

Corporate Governance Statement

NSX Limited

(ABN 33 089 447 058)

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Introduction

Background

NSX Limited (“**NSXL**”) is committed to conducting its business in a way that is open and accountable to shareholders, its stakeholders, customers and the wider marketplace. NSXL believes that its corporate governance practices as a public company should be of a high and rigorous standard.

NSXL is the parent company of the National Stock Exchange of Australia Ltd (“**NSXA**”). NSXA holds an Australian Market Licence enabling NSXA to operate a Stock Exchange within Australia.

As a market licensee, NSXA has the statutory obligation to operate a market that is fair, orderly and transparent (“**FOT obligations**”)¹. Responsibility for NSXA meeting its statutory obligations as a market licensee rests with the board of NSXA and supported by the Board of NSXL.

This requirement is enshrined in the constitutions of NSX Limited and National Stock Exchange of Australia Limited.

If you are in doubt about the standards that are set by the Policy or your obligations under the Policy, you should speak to your manager.

Governance Standards and Requirements

The policy is reflective of the following governance standards:

- (a) The Constitution of NSX Limited;
- (b) The Corporations Act;
- (c) ASIC Regulatory Guides as varied from time to time;
- (d) While NSXL is the holding company of NSXA, reflect the requirements and conditions of the National Stock Exchange of Australia Australian Market Licence and published variations; and
- (e) While NSXL is listed on ASX, the ASX Corporate Governance Council Principles and Recommendations (the fourth edition), the ASX Listing Rules and Guidance Notes.

NSXL disclosures

This document is structured along the same lines as the Council’s guidelines, with sections dealing in turn with each of the Council’s nine corporate governance principles. The various codes, policies and charters are available from the NSXL website².

ASX Corporate Governance Council principles and recommendations³

In March 2003, the ASX Corporate Governance Council published the ‘Principles of Good Corporate Governance and Best Practice Recommendations’ (“guidelines”). This publication is the basis for the NSXL’s own corporate governance

¹ Subsection 792A of the Corporations Act (2001) Cth

² <https://www.nsx.com.au/about/governance/constitution-and-policies/>

³ <https://www.asx.com.au/regulation/corporate-governance-council.htm>



statement and the guidelines published by the ASX Corporate Governance Council as amended from time to time in 2007, 2010, 2014 and 2019 (4th Edition, for the year commencing 1 January 2020).

NSXL progressively reviews its existing policies and codifies new policies in line with the published corporate governance guidelines. However, NSXL does not believe in a one size fits all approach and consequently has responded to the guidelines appropriately with respect to the size of the company, its markets, the size of the entities listed on its markets, the regulatory environment that it operates in and the size of the businesses that NSXL operates.

ASX Listing Rule Requirements

Under 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 ASX 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 Listing Rule 4.10.3.

Under ASX Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The ASX Appendix 4G form is not a substitute for, and is not to be confused with, the NSX's Corporate Governance Statement. They serve different purposes and NSX must produce each of them separately. The ASX Appendix 4G form is a key to corporate governance disclosures whereas the Corporate Governance Statement, either issued separately or in the Annual report, provides the actual disclosure of corporate governance behaviour that applied during the relevant reporting period.



Principle 1: Lay solid foundations for management oversight.

NSXL should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

Charter

The Boards of NSXL and NSXA have adopted formal Board Charters which sets out the functions reserved to the Board and those delegated to the Chief Executive Officer / Managing Director (CEO/MD).

Specifically, the Board is responsible for:

- (a) Setting strategic direction of the NSX Group and monitoring management's performance within that framework;
- (b) Defines the Company's purpose;
- (c) Approves the Company's statement of values and code of conduct which underpins the culture within the Company;
- (d) Oversees that management instils the Company's values;
- (e) Ensuring there are adequate resources available to meet NSX Group objectives;
- (f) Appointing and removing the CEO/MDs and overseeing succession plans for the senior executive team;
- (g) Approving and monitoring financial reporting and capital management;
- (h) Approving and monitoring the progress of business objectives;
- (i) Ensuring that adequate risk management procedures exist and are being used;
- (j) Ensuring that the NSX Group has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility; and
- (k) Ensuring that the Board is and remains appropriately skilled to meet the changing needs of the company;
- (l) Ensuring that the Board has no operational involvement in the supervision of the market. Its role in that area is confined to setting and reviewing policy.
- (m) The Board has delegated market compliance activities to the Compliance Committee.



- (n) The Board has delegated Audit review responsibilities to the Audit and Risk Committee.
- (o) The Board has delegated review of listing applications to the Listing and Admissions Committee.
- (p) The Board retains overall responsibility for approval of recommendations from the Remuneration and Nomination Committee, the Audit and Risk committee and the NSXA Board retains overall responsibility for the Listing and Admissions Committee and Compliance Committee as well as any other committee that may be established by the Board from time to time.
- (q) The Board undertakes appropriate checks for new directors and senior staff as required such as but not limited to police checks and reference checks. The Board provides information on new Directors in the annual report, as a market announcement at the time of appointment and as part of the Notice of Meeting where a director is to be elected or re-elected.
- (r) The Board ensures that there are written agreements in place for all executive directors, management and staff.
- (s) The Board ensures that the Company Secretary is accountable to the Board through the Chairperson on all matters to do with the proper functioning of the Board.
- (t) Approving the Diversity Policy. Performance against the policy is disclosed either in the Annual report or on the website in the “Governance” landing page.

The Board Charter, Remuneration and Nomination Charter outline the process for performance review of the Board and its Committees and individual directors from time to time. NSXL is to disclose at each annual reporting period whether a performance evaluation was undertaken in the reporting period according to that process.

The Chair is responsible for leading the Board in those duties, while the CEO/MD is responsible for the efficient and effective operation of the NSXL Group, including bringing material matters to the attention of the Board. The roles of the Chair and CEO/MD are separated. The Board, Chair and CEO/MD are supported in these duties by the Company Secretary.

Appointment checks

The Company goes through a rigour set of checks with respect to the appointment of new directors and senior managers as describe in the document “Procedures for the appointment of new directors and senior officers”. Directors and senior officers who are declared as persons of influence for the NSXA entity also are required to receive a no-objection from ASIC as part of their engagement requirements.

Written Agreement

Each director is required to sign a comprehensive consent agreement. In addition, where required, each Director should have a written service agreement especially where executive functions are performed on a longer term basis. Article 12.13 of the NSXL constitution deals with remuneration of Directors and Article 12.15 deals with payments to Directors for each services. Payments are required to be approved by the Board. The non-executive director payment pool is required to be approved by Shareholders at a general meeting and are subject to ASX Listing Rules. The agreement can should also cover payment for reasonable expenses and Director duties and responsibilities that may be present in the constitution and Corporations Act.



Company Secretary

The role of the company secretary is given by the Corporations Act, the Company's constitution and the Board Charter. As per the Charter the Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.

Diversity

The company has formally approved a diversity policy. More detail is available at <https://www.nsx.com.au/about/governance/constitution-and-policies/>.

Performance Evaluation Policy

The Company has a Performance Evaluation Policy, which details the performance evaluation process for the Board, its committees and individual directors. The Policies are summarised below. More detail is available at <https://www.nsx.com.au/about/governance/constitution-and-policies/>.

The Board

A formal process has been established to review and evaluate the performance of the Board on an annual basis. This involves a questionnaire and peer review procedure of each Director. 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 other similar sized entities, and examining ways in which the Board can better perform its duties.

The method and scope of the performance evaluation is 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.

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.

Non-executive directors

On the basis of the peer review questionnaire, the Chair has primary responsibility for conducting performance reviews 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 Chair, following a performance review, considers that action must be taken in relation to a director's performance, the Chair 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.

Chief Executive Officer / Managing Director

The Board will annually review the performance of the CEO/MD. The Board and the CEO/MD will agree a set of general Company specific performance measures to be used in the review of the forthcoming year.

Senior management / executive

The Company has a Performance Evaluations Policy, which details the performance evaluation process for senior executives⁴. The Policy is detailed below.

The CEO/MD is responsible for assessing the performance of the key executives within the Company. 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 a set of agreed performance measures.

ASX Appendix 4G Key Reference

Corporate Governance Principle		Corporate Governance Disclosure
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://www.nsx.com.au/about/governance/constitution-and-policies/
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our appointment policy at: https://www.nsx.com.au/about/governance/constitution-and-policies/ (Procedures for the appointment of new directors and senior officers)

⁴ The Board of the National Stock Exchange of Australia (NSXA) is responsible for the review of NSXA employees



Corporate Governance Principle		Corporate Governance Disclosure
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> and we have disclosed a copy of our appointment policy at: https://www.nsx.com.au/about/governance/constitution-and-policies/
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.	<input checked="" type="checkbox"/> Refer to section 9 of the Board Charter and we have disclosed a copy of our board charter at: https://www.nsx.com.au/about/governance/constitution-and-policies/
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> A. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or B. 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. <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: https://www.nsx.com.au/about/governance/constitution-and-policies/ and we have disclosed the information referred to in paragraph (c) at: NSX Limited Annual Report. https://www.nsx.com.au/about/investor-relations/financial-reporting/



Corporate Governance Principle		Corporate Governance Disclosure
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none">(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: https://www.nsx.com.au/about/governance/constitution-and-policies/ and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: NSX Limited Annual Report. https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none">(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: https://www.nsx.com.au/about/governance/constitution-and-policies/ and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: NSX Limited Annual Report. https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>



Principle 2: Structure the Board to be effective and add value.

The Board should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

The Board believes that it is so structured, and the Board believes that its directors adequately discharge their responsibilities and duties to the benefit of shareholders.

Skills Matrix

A fundamental requirement for Board members is a deep understanding of financial markets. All Board members meet this threshold requirement. They also bring a diverse range of skills and backgrounds including accountancy, auditing, financial services including investment banking and stock broking, financial regulation, technology, law and public policy as well as business acumen including international business skills.

Category	Description	Percentage (%) of directors with these skills (6 directors)
Business Development & Customer Service	Understanding and experience of the complex nature of exchange listed products, experience with the creation of products, customer management and stakeholder engagement strategies.	100
Financial Acumen	Ability to interpret complex financial reporting and accounting issues, relevant qualifications and experience in the areas of finance. Experience in setting and monitoring financial controls at a senior executive or director level.	50
Industry Experience	Extensive experience in financial services and capital markets. Experience with Australian Market Licencee regulation and/or financial service licences and the challenges faced by the industry	94
Leadership & Strategy	Directors demonstrate previous experience as directors or in senior executive management at “C” suite level	100
People & Culture Management	Directors demonstrate and have experience in people management, diversity issues and organisational culture issues. Have had or are involved in the activities of remuneration and nomination committees.	100



Category	Description	Percentage (%) of directors with these skills (6 directors)
Public Policy	Experience in interacting with government at various levels in particular with Members of Parliament, Treasury, RBA, ACCC and ASIC.	100
Risk and Compliance	Experience in the areas of financial regulation, corporations' law, corporate governance, anti-money laundering legislation, Risk evaluation and risk mitigation strategy development. Past or present membership of Audit & Risk Committee.	72
Strategy	Experience in the area of Strategy formulation, policy, implementation and monitoring at senior executive and/or board level.	100
Technology and Data	Experience with technology, particularly that used in capital markets and issues surrounding cyber security. Experience with implementing complex technology strategies and knowledge of relevant emerging technologies.	75

Experience

The Board believes that the rules of tenure for director's given by the Constitution best serves the Board structure by requiring one third of the board to retire each year. Board members are eligible to be re-elected, but the rotational basis affords directors the ability to review their contribution to the Company at the appropriate time. Given the nature of the business, involvement and experience in Australia's capital markets is essential to bring the skills, the experience and the judgement required for effective decision making, ability to manage the cyclical nature of our markets and accommodate changing regulatory requirements.

Stakeholder Perspectives

An important function of directors is to bring the perspective of stakeholders to the oversight of a company. Directors bring many perspectives to the Board's deliberations including those of customers such as listed companies, nominated advisers and participants, members of the broader investment community and service providers such as lawyers and accountants and the views and interests of employees.

Independence

Recognising that the perspective of customers is vital to the running of a company, the ASX Corporate Governance Council guidelines and the IFSA Blue Book both employ the concept of materiality when judging whether a non-executive director's relationship with a customer, supplier, consultant or professional adviser affects their independence. NSXL



believes that employing this materiality concept is essential in judging whether customer, supplier, consultant or professional adviser relationships affect the independence of NSXL directors. In the absence of a materiality criterion, no person with a past or present association with the broking industry, a nominated adviser or a listed company would be deemed capable of bringing independent judgement to bear as a director on the NSX Board. This is not a view that NSX believes to be reasonable, widely supported, or in the best interests of shareholders.

The Board has adopted AASB standard to determine levels of materiality. A relationship is presumed immaterial when it generates less than 5%, and presumed material when it generates more than 10%, of revenue over a twelve-month period in the absence of evidence or convincing argument to the contrary. In considering such evidence or argument the Board considers the strategic value and other material but not non-quantitative aspects of the relationship in question.

The threshold for materiality for the purpose of assessing the materiality of relationships between a non-executive director and the Company (other than as a director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.

At each meeting of the Board, directors table their current directors interests both for entities associated with the NSXA Market and also outside interests. Where appropriate the relevant director absents him or herself from voting where there is a conflict of interest. All interests are registered in the Register of Director's Interests which is circulated to the Board at each meeting. the Board applies a similar concept at an executive level to ensure that supervisory responsibilities are not compromised by any commercial discussions concerning NSXA listed entities.

The NSXL discloses the independence of its directors in the annual report along with related party transactions, date of appointment and skills information.

Both the NSXL and NSXA Boards are comprised of a majority of independent directors. The Chair of the NSXL board is not independent on the basis that they are associated with a substantial shareholder of the Company. The Board believes that the qualities and experience of the Chair mean that they are the best person suited to the position in the current business growth cycle of the Company. The Chair does not hold the office of Chief Executive Officer or Managing Director. The Chair of the NSXA Board is independent.

Board Committees

The NSXL Board has constituted the Audit and Risk Committee as a separate committee. The NSXA Board has constituted the Compliance Committee and the Listing & Admissions Committee as separate independent committees.

The Compliance Committee is comprised of a majority of independents as independent external panel members of the committee. The Committee does not have any members that are directors or management. This committee has a charter approved by the Board.

The Listing and Admissions Committee is comprised of a majority of independents as independent external panel members of the committee. The Committee does not have any members that are directors or management. This committee has a charter approved by the Board.

The Audit and Risk Committee is a separately constituted committee. The Committee is chaired by an independent director and comprises at least three directors, two of which are independent.

The Remuneration and Nominated is not a separately constituted committee. Given the nature of the business the Board has resolved to perform the functions of this committee. However, the Board has approved a Charter for this Committee which governs the Board when it is in Committee for this purpose.



The Board does not disclose the membership of its independent NSXA committees (Compliance and Listing) so as to maintain the independence of the members as they consider commercially and regulatory sensitive decisions. The meeting attendance of the Board and Audit & Risk Committee members are published in the Annual Report

Independent advice

Directors may also seek external professional advice at the expense of the Company on matters relating to their role as directors in accordance with the Constitution. However, they must first request approval from the Chair, which must not unreasonably be withheld. If permission is withheld the matter may be referred to the whole Board.

ASX Appendix 4G Key Reference

Corporate Governance Principle		Corporate Governance Statement
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; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>[If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: https://www.nsx.com.au/about/governance/constitution-and-policies/ and the information referred to in paragraphs (4) and (5) at: Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix within the Corporate Governance Statement: https://www.nsx.com.au/about/governance/constitution-and-policies/</p>



Corporate Governance Principle		Corporate Governance Statement
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at: Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/ and, where applicable, the information referred to in paragraph (b) at: Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/ and the length of service of each director at: Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at: Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
2.6	<p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix within the Corporate Governance Statement: https://www.nsx.com.au/about/governance/constitution-and-policies/ (Procedure for the appointment of new directors and senior officers)</p>



Principle 3: Instil a culture of acting lawfully, ethically and responsibly.

The Company should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

The Board formally adopted a Code of Ethics and Conduct, which promotes ethical and responsible decision making by directors, executives and employees. The Code requires high standards of honesty, integrity, fairness and equity in all aspects of employment with NSX. The Code also sets the task for management of delivering shareholder value, with the oversight of the Board, through the sustainable and efficient operation of the company. Specific obligations regarding fitness for office also apply to NSX directors and management by virtue of its role as market operator.

The Board has adopted formal Dealing Rules that set the parameters for dealing in the securities of NSX and prohibit insider trading. Any dealing in the securities of NSX requires prior sign off from a nominated officer. The Dealing Rules apply to all NSX employees and directors.

The Board has developed and published a Diversity Policy.

The Board has developed and published a Whistleblower Policy.

The Board have developed and published an Anti-bribery and Anti-corruption Policy

ASX Appendix 4G Key Reference

Corporate Governance Principle		Corporate Governance Statement
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (c) any other material breaches of that code that call into question the culture of the organisation.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: Code of Conduct and Ethics - https://www.nsx.com.au/about/governance/constitution-and-policies/



Corporate Governance Principle		Corporate Governance Statement
3.3	<p>A listed entity should:</p> <ul style="list-style-type: none">(a) have and disclose a whistleblower policy; and(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our whistleblower policy at: https://www.nsx.com.au/about/governance/constitution-and-policies/</p>
3.4	<p>A listed entity should:</p> <ul style="list-style-type: none">(a) have and disclose an anti-bribery and corruption policy; and(b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our anti-bribery and corruption policy at: https://www.nsx.com.au/about/governance/constitution-and-policies/</p>



Principle 4: Safe guard the integrity of corporate reports.

The Company should have appropriate processes to verify the integrity of its corporate reports.

The Board believes its practices in this regard are in accordance with this principle given the relative size of the NSX Group. The Company undertakes half year reviews and annual audit of its financial performance according to Corporations Act 2001 requirements.

The Board has formally adopted an Audit & Risk Committee Charter. Amongst other things, the Audit Committee has specific responsibility for monitoring and reviewing any audit and non-audit work carried by the external audit firm. No director has any association, past or present, with NSX's external auditors. The Committee is comprised of three board members and meets on a scheduled basis at least four times per year and more often if required.

External audit process

The external auditor under the scrutiny of the Board and the Audit & Risk Committee, presently conducts financial audits in return for reasonable fees.

The Audit partner is rotated every 5 years in line with legislation. Each year an audit report is presented to the Audit & Risk Committee and Board and the Committee and Board have an opportunity to discuss and review the findings of the report and require implementation of improvements to policies and processes.

A management sign off letter is provided for each audited report from the CEO/MD and CFO.

The auditor is required to attend the AGM and is invited and is informed of the AGM date and time by the Company Secretary.

Internal audit process

Given the size of the NSX Group there is no separate internal audit function. The CFO reviews NSX systems and processes based on the Management Review Report provided by the auditor. The Management Review is circulated to the Board and Committee. Improvements identified in the Management Review are discussed at both Committee and Board level and appropriate action is taken by the NSX employees.

Audit Committee

The Board has established an Audit & Risk Committee and the committee has been active since July 2020.

This Committee reviews both audit and risk related matters.

Previously the Board oversaw the functions of the Committee. The Committee has three members, Kelly Humphreys (Chair), Tim Hart and Tod McGrouther. Details of experience and qualifications of each of the members of the audit and Risk Committee is available in the Financial Statements of the Annual Report. Meeting attendance by Committee members is published in the Annual Report.



The charter of the Committee is available, in full, from the NSX website.

ASX Appendix 4G Key Reference

Corporate Governance Principle	Corporate Governance Statement
<p>4.1</p> <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, 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; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at Annual Report https://www.nsx.com.au/about/investor-relations/financial-reporting/</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.nsx.com.au/about/governance/constitution-and-policies/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> Annual Report</p>
<p>4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, 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>	<p><input checked="" type="checkbox"/></p>
<p>4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>



Principle 5: Make timely and balanced disclosure.

The Company should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

The Board has ultimate authority and responsibility for approving material market disclosures either at a Board meeting or by circular resolution. These disclosures are usually drafted by the CEO/MD, Chair and the Company Secretary for approval by the Board as part of the Disclosure Committee function. Other senior managers are included relating to expert topic matters.

The Company also undertakes an annual compliance planning process. The Compliance Plan includes requirements for continuous disclosure and the Board has formally adopted a continuous disclosure policy. The plan and policy are designed to ensure that company announcements are made in timely manner, are factual, do not omit material information and are expressed in a clear and objective manner. The plan provides a 'road map' of NSX compliance with its disclosure obligations and other business operations.

The Company provides on its website a summary of the policies and procedures designed by NSX to guide NSX compliance with the above mentioned ASX Listing Rule disclosure requirements. The Board considers its disclosure of financial results falls within the scope outlined in the Corporations Act and are lodged within the required time frames under both the Corporations Act and the ASX Listing Rules.

Once announcements have been made to the market the Company Secretary is responsible for providing the released copy to the Board and other stakeholders.

ASX Appendix 4G Key Reference

Corporate Governance Principle		Corporate Governance Statement
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.nsx.com.au/about/governance/constitution-and-policies/
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>



Principle 6: Respect the rights of security holders.

The Company should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

The Board has formally adopted a shareholder communication policy which is provided in full on the Company's website. The policy identifies disclosure and transparency as important qualities for investors and prospective investors. The Company aims to ensure the quality and clarity of communication with shareholders, using available methods and technologies.

As for any public company, security holder meetings are an opportunity for shareholders to hear from and question the Board and management. Security holders are informed of each AGM via correspondence from the Board, the Company Secretary and the Security holder registry service.

The Chair and the CEO/MD may make presentations separately before attending to voting on resolutions and general business. The Chair of the meeting, usually the Chair, is responsible for the conduct of the meeting. The auditor attends the Company's annual general meeting and is available to answer any questions regarding the conduct of and any issues arising from the audit.

The Company accepts nominations for the board of NSX that are made to the Company Secretary in accordance with the constitution. The Company conducts annual and extraordinary general meetings in accordance with the Corporations Act and the constitution.

Security holders are able to receive electronic copies of the annual reports from the Company and can nominate to receive a hardcopy of the annual report. These financial reports are available from the NSX website.

Security holders are able to enrol for a client account with the share registry and thereby interact electronically with the NSX share registry service and obtain relevant documents and statements.

All relevant policy documents are available to security holders via the website.

ASX Appendix 4G Key Reference

Corporate Governance Principle		Corporate Governance Statement
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.nsx.com.au/about/governance/constitution-and-policies/



Corporate Governance Principle		Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> and we have disclosed information about our shareholder communications policy at: https://www.nsx.com.au/about/governance/constitution-and-policies/
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Shareholder communications policy - https://www.nsx.com.au/about/governance/constitution-and-policies/
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>



Principle 7: Recognise and manage risk.

The Company should establish a sound risk management framework and periodically review the effectiveness of that framework.

NSX takes this responsibility seriously and has put in place appropriate means of risk and compliance management applicable to the size of its markets and business. The Board has established adopted risk framework and policy to help it understand and manage the risks of the businesses. The Board reviews this risk framework as and when appropriate.

The Audit & Risk Committee oversees these functions. The Board has formally adopted a Charter for the Audit and Risk Committee.

The primary function of the Audit & Risk Committee function is to assist the Board of Directors of NSX to carry out the following:

- (a) monitor the integrity of the NSX Group's statutory financial reports and statements;
- (b) monitor management's framework to identify and manage enterprise risk and internal control for the NSX Group;
- (c) monitor compliance, in conjunction with the NSXA Compliance Committee, with laws and regulations and code of conduct for the NSX Group; and
- (d) monitor the performance and independence of the external auditor.

When considering the financial reports and statements of the Company, the Committee relies on the Board of each NSX Group controlled entity to review and consider their respective financial statements, risk management processes, internal controls and compliance systems. The Committee receives confirmation of these matters through the annual reports of the respective entity boards and meeting minutes and other relevant reports to the NSX Board.

Risk is broadly considered anything that may impede the achievement of effective market operation and NSX's strategic goals. The Committee also considers the security of its people, buildings and technology systems as part of organisational risk management.

NSX may have, via its Australian Market Licence, exposure to Regulatory Risk when seeking to grow its business and regulate the entities that list on its market. This risk may impact NSX in a variety of ways such as in financial terms with increased fees and charges, change in Government policy with respect to financial markets, delays in approval of rules and change in frontline regulator views with respect to market activities and behaviour (for example, such as Variable Interest Entity structures, risks with emerging market based companies or entities with exposure to novel technologies such as cryptocurrency that may trigger anti-money laundering reviews).

Generally, NSX does not currently have a material exposure to environmental risks.

As with all Companies NSX may have an exposure social risks such as pandemics like SARS and COVID-19 which can make markets volatile and affect the ability of NSX to attract new business.



NSX considers all of these risks within its Risk Framework as reviewed and updated from time to time.

ASX Appendix 4G Key Reference

Corporate Governance Principle		Corporate Governance Statement
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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a Audit and Risk committee to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> Annual Report. https://www.nsx.com.au/about/investor-relations/financial-reporting/</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.nsx.com.au/about/governance/constitution-and-policies/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at Annual Report https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>
7.2	<p>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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/</p> <p>The Risk Management framework has been reviewed and updated during the period.</p>



Corporate Governance Principle		Corporate Governance Statement
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>[If the entity complies with paragraph (b):] and we have disclosed 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 at: Corporate Governance statement and Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at: Corporate Governance Statement https://www.nsx.com.au/about/governance/constitution-and-policies/</p>



Principle 8: Remunerate fairly and responsibly.

The Company should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

The Board has responsibility for the remuneration of directors and employees. A separate remuneration and nomination committee has been created but is currently inactive and a Charter has been approved to govern Board decisions on remuneration. The Board is of the view that this is the best arrangement to grow the business of the NSX in the current development cycle of the Company.

The Board when in Committee has the primary functions to:

- (a) review director competence standards;
- (b) review Board succession plans;
- (c) evaluate the Board's performance;
- (d) make recommendations for the appointment and removal of directors to the Board; and
- (e) make recommendations to the Board on, executive remuneration and incentive policies, the remuneration packages of senior management, recruitment, retention and termination policies for senior management, incentive schemes, and
- (f) remuneration for directors.

The remuneration of Key Management Personnel is disclosed in the annual report along with the remuneration policies applicable during the period as well as short term and long term incentive programs.

Employee Performance Rights Plan

An employee performance rights plan was approved by Shareholders at a General Meeting held on 30 April 2020. Details of the terms and conditions of the plan can be found in the document NSX Employee Performance Rights Plan on the website.

The plan is a tool to help the Board incentive employees to exceed performance and engendered loyalty.



ASX Appendix 4G Key Reference

Corporate Governance Principle	Corporate Governance Statement
<p>8.1 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; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p>[If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: https://www.nsx.com.au/about/governance/constitution-and-policies/ and the information referred to in paragraphs (4) and (5) at: https://www.nsx.com.au/about/governance/constitution-and-policies/ [If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: Corporate Governance Statement - https://www.nsx.com.au/about/governance/constitution-and-policies/</p>
<p>8.2 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><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Annual Report - https://www.nsx.com.au/about/investor-relations/financial-reporting/</p>
<p>8.3 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><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: Employee Performance Rights Plan - https://www.nsx.com.au/about/governance/constitution-and-policies/</p>



Principle 9: Additional recommendations.

These recommendations apply only in certain cases.

All Board meetings, company correspondence, documents and security holder meetings are conducted in English which is the language of administration in Australia. The NSXL Board has one director whose first language is Chinese and not English. The Board requires that where a director's first language is not English then that director is required to employ a suitable interpreter to help them with translation so as to satisfy their director duties.

The Board prefers that the director employs their own translator as this provides several advantages to the director such as:

- (a) accuracy and appropriateness of the translation to the director;
- (b) timeliness of translations for the director during board meetings if the director is not able to attend in person as the translator can be with the director and continuously translating; and
- (c) the translator is better placed to attend to the director's individual needs with respect to the director's duties.

ASX Appendix 4G Key Reference

Corporate Governance Principle		Corporate Governance Statement
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input checked="" type="checkbox"/> and we have disclosed information about the processes in place at: Corporate Governance Statement https://www.nsx.com.au/about/governance/constitution-and-policies/



Reporting

Annual Report

Each Annual Report must include a summary on the compliance with the ASX Corporate Governance Council's Principles and Recommendations that the Company has applied during the period.

ASX Appendix 4G Form

The ASX Appendix 4G form is a key reference to the document disclosures made by the Company with respect to the Corporate Governance standards that the Company has applied during the reporting period.

The ASX Appendix 4G form is approved by the Board at the same time as the Annual Report. The ASX Appendix 4G form must be completed and lodged with ASX at the same time as the Annual Report is lodged.

Corporate Governance Statement

This Corporate Governance Statement is to be reviewed each year, updated to comply with the most current edition of the ASX Corporate Governance Councils Principles, as adopted by the Board, and the update reflected in the statements made in the subsequent Annual Report of the Company.

Approval by the Board

Once updated the Corporate Governance Statement is reviewed by the Audit and Risk Committee and approved by the Board and placed on the company's website.