity Policy is a commitment to equality and respect. Diversity is recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. People differ not just on the basis of race and gender, but also other dimensions such as lifestyle, education, physical ability, age and family responsibility. A copy of the Diversity Policy is available on the Company's website at <https://www.rhinomed.global/corporate-governance/>.

Rhinomed is an equal opportunity employer and aims to recruit staff at all levels from as diverse a pool of qualified candidates as reasonably possible based on their skills, qualifications and experience.

The Company is currently satisfied with the level of diversity within the organization and in senior management positions and therefore has not set specific measurable objectives in regards to gender diversity. However, the Company does intend to maintain or increase the level of gender diversity within the organisation in the future.

The proportion of women employees in the consolidated entity as at 30 June 2019 are as follows:

- Women on the board: 0 of 4 (0%)
- Women in senior executive positions: 1 of 3 (33%)
- Women in the organisation: 9 of 18 (50%)

Board Performance Review

The Board considers the ongoing development and improvement of its own performance, the performance of individual directors and Board Committees as critical to effective governance.

The Board has adopted an informal self-evaluation process to measure its own performance. The performance of the Board and individual directors is reviewed at least every year by the Board as a whole. This process includes a review in relation to the composition and skills mix of the Directors of the Company. Performance reviews involve analysis based on key performance indicators aligned with the financial and non-financial objectives of the Company. A performance review in accordance with the processes disclosed occurred during the 2019 financial year.

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Performance Review of KMP

On at least an annual basis, the Board conducts a performance review of the Chief Executive Officer and any other key management personnel (KMP). The Board assesses the performance of KMP against qualitative and quantitative key performance indicators relevant to each KMP. A performance review of KMP occurred during the 2019 financial year in accordance with this process.

Independent Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his office as a director, then, provided the director first obtains approval for incurring such expense from the chairperson, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 2: Structure the Board to add value

Board composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The Board assesses whether a director is independent in accordance with the independence guidelines detailed in the Recommendations. The Board comprises of a majority of non-executive directors with three of four current directors considered to be independent directors. The following directors of Rhinomed are considered to be independent:

Name	Position	Length of Service
Ron Dewhurst	Non-Executive Director and Chairman	Since 1 st Dec 2015
Eric Knight	Non-Executive Director	Since 12 th Feb 2014
Brent Scrimshaw	Non-Executive Director	Since 12 th Feb 2014

The Company's Chairman, Ron Dewhurst, was previously a substantial shareholder of the Company and, for that reason alone, did not meet the independence criteria of the Recommendations. As a result of a recent capital raising in September 2019, Ron's interest in the Company was diluted below a substantial shareholding and accordingly, the Board considers that he is an independent director and Chairman. Michael Johnson is the CEO and only executive and non-independent director. Michael has been a director for Since 1st February 2013.

Nomination of Directors

The Company has established a Remuneration Committee, which is responsible for the Nomination of Directors.

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The Board has undertaken a review of the mix of skills and experience on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the Company.

Board Skill Matrix

Board Skills and Experience

Strategic expertise	Leadership knowledge & abilities
Legal	Governance appreciation
Experience in the financial markets	Commercialisation of innovation experience
Industry knowledge	Ethics and integrity
Extensive Senior Executive Experience	Negotiation skills
Financial Skills	Marketing

The Board has a skills matrix covering the competencies and experience of each member. When the need for a new director is identified, the required experience and competencies of the new director are defined in the context of this matrix and any gaps that may exist.

The Board supports the nomination and re-election of the directors at the Company's forthcoming Annual General Meeting.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

A new director induction program is in place and Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Act ethically and responsibly

Code of Conduct

The Board has adopted a Code of Conduct. The Code of Conduct establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct.

The Company has embraced responsibility for the Company's actions and encourages a positive impact through its activities on the environment, employees, communities and stakeholders.

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The Code of Conduct is available on the Company's website at <https://www.rhinomed.global/corporate-governance/>.

Principle 4: Safeguard integrity in corporate reporting

Audit Committee

The Board has established an Audit Committee, which operates under a Charter approved by the Board. A copy of the Remuneration and Audit Committee Charter is available on the Company's website at <https://www.rhinomed.global/corporate-governance/>.

Due to the size of the Board and the Company, the Board has assumed the role of the Audit Committee, which comprises a majority of independent directors. The Audit Committee is chaired by an Independent Director.

It is the Board's responsibility to ensure that an effective internal control framework exists within the Group. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the Audit Committee during the year (and details of their respective qualifications and experience) are set out in the Annual Report to shareholders statement and in the Directors' Report.

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to the Directors' report.

CEO and CFO Declarations

The CEO and CFO have provided the Board with a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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External Auditor

The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

Principle 5: Making timely and balanced disclosure

Continuous Disclosure Policy

The Company has adopted a Disclosure Policy, which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters, which may have a material impact on the price at which Company securities are traded.

The Managing Director and the Company Secretary are responsible for communicating with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirement in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

The information disclosed will be factual and presented in a clear and balanced way. The Company has prepared and issued to all senior staff a written policy document on this matter and requires strict adherence to this policy.

A copy of the Company's Disclosure Policy and ASX Communication Committee Charter can be viewed on the Company's website at <https://www.rhinomed.global/corporate-governance/>.

Principle 6: Respect the rights of shareholders

Shareholder Communication

The Company is committed to providing current and relevant information to its shareholders.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information mailed to shareholders and the general

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- meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the “contact us” page of the Company’s website.

Shareholders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically. Shareholders are also encouraged to attend the Annual General Meeting. Prior to the Annual General Meeting, shareholders are given the opportunity to submit questions to the Chairman or the CEO so that they can assess and respond to common queries and topics.

The Company maintains information in relation to its corporate governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company’s website at <https://www.rhinomed.global/corporate-governance/>.

Principle 7: Recognise and managing risk

Risk Management

The responsibility of overseeing risk falls within the Charter of the Audit Committee. A copy of the Remuneration and Audit Committee Charter is available on the Company’s website at <https://www.rhinomed.global/corporate-governance/>.

The Company identifies areas of risk within the Company and management and the Board continuously undertake a risk assessment of the Company’s operations, procedures and processes. The risk assessment is aimed at identifying the following:

- a culture of risk control and the minimisation of risk throughout the Company, which is being done through natural or instinctive process by employees of the Company;
- a culture of risk control that can easily identify risks as they arise and amend practices;
- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial or other effect on the business and its day to day management; and
- adoption of these practices and procedures to minimise many of the standard commercial risks, i.e. taking out the appropriate insurance policies or ensuring compliance reporting is up to date.

Ultimate responsibility for risk oversight and risk management rests with the Board. The Board reviews the entity’s risk management framework at least annually to

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satisfy itself that it continues to be sound. A review of the Company's risk management framework was conducted during the 2019 financial year.

The Company has identified key risks within the business. In the ordinary course of business, management monitor and manage these risks. Key operational and financial risks are presented to and reviewed by the Board at each Board meeting. During the financial year, management has reported to the Board as to the effectiveness of the Company's management of its material business risks.

The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's Risk Management Policy can be viewed on its website at <https://www.rhinomed.global/corporate-governance/>.

Principle 8: Remunerate fairly and responsibly

Remuneration Committee

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors, the Executive Director and executive team. A copy of the Remuneration and Audit Committee Charter is available on the Company's website at <https://www.rhinomed.global/corporate-governance/>.

Due to the size of the Board and the Company, the non-executive directors have assumed the role of the Remuneration Committee. The Remuneration Committee is chaired by an Independent non-executive Director.

Remuneration Policy

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee, in assuming the responsibilities of assessing remuneration to employees, links a proportion of executive directors' and officers' remuneration to the Company and consolidated entity's financial and operational performance. The expected outcomes of the remuneration structure are:

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- retention and motivation of key executives;
- attraction of high quality management to the Company and consolidated entity; and
- performance incentives that allow executives to share in the success of the Company.

Non-Executive Directors receive fixed fees and may also receive options in the Company, subject to shareholder approval. There is no scheme to provide retirement benefits to executive or non-executive directors.

From time to time employees and consultants may be offered options under plans previously agreed by shareholders. Participants in an equity based remuneration scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

For a more comprehensive explanation of the Company's and consolidated entity's remuneration framework and the remuneration received by directors and key executives in the current period, please refer to the remuneration report, which is contained within the directors' report.

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