



Identitii Limited
ACN 603 107 044
ASX:ID8

Corporate Governance Statement

Adopted by the Board on 26th August 2021



1. Background

Identitii Limited (“Identitii”) is committed to adopting best practice in corporate governance where these practices are appropriate for the business.

The corporate governance arrangements for Identitii Limited are set by the Board having regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), the governance standards adopted generally by companies of a similar size to Identitii and in the best interests of Identitii and its shareholders. The principal features of Identitii's governance framework are set out in this Corporate Governance Statement together with the extent to which Identitii follows the recommendations set by the ASX Corporate Governance Council.

2. Compliance and Recommendation

Identitii currently complies with most of ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Recommendations the Company does not currently comply with are:

- Recommendation 1.5

While the Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity, it currently has no female board members however it does have one female senior executive (1/6). The Company recognises the importance of building a strong female presence across all tiers of the business. In this regard, and as the Company grows and Board/employee positions become available, attention will be given to identifying opportunities for improving gender diversity across the organisation and measurable objectives will be set to track progress against its objectives.

- Recommendation 2.4

The Board now comprises four directors although for most of the year it only had three. The Chairman is an independent non-executive director, as is the newly appointed director. One director is an executive director and the other is a non-independent non-executive director. This is a departure from ASX Principle 2.4, which requires the Board comprise a majority of independent directors. The Board has addressed this departure by appointing another independent director and believes that the qualifications, experience and expertise of the non-independent directors bring considerable benefit to the Company and is appropriate to adequately represent the majority shareholders of the Company.

- Recommendations 4.1, 7.1 and 8.1

While Identitii has an Audit and Risk Committee and a Nomination and Remuneration Committee and both are chaired by independent directors, the Chairman of the Board was also the chairman of both committees for the year and there was only one other member, who is not independent (instead of the required three). Identitii has addressed this issue by appointing another independent director to the Board, and he has been appointed as Chairman of the Audit and Risk Committee. The Board is confident that the current Committees have the skills, capacity and capability to independently verify and safeguard the integrity of the Company's financial statements and reporting, including the process for the appointment and removal of the external auditor and the rotation of the audit engagement partner, oversee the Company's risk management framework and set the level and composition of remuneration for directors and senior executive that is appropriate and not excessive.

Given the nature and scale of the Company, the Board believes its compliance with the Recommendations to be acceptable at this time.

3. Board of Directors

The Board currently comprises four directors, two of whom are independent, although one was appointed shortly prior to year end.

Details of current directors and those who held office during the period are listed below:

Mr. Steven James; Independent Chairman

M(Fin Serv) Law, NSAA, Dip FM, GAICD

Appointed: 19 March 2020, age 54

Steven James is a well-qualified senior management and financial services executive with more than 25 years practical working knowledge in the Australian financial services industry. Steven has held senior leadership and Board positions at multiple public and private organisations including the Commonwealth Bank of Australia, CommSec, Motorcycling Australia and Hot Copper Holdings Limited.

Mr. James is the current Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee.

Mr. John Rayment; Managing Director and Chief Executive Officer

Dip Proj Mgt, Dip Bus Mgmt, Dip Bus Mktg

Appointed: 19 March 2020, age 48

John Rayment has significant global experience in selling enterprise solutions into financial institutions and building the technology, supply-chain and aftersales infrastructure to support those financial institutions. John has held Board and executive roles with Travelex in the Asia Pacific, North America and the United Kingdom, working predominately in its global enterprise business.

Mr. Nicholas Armstrong; Non-Executive Director

B.Sc

Appointed November 2014, age 37

Nick Armstrong is an entrepreneur, with over 15 years' experience in building and scaling technology businesses. Nick co-founded Identitii in 2014 with Eric Knight and was the CEO until 15 May 2020. From 2007 to 2014 Nick was founder and CEO of COzero Holdings Ltd (COzero) and led the company through multiple rounds of funding to Series B in late 2013, when a Japanese strategic investor took a majority stake in the company. COzero is an energy technology company with several products including EnergyLink.io (AI powered energy management software) and MarketLink (OTC trading software). COzero was the fastest growing company in Australia in 2011 according to BRW. From 2005 to 2006 Nick was founder and CEO of Greentricity, an online renewable energy retail company. Greentricity was acquired in late 2006 by Australian Power & Gas, a subsidiary of AGL Energy Limited.

Mr. Armstrong is a member of the Nomination and Remuneration Committee and the Audit and Risk Committee.

Mr. Tim Phillipps; Independent Non-Executive Director

Dip. Arts

Appointed May 2021, age 62

Tim is a Financial Crime and RegTech expert with 45 years of industry experience, most recently at Deloitte, where he held Global and Asia-Pacific roles in financial crime compliance and analytics, most recently as the APAC Leader for Deloitte's Financial Crime Network, charged with creating a global network for financial crime information sharing and leveraging technology as a tool for

financial crime investigations. Prior to that Tim was Global Managing Partner for two businesses, Deloitte Forensic and Deloitte Analytics.

Prior to Deloitte, Tim spent a decade in various roles, including as Director of Enforcement, at the Australian Securities and Investments Commission (ASIC), where he oversaw regulatory enforcement activities with regulated entities to ensure compliance. He also spent 15 years with the Victoria Police, most recently in the role of Detective Sergeant where he was focused on identifying and investigating financial crime.

Mr. Phillipps is Chairman of the Audit and Risk Committee and member of the Nomination and Remuneration Committee.

Independence

Identitii has an independent Chairman, Mr. James, who is not the same as the CEO and a newly appointed independent director, Mr. Phillipps. Currently, half of the board is independent.

The Board believes that the qualifications, experience and expertise of the non-independent directors bring considerable benefit to the Company and the current composition is appropriate to adequately represent the majority shareholders of the Company at this time.

As the Company grows, the Board will re-assess the composition of the Board including the requirement for a majority of independent directors on the Board.

Director Appointment, election and re-election

The Company undertakes appropriate checks prior to appointing a director and will continue to do so before appointing and/or putting forward each director as a candidate for election as a director. It also provides security holders with all material information in its possession relevant to the election (or re-election) of each director.

The Company has a written agreement with each director setting out the terms of their appointment. The Company also has a written agreement with each senior executive setting out the terms of their appointment.

Under Identitii's Constitution, with the exception of the Managing Director, Directors may not hold office without election beyond their third Annual General Meeting (AGM) following their election or most recent re-election. Any director appointed to fill a casual vacancy since the previous AGM, must submit themselves for election at the next AGM.

Role and Responsibilities of the Board

The Board's role is to act in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.

The Board Charter sets out the Board's role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management (principally the Managing Director). A copy of the Charter is available at <https://Identitii.com/investors/#governance>.

The Managing Director is responsible for the day-to-day management of the Company, supported by the Company's senior executives. However, the ultimate responsibility for governance and strategy resides with the Board.

Structure and Composition of the Board

Identitii is committed to ensuring the composition of the Board includes directors who bring the appropriate mix of skills, experience and expertise and diversity to Board decision making. It

considers that having a diversity of skills, background, knowledge and gender are important to effectively govern the Company.

The Board considers that its Directors and Senior Management have the combined skills and experience to discharge its responsibilities.

The current Director skills/experience matrix:

SKILL	BOARD RATING*
Risk and Financial Experience	
Ability to identify key risks to the organisation	16.5
Legal and regulatory compliance experience	16
Monitor risk and compliance management frameworks and systems	13
Experience in accounting standards interpretation and awareness	10
Financial expertise in reporting and analysis	14.5
ASX listing rules knowledge	12
Legal Compliance and risk mitigation	15
Business governance experience	16
Internal key controls experience	14
Experience in corporate financing/banking	11
Commercial capability	
Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities	15
Ability to constructively challenge business strategy	17
Ability to promote and encourage lateral thinking	17
Experience in Banking industry	13
Network reach in Banking industry	15
Previous Committee Experience	
Prior Audit and Risk Committee experience	12
Prior Nomination and Remuneration experience	15
Prior Executive Committee Experience	19
Understanding of investor relations and the steps required to develop long-term value for shareholders	14
Technology innovation	
Understanding the current drivers of innovation in the information technology sector	15
Software delivery experience	14
Familiarity with SAAS, licensing and cloud sectors	14
Experience in delivering new product offerings in response to market demand, to achieve market leadership or to take advantage of opportunities	19

Other relevant skills	
Leadership capabilities	19
Change agent	19
Turnaround or early-stage business experience	18

* The Board rating is out of a possible score of 20. Each director (4) is rated out of a possible high score of 5. The rating shown is their combined rating.

In addition to the skills and experience set out above, the Board considers that each Director has the ability to:

- Act with honesty and integrity
- Focus on the material issues
- Think strategically and take an organization - wide perspective
- Understand the external environment and deal with pressure from external sources
- Influence effectively at the board table
- Respect alternative viewpoints
- Hold management accountable
- Self awareness

Board Performance Evaluation

Identitii is committed to transparency in determining Board membership and in assessing the performance of the Board, Board Committees and individual Directors.

The Board expects to conduct regular evaluations of its performance, the performance of its Committees, the Chairman and individual Directors. This includes assessment, review and analysis of how the Board, Committees and each Director's function, time spent considering matters and whether the Board has complied with its Charter and the Committees with their Charters. The balance of skills, experience, independence and knowledge is taken into consideration as well as how the Board works together as a unit.

A performance evaluation was not undertaken during the period given the changes to the Board's composition during the period.

Professional Development

The Board intends to regularly review whether the directors have the skills, knowledge and familiarity with the entity and its operating environment required to fulfil their role on the Board and committees effectively. Where gaps are identified, the Board will consider appointing further directors to fill those gaps and/or identify what training or development could be undertaken to fulfil those gaps.

Nomination

Identitii has a Nomination and Remuneration Committee comprising Mr. Steven James (Chair), and Mr. Nick Armstrong. Mr. Tim Phillips has also recently been appointed to the Committee. Both of Messrs. James and Phillips are independent. The Nomination Committee addresses succession issues and ensures that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively through regular review and assessment.

Remuneration

Identitii discloses its policies and practices regarding the remuneration, including any equity-based remuneration, of non-executive directors and the remuneration of executive directors and other senior executives in its Remuneration Report found in the Annual Report each year, which is published on Identitii's website www.Identitii.com

Identitii has an Equity Incentive Plan in place for directors, officers, employees and contractors or consultants. Under the terms of that Plan, a participant must not sell, assign or otherwise deal or enter into any transactions which limit the economic risk of participating in the Plan.

Induction

The Board provides an induction program for all new directors.

4. Board Committees

To assist the Board in discharging its duties efficiently and effectively, it has established an Audit and Risk Committee and a Nomination and Remuneration Committee. Each committee operates within its Board approved Charter which sets out the roles, responsibilities, membership requirements and meeting procedures for each committee.

Audit and Risk Committee

Identitii has established an Audit and Risk Committee. It now has three members, Mr. Tim Phillipps (Chairman), Mr. Steve James, and Mr. Nick Armstrong. The committee is chaired by an independent director and two thirds of the Committee are now independent.

The Audit and Risk Committee Charter is available at:

<https://Identitii.com/investors/#governance>.

The Board undertook a review of the Company's risk management framework during the period and will continue to review the Company's risk management framework at least annually.

Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee which now has three members, Mr. Steve James (Chairman), Mr. Tim Phillipps and Mr. Nick Armstrong. The Committee is chaired by an independent director who is also the chairman of the Board. The majority of the Committee members are now independent.

The Committee is responsible for setting the level and composition of remuneration for directors and senior executives and ensuring remuneration is appropriate and not excessive. A copy of the Remuneration Committee Charter is available at:

<https://Identitii.com/investors/#governance>.

5. Company Secretary

Ms. Elissa Hansen is the Company Secretary and was appointed in January 2019. She is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary is set out in more detail in the Board Charter available at:

<https://Identitii.com/investors/#governance>.

6. Senior Executives

Senior executives manage the day-to-day operation of the Company under the guidance and direction of the Managing Director. Identitii recognises the importance of its senior executives to the Company's growth and performance. Accordingly, it is imperative that the Company undertake regular evaluations of its senior executives to review their effectiveness and performance on an ongoing basis.

The Managing Director reviews the performance of senior executives annually. These evaluations assess the completeness and effectiveness of each senior executive meeting their KPIs, whether the executive has the appropriate mix of skills and experience to allow the Company to meet its corporate goals and whether the executive provides a safe, secure, productive, harmonious and inclusive environment for their employees to perform at their best.

A performance review of senior executives was undertaken by the Managing Director this year.

7. Diversity

Identitii values a strong and diverse workforce and is committed to developing measurable objectives to achieve diversity and inclusion in its workplace. Identitii has implemented a Diversity Policy which is overseen by the Remuneration and Nomination Committee and which aligns the Group's management systems with the commitment to develop a culture and business model that values and achieves diversity in its workforce and on its Board. Identitii will set and disclose measurable objectives for achieving diversity and progress towards the policy's goals.

Proportions of men and women on the board and senior executives during the period was as follows:

Board: 100% male

Senior Executives: 83.3% male; 16.7% Female

Individual: 75% male; 25% Female

8. Values

Identitii's values include:

- Ensuring sound standards of corporate governance and compliance with all applicable laws;
- Being honest, transparent and accountable in all business dealings;
- Fostering innovation, enterprise and continuous learning within the organisation;
- Respecting and embracing diversity through openness, sharing, trust, teamwork and cooperation.

9. Ethical and Responsible Behaviour

Identitii is committed to acting ethically and responsibly including acting with honesty and integrity. To support this, the Company has developed various policies that set out the values and expectations as to how the Company and its employees will work and behave.

Code of Conduct

Identitii's Code of Conduct represents a commitment by the Board and executives to uphold the highest standards of honesty, integrity and ethical and law-abiding behavior and to foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers and employees, taking into account Identitii's legal and other obligations to its stakeholders.

Failure to comply with the Code is viewed as a serious matter which may lead to disciplinary action including dismissal and/or legal action. Any material breaches of the Company's Code of Conduct must be reported to the Board.

A copy of the Code can be found at: <https://Identitii.com/investors/#governance>

Conflicts of Interest

Identitii's Code of Conduct also includes guidelines in managing conflicts of interest.

In accordance with the requirements of the Corporations Act 2001 (Cth) Directors who have a material personal interest in a matter must not be present whilst the matter is being considered. The other Directors, however, may allow such Director/s to participate and vote in relation to the issue if they are satisfied that the interest should not disqualify the Director/s from voting or being present.

Whistleblower

Identitii's Whistleblower Policy sets out the types of disclosures that qualify for protection under the Whistleblower Protection Scheme, information about the protections available under the Scheme and how the Company will support whistleblowers and protect them from detriment. The policy is made available to all officers, employees and contractors and can be found at: <https://identitii.com/investors/#governance>. Any material incidents reported under the Whistleblower Policy must be reported to the Board.

Anti-corruption and Fraud

Identitii has zero tolerance for unfair or unethical conduct in business. It believes acting fairly and ethically will protect the Company's assets and create value for our business partners, customers and shareholders.

The Company recognises that compliance with local and international bribery and anti-corruption laws is essential to protect its reputation and preserve its ability to continue to develop its business. A copy of the Anti-bribery and Corruption Policy can be found at: <https://identitii.com/investors/#governance>

The Board must be notified of any material breaches to this policy.

Dealing in Identitii Securities

Identitii has adopted the Trading Policy which is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects Identitii and Directors and employees against the misuse of unpublished information which could materially affect the value of securities. Subject to certain exceptions, including exceptional financial circumstances, the policy defines certain 'prohibited periods' during which trading in Shares by Identitii's Directors, officers and key management personnel is prohibited.

In all instances, buying or selling of Shares is not permitted at any time by any person who possesses price-sensitive information. A copy of the Policy is available at:

<https://Identitii.com/investors/#governance>

Sustainability and Climate Change

Identitii views sustainable and responsible business practices as important for its business and shareholder value. Sustainability is about managing risks and opportunities in a way that best balances the long-term needs of all our stakeholders – customers, employees, suppliers, investors and community partners – as well as the wider community and the environment at large. Identitii's management of sustainability aims to address the matters that the Company believes are the most material for its business and stakeholders, now and in the future. Identitii also understands that this is an evolving agenda and seeks to progressively embed the management of sustainability matters into business practice, while also anticipating and shaping emerging social and environmental issues where it has the skills and experience to make a meaningful difference and drive business value.

Modern Slavery

Identitii is committed to sustainable business practices, advancing human rights, and have embedded business practises that work towards the prevention of modern slavery and human trafficking in its business and supply chains.

Internal Audit

The Company does not have an internal audit function, and due to its size and current activities the Board does not believe that one is warranted at this time. The Board evaluates and monitors internal control processes to continually improve the effectiveness of its risk management and will re-evaluate the Company's requirement for an internal audit function as the Company grows.

CEO and CFO Declaration

The Board receives a declaration from both the CEO and CFO, that, in their opinion, the financial records 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 Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively before the Board approves the Company's annual financial statements.

Verification of Periodic reports

Identitii releases quarterly cashflow and activity reports that are not audited or reviewed by an external auditor. The Company has embedded processes to ensure the accuracy of these reports and to ensure they are balanced and provide investors with appropriate information to make informed investment decisions.

10. Market disclosure and Shareholder Communication

Identitii's aim is to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of Identitii. In addition to Identitii's continuous disclosure obligations, Identitii recognises that potential investors and other interested stakeholders may wish to obtain information about Identitii from time to time and Identitii will communicate this information regularly to Shareholders and other stakeholders through a range of forums and publications.

All ASX announcements made to the market, including new investor or analyst presentations, annual and half year financial results, are posted on Identitii's website at www.Identitii.com as soon as practicable following their release by ASX. The full text of all notices of meetings and explanatory material, Identitii's annual report and copies of all investor presentations made to analysts and media briefings are also posted on Identitii's website. The website will also contain a facility for the Shareholders to direct queries to Identitii.

Identitii provides shareholders with the opportunity to send and receive all communications from the Company and its share registry electronically. Shareholders are encouraged to update their

communication preferences and elect to receive all communication electronically with the share registry at <https://www.investorserve.com.au/>

Continuous Disclosure

Identitii is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, the Company is required to disclose to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. The Company is committed to observing its disclosure obligations under ASX Listing Rules and the Corporations Act.

Identitii has adopted a policy which establishes procedures which are aimed at ensuring that Directors, officers and employees are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. Under the policy, the Board will be responsible for managing Identitii's compliance with its continuous disclosure obligations.

A copy of the policy is available at: <https://identitii.com/investors/#governance>.

The Board approves all material announcements prior to lodgment with ASX and receives copies of all material markets promptly after they have been made.

Any new investment and/or analyst presentations are lodged and released on ASX prior to any such presentation being made to any other party.

Investor relations

Identitii has an investor relations program that facilitates two-way communication with investors. The program is designed to allow investors and other financial market participants to gain greater understanding of Identitii's business, governance, financial performance and prospects.

Website

Information about Identitii Limited and its governance policies and practices is available on the Company's website at <https://identitii.com>.

Electronic Communication

Identitii gives its shareholders the option to send and receive all communications to the Company and its share registry electronically. Shareholders are encouraged to update their communication preferences and elect to receive all communication electronically with the share registry at <https://www.investorserve.com.au/>.

Annual General Meeting

The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. The AGM provides the opportunity for shareholders to ask questions of and hear from the Board. It also allows the Board to listen and respond to shareholder feedback.

The Company ensures that its external auditor attends all AGMs and is available to answer queries from shareholders relevant to the audit and any substantive resolutions are decided by a poll rather than a show of hands.



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