SportsHero Limited
Corporate Governance Statement
30 June 2021

This Corporate Governance Statement of SportsHero Limited (the 'company') has been prepared in accordance with the 4th Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') and is included in the company's website pursuant to ASX Listing Rule 4.10.3. This listing rule requires the company to disclose the extent to which it has followed the recommendations during the financial year, including reasons where the company has not followed a recommendation and any related alternative governance practice adopted.

The company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in either this statement, our website or Annual Report, is contained on our website at http://sportshero.live/

Both this Corporate Governance Statement and the ASX Appendix 4G have been lodged with the ASX. This statement has been approved by the company's Board of Directors ('Board') and is current as at 30 September 2021.

The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - A listed entity should disclose:
(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.

The company's Board maintains the following roles and responsibilities:
- being accountable for the performance of the company;
- providing leadership and setting the strategic objectives of the company;
- appointing the Chair and, if the company has one, the Deputy Chair and/or the "senior independent director";
- appointing, and when necessary replacing, the Chief Executive Officer ('CEO') and other senior executives including the company secretary;
- assessing the performance of the CEO and overseeing succession plans for senior executives;
- overseeing management's implementation of the company's strategic objectives;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit;
- overseeing the company's process for market disclosure of all material information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities;
- ensuring that the company has in place an appropriate risk management framework and setting the risk parameters within which the Board expects management to operate;
- approving the company's remuneration framework;
- monitoring the effectiveness of the company's governance practices; and
- reporting to and communications with shareholders.

The Board has delegated the day-to-day management of the company to the CEO and other senior executives ('management'). The company's management is responsible for the following:
- implementing the strategic objectives set by the Board;
- operating within the risk parameters set by the Board;
- operational and business management of the company;
- managing the company's reputation and operating performance in accordance parameters set by the Board;
- day-to-day running of the company;
- providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities; and
- approving capital expenditure (except acquisitions) within delegated authority levels.

Senior executives have their roles and responsibilities defined in specific position descriptions.

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Recommendation 1.2 - A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.

Before appointing a director, or putting forward to shareholders a director for appointment, the company undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, and disqualified officer status. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission ('ASIC').

An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting ('AGM'). Directors are generally appointed for a term of three years. Retiring directors are not automatically re-appointed.

The company provides to shareholders for their consideration information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which includes experience and qualifications, details of other directorships, adverse information about the person that the Board is aware of including material that may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment or re-election.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director include such matters as the term of their appointment, time commitment envisaged, required committee work and other special duties, requirements to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Given the size and level of activity of the company, the company put in place a specific agreement for the company's non-executive Chair. No agreements are in place for the company's CEO and the company's independent non-executive director

Executive directors and senior executives, when appointed, will be issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

Recommendation 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 company secretary reports directly to the Board through the Chair and is accessible to all directors. The company secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

- advising the Board and its committees (if applicable) on governance matters;
- monitoring compliance of the Board and associated committees with policies and procedures;
- coordinating all Board business;
- retaining independent professional advisors;
- ensuring that the business at Board and committee meetings are accurately recorded; and
- assisting with the induction and development of directors.

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Recommendation 1.5 - A listed entity should:

(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:

- ***(1) the measurable objectives set for that period to achieve gender diversity;***
- ***(2) the entity's progress towards achieving those objectives; and***
- ***(3) either:***
  - ***(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.***

The company has a diversity policy, although the Board has determined that no specific measurable objectives will be established until the number of employees and level of activities of the company increases to a level sufficient to enable meaningful and achievable objectives to be developed.

The policy aims to provide a work environment where employees have equal access to career opportunities, training and benefits. It also aims to ensure that employees are treated with fairness and respect, and are not judged by unlawful or irrelevant reference to gender, age, ethnicity, race, cultural background, disability, religion, sexual orientation or caring responsibilities. This commitment will enable the company to attract and retain employees with the best skills and abilities.

The respective proportion of women and men in the company including its subsidiaries ('consolidated entity') as at 30 June 2021 was:

	Proportion of women	**Proportion of men**
On the Board	0%	100%
In senior executive positions	25	75%
Other	33%	67%
Across the whole organisation	28%	72%

For this purpose, the Board defines a senior executive as a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the company's financial standing. This therefore includes all senior management and senior executive designated positions as well as senior specialised professionals.

As no entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 on the basis that no entity employs 100 or more employees in Australia, there are no Gender Equality Indicators to be disclosed.

Recommendation 1.6 - A listed entity should:

(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 was undertaken in accordance with that process during or in respect of that period.

The Board reviews its performance, as well as the performance of individual committees (if applicable) and individual directors (including the performance of the Chairman as Chairman of the Board). The use of an external facilitator may be utilised periodically to assist in the review process.

The company conducted a formalised review process for the year ended 30 June 2021. The Board and senior executives are working very closely and regular feedback, as to the respective effectiveness and contributions made by all parties, is discussed in a frank and forthright manner as a part of the Board and management undertakings. In addition to the formal review, this practice is deemed appropriate and also provides contemporary feedback as to individual performance and is likely to continue on an ongoing basis until the nature of the company's activities demand a change to this process

Recommendation 1.7 - A listed entity should:

(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.

Assessment of the performance of senior executives is to be undertaken at least once every reporting period.

Such assessment was undertaken during the reporting period and appropriate personnel changes implemented.

Refer to the alternative process adopted, being more fully described in Recommendation 1.6 above.

Principle 2: Structure the board to be effective and add value

Recommendation 2.1 - The board of a listed entity should:

(a) have a nomination committee which:

(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

(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.

Given the level of activity of the company throughout the year, the Board assumed the duties and responsibilities typically delegated to an audit committee, risk committee, remuneration committee and nomination committee. As such, a nomination committee has not been established.

A description of the procedures for the selection and appointment of new directors and the re-election of incumbents is contained within the Board Charter which is maintained at the company's website.

The roles and responsibilities of the Board include the following:

- identification of skills and competencies required for the Board and related committees;
- nomination, selection and performance evaluation of directors and senior executives; and
- designing of succession plans and induction programs for directors.

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Recommendation 2.2 - 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.

The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. It is therefore used when recruiting new directors and assessing which skills need to be outsourced based on the attributes of the current Board members. The existence of each attribute is assessed by the Board as either, High, Medium or Low.

Skill category	Description of attributes required	Level of importance	Existence in Board
Risk and compliance	Identification of key risks to the company related to each key area of operations. Monitoring of risks, satisfy compliance issues and knowledge of legal and regulatory requirements.	High	High
Financial and audit	Analysis and interpretation of accounting and finance issues including assessment and resolution of audit and financial reporting risks, contribution to budgeting and financial management of projects and company, assessing and supervising capital management.	High	High
Strategic	Development of strategies to achieve business objectives, oversee implementation and maintenance of strategies, and identification and critical assessment of strategic opportunities and threats to the company.	High	High
Operating policies	Key issue identification representing operational and reputational risks and development of policy responses and parameters within which the company should operate.	High	High
Information technology	Knowledge of IT governance including privacy, data management and security.	High	High
Executive management	Performance assessments of senior executives, succession planning for key executives, setting of key performance hurdles, experience in industrial relations and organisational change management programmes.	Medium	Medium
Age and gender	Board aims for equal gender representation and range of experienced individuals to contribute towards better Board outcomes.	Low	Low

The Board believes that its membership adequately represents the required skills as set out in the matrix. External consultants may be brought it with specialist knowledge to address areas where this is an attribute deficiency in the Board.

In addition to the specific areas that are required at Board level identified in the matrix above, all members of the Board are assessed for the following attributes before they are considered an appropriate candidate.

Board Member Attributes	
Leadership	Represents the company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts considered; leads others to action; proactive solution seeker.
Ethics and integrity	Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.
Communication	Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.
Negotiation	Negotiation skills which engender stakeholder support for implementing Board decisions.
Corporate governance	Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks.

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Recommendation 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.

The Board assesses annually the independence of each director to ensure that those designated as independent do not have any alliance to the interests of management, substantial shareholders or other relevant stakeholders. They must be free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the company and its security holders generally.

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

Director's name	Appointment date	Length of service at reporting date	Independence status
John Dougall	30 October 2019	1 year and 9 months	Independent Non-Executive
Michael Higginson	21 June 2016	5 years and 3 months	Independent Non-Executive
Tom Lapping	10 April 2017	4 years and 6 months	Non-independent Executive

The Board may determine that a director is independent notwithstanding the existence of an interest, position, association or relationship of the kind identified in the examples listed under Recommendation 2.3 of the ASX Principles and Recommendations.

There are no directors that the Board has declared are independent but which maintain an interest or relationship that could be perceived as impairing independence.

As part of its independence assessment, the Board considered the length of time that the director has been on the Board as a prolonged service period may also be seen as an impairment to their independence. The Board concludes that no non-executive director has been on the Board for a period which could be seen to compromise their independence. Such a period is generally considered to be in excess of 10 years. Being on the Board for a period in excess of 10 years does not however constitute an automatic deeming of non-independence.

Where it is determined that a non-executive director should no longer be considered independent, the company shall make an announcement to the market.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Having regard to the response to Recommendation 2.3 above, 67% of the Board at the reporting date were independent.

Recommendation 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.

Mr Dougall is the chair of the Board and is considered to be an independent director of the company.

Recommendation 2.6 - 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.

It is intended that new directors complete an induction program coordinated by the company secretary on behalf of the Board. The program would provide an explanation of company policies and procedures, governance frameworks, cultures and values, company history, director and executive profiles and other pertinent company information. The company has a procedure in place that enables directors to take independent professional advice and to undertake professional development at the expense of the company.

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

Recommendation 3.1 - A listed entity should articulate and disclose its values

The company maintains a code of conduct for its directors, senior executives and employees that articulate the company's values.

The company's senior executive team has been charged with the responsibility of inculcating those values across the whole organisation.

Recommendation 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 breached of that code.

The company maintains a code of conduct for its directors, senior executives and employees. In summary, the code requires the following of each relevant person:

- act honestly, in good faith and in the best interests of the company as a whole;
- exercise a duty to use care and diligence in fulfilling the functions of office or position and exercising the powers attached to that office or position;
- use the powers of office for a proper purpose and in the best interests of the company as a whole;
- recognise that the primary responsibility is to the company as a whole but may, where appropriate, have regard for the interest of other stakeholders of the company;
- not to make improper use of information acquired as a director or employee;
- not take improper advantage of their position as a member of the Board or employee;
- properly manage and declare any conflict of interest with the company;
- directors to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
- confidential information received in the course of the exercise of their duties remains the property of the company and, unless appropriate authority granted, it is improper to disclose it, or allow it to be disclosed;
- not to engage in conduct likely to affect the reputation of company; and
- to comply with the spirit, as well as the letter, of the law and with the principles of this code.

The company's senior executive team is required to report to the Board any material breach of the code of conduct.

The code is available on the company's website.

Recommendation 3.3 - A listed entity should:
(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.

The company has a whistle-blower policy that has been circulated to all staff and is available on the company's website.

All material incidences reported under the company's whistleblower policy are to be reported to the Board or a committee of the Board.

Recommendation 3.4 - A listed entity should:
(a) have and disclose an anti-bribery and anti-corruption policy; and
(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The company has an anti-bribery and anti-corruption policy that has been circulated to all staff and is available on the company's website.

All material incidences reported under the company's anti-bribery and anti-corruption policy are to be reported to the Board or a committee of the Board.

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Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1 - The board of a listed entity should:
(a) have an audit committee which:
- ***(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and***
- ***(2) is chaired by an independent director, who is not the chair of the board, and disclose:***
- ***(3) the charter of the committee;***
- ***(4) the relevant qualifications and experience of the members of the committee; and***
- ***(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***

(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.

Given the size of the company and level of activity, the Board has assumed the duties and responsibilities typically delegated to an audit committee.

Each Board member has free and open access to the external auditor, the company secretary, accounting personnel and the external advisors engaged by the company.

The removal of the external auditor and the appointment of a new auditor requires the approval of members.

The majority of the Board are independent and details of their qualifications and experience are set out in the Directors' report.

The Board has all necessary powers to undertake the role of the audit committee, and in conjunction with the Company Secretary achieves this objective by ensuring the following functions are undertaken:
- review and monitor the integrity of the Annual Report, including the financial statements;
- review and oversee systems of risk management, internal control and legal compliance;
- review the adequacy of the corporate reporting processes;
- oversee the processes for identifying significant risks facing the company and implementing appropriate and adequate control, monitoring and reporting mechanisms; and
- liaise with and monitor the performance and independence of the external auditors.

Recommendation 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.

In relation to the financial statements for the financial year ended 30 June 2021 and the half-year ended 31 December 2020, the company's CEO and company secretary have provided the Board with declarations, that in their opinion:

- the financial records of the company have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company; and
- has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 - 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.

All periodic corporate reports are drafted and/or vetted, in detail, by the company secretary. Should legal or any other professional opinion be required in relation to the periodic corporate report, then the company secretary will obtain such opinion which will be incorporated into the periodic corporate report. All periodic corporate reports are then circulated to all Board members for their approval prior to release.

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Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.

Listing Rule 3.1 requires a listed entity, subject to certain exceptions, to disclose to ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The company is committed to providing the market with complete and timely information about disclosure events in compliance with its continuous disclosure obligations and the Corporations Act 2001.

The company maintains a written policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's disclosure obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the company secretary immediately, in the first instance, so that appropriate analysis and internal consultation can be conducted. Legal advice may also be sought from the company's external counsel.

The company secretary is required to consult with the CEO in relation to matters brought to his attention for potential announcement. Where the matter is urgent and the CEO is not contactable, the chair is contacted. Where the chair is not contactable, the company secretary may decide whether an announcement is made, or whether a trading halt is warranted.

Generally, the CEO is ultimately responsible for decisions relating to the making of market announcements. The company secretary is responsible for ensuring that the Board is aware of items of business that could result in an announcement. The Board is required to authorise announcements of significance to the company such as significant acquisitions, disposals and closures, dividend declarations and buybacks, and any other transaction flagged by the CEO as being fundamentally significant.

The company secretary is responsible for advising when announcements are not required due to either circumstances such as where the information relates to matters of supposition or is insufficiently definite, it concerns an incomplete proposal or negotiation, the information is confidential or would represent a breach of law if disclosed, and where a reasonable person would not expect the disclosure of the information.

No member of the company shall disclose market sensitive information to any person unless they have received acknowledgement from the ASX that the information has been released to the market.

Recommendation 5.2 - A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The company secretary is responsible for ensuring that, at the time of the announcement, each director receives a copy of every market announcement.

Recommendation 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.

All investor presentations and accompanying presentation materials (if any) are released by the company to the ASX Market Announcements Platform ahead of the presentation.

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Principle 6: Respect the rights of security holders

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The company maintains information in relation to governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the company's website.

Recommendations 6.2 and 6.3

A listed entity should have an investor relations program that facilitates effective two-way communication with investors (6.2).

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders (6.3).

In order for the investors to gain a greater understanding of the company's business, governance practices, financial performance and future prospects, the company will schedule interactions where it engages with institutional and private investors, analysts and the financial media.

Meetings and discussions with analysts must be approved by the CEO and are generally conducted by the CEO. The discussions are restricted to explanations of information already within the market or which deal with non-price sensitive information.

The company encourages shareholders to attend the company's AGM and to send in questions prior to the AGM so that they may be responded to during the meeting. It also encourages ad hoc enquiry via email which are responded to.

Recommendation 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.

All resolutions considered at a meeting of security holders will be decided by a poll.

Recommendation 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.

The company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Advanced Share Registry Limited at www.advancedshare.com.au.

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Principle 7: Recognise and manage risk

Recommendations 7.1 and 7.2

The board of a listed entity should:
(a) have a committee or committees to oversee risk, each of which:
(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
(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 (7.1).

The board or a committee of the board should: (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 (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

Given the current status of the company and level of activity, the Board has assumed the duties and responsibilities typically delegated to a risk committee.

The Board's responsibilities include procedures for general risk oversight and monitoring, internal control and risk management, risk transfer and insurance and other responsibilities.

The Board determines policy and the monitoring of corporate activity in order to understand risks which may:
- impede the company from achieving its goals and objectives;
- impact on the company's performance;
- affect the health, safety or welfare of employees, visitors and others in relation to the company's operations;
- threaten compliance with the company's regulatory and legal obligations;
- impact on the community and the environment in which the company operates;
- impact on the company's reputation, or that of its people; and
- result in personal liability for company officers arising from the company's operations.

The Board's responsibilities include review of the following elements:
- company risk appetite and risk tolerance, across the company and within specific operational/regional segments;
- the likelihood of occurrence, severity of impact, and any mitigating measures affecting those risks;
- responsibility for risk oversight and management of specific risks to ensure a common understanding of accountabilities and roles;
- procedures for periodic and critical reporting of matters;
- communication of risk management policies and strategies throughout the company to ensure it is embedded as part of the company's corporate culture;
- internal communication and control systems to encourage the timely flow of risk-related information;
- reports from management, external auditors, legal counsel, regulators, and consultants as appropriate, regarding risks the company faces and the company's management of those risks;
- assessment of the internal processes for determining and managing key risk areas, with particular focus on compliance with laws, regulations, standards and best practice guidelines, important judgments and accounting estimates, litigation and claims, and fraud and theft;
- assessment of effectiveness of the internal controls, risk management and performance management systems after consultation with management and the internal and external auditors;
- assessment of effectiveness of, and compliance with, the corporate code of ethical conduct and compliance with internal plans, policies and procedures;
- obtaining regular updates from management and company lawyers about compliance matters;
- ensuring the CEO (or equivalent) and the company secretary (or equivalent) are reasonably able to state that their declarations under section 295A of the Corporations Act 2001 relating to financial statements and reports of the company are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects, in relation to the financial reporting risks;
- how certain risks of the company have been mitigated by risk transfer strategies;
- the scope, adequacy and cost of the company's insurance arrangements;
- ensure appropriate corporate governance is in place within the scope of its remit; and
- confirm annually that all responsibilities have been carried out.

The Board reviews the company's risk management framework at least annually to ensure that it is still suitable to the company's operations and objectives and that the company is operating within the risk parameters agreed by the Board. As a consequence of the last review undertaken for the year ended 30 June 2021, there were no significant recommendations made.

Recommendation 7.3 - A listed entity should disclose:
(a) if it has an internal audit function, how the function is structured and what role it performs; or
(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.

Given the size and level of activity, the company does not maintain a separate internal audit function. The company secretary does however oversee the accounting and reporting process (along with the imbedded systems and controls) and reports to the Board, which determines the adequacy of these systems and approves any recommendations for implementation. The company secretary also works closely with the external independent accounting personnel, approves recommendations for implementation and is given unrestricted access to the books and records of the company. This overview function is operated completely independently of the external audit.

Recommendation 7.4 - 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.

The management of the company and the execution of its operational strategies are subject to a number of risks which could adversely affect the company's future development. The following is not an exhaustive list or explanation of all risks and uncertainties associated with the company (and its subsidiaries), but those considered by management to be the principal material risks:

Cash and other financial risk	The management of cash is of fundamental importance. The company is also exposed to financial risks such as foreign currency risk, interest rate risk and commodity price risk. Refer to the 'Financial Risk Management' note to the financial statements for further information on these risks and how they are managed.
Loss of people	The company's Board and senior executive team is instrumental in implementing the company's strategies and executing business plans which support the business operations. Service agreements are in place and the risk of the loss of key personnel is mitigated by regular reviews of remuneration packages (including incentive schemes) and succession planning within the team.
Equal opportunity	The company is committed to an active equal opportunities policy. It is the company's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Employment practices are applied which are fair, equitable and consistent with the skills and abilities of the employees and the needs of the company.
Environmental responsibilities	The company's approach is to make a positive difference to the people, environment and communities in which it works. Any work undertaken is undertaken in strict compliance with all environmental regulations.

Refer to commentary at Recommendations 7.1 and 7.2 for information on the company's risk management framework.

SportsHero Limited
Corporate Governance Statement
30 June 2021
Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should:
(a) have a remuneration committee which:
(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
(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.

Given the size of the company and current level of activity, the Board has assumed the duties and responsibilities typically delegated to a remuneration committee.

The Board oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees.

The Board monitors and determines the following matters:
- the company's remuneration structure including long term incentives and superannuation arrangements;
- remuneration and incentives of the CEO (or equivalent) and company secretary;
- performance and remuneration of senior management;
- remuneration strategies, practices and disclosures generally;
- workplace health and safety;
- workplace diversity;
- employee share payment plans;
- recruitment, retention and termination strategies;
- management succession, capability and talent development; and
- the Remuneration Report, contained within the Directors' report.

When considered necessary, the Board can obtain external advice from independent consultants in determining the company's remuneration practices including remuneration levels.

Shareholders determine the maximum quantum of remuneration payable to non-executive directors.

Recommendation 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.

Non-executive directors are remunerated by way of cash fees. The level of remuneration reflects the anticipated time commitments and responsibilities of the position.

Performance based incentives are generally not available to non-executive directors as it could be perceived to impair their independence in decision making. For the same reason, equity based remuneration has been limited to non-performance based instruments such as shares.

In order to secure the services of the company's Chairman (who was appointed on 30 October 2019) and to reduce cash outflows, the company agreed (subject to the receipt of shareholder approval) to pay 50% of Mr Dougall's cash remuneration in shares and to grant Mr Dougall 4,000,000 performance rights. The milestone to trigger the conversion of the 4,000,000 performance rights into 4,000,000 shares is upon the company achieving breakeven operating cash flow (or better) for any six-month period up to and including the six months ended 31 December 2022. Any shares issued on conversion of the performance rights will be subject to a voluntary 12 month escrow from their date of issue.

In addition, on 15 January 2021, shareholders approved the granting of 12,000,000 Director Performance Rights as follows:

- 3,000,000 Director Performance Rights to Mr John Dougall (or his nominee) pursuant to Resolution 10, comprising;
    - 1,000,000 Class A Director Performance Rights;
    - 1,000,000 Class B Director Performance Rights; and
    - 1,000,000 Class C Director Performance Rights;

- 6,000,000 Director Performance Rights to Mr Tom Lapping (or his nominee) pursuant to Resolution **Error! Reference source not found.**, comprising;
  - 2,000,000 Class A Director Performance Rights;
  - 2,000,000 Class B Director Performance Rights; and
  - 2,000,000 Class C Director Performance Rights; and

- 3,000,000 Director Performance Rights to Mr Michael Higginson (or his nominee) pursuant to Resolution **Error! Reference source not found.**, comprising;
  - 1,000,000 Class A Director Performance Rights;
  - 1,000,000 Class B Director Performance Rights; and
  - 1,000,000 Class C Director Performance Rights;

The performance hurdles for the Director Performance Rights are as follows:

Class	Milestone
A	The volume weighted average price for the Company's Shares as traded on ASX over 7 consecutive trading days on or before 31 December 2021 exceeds $0.08 (eight cents).
B	The attainment on or before 31 December 2021 of an aggregate of not less than 3,000,000 new unique users for the Company's Olahbola app.
C	During any 6 (six) month period up to and including 31 December 2022, the Company and its subsidiaries (ie the Group) achieves a consolidated positive EBITDA (with all share based payments being excluded from the EBITDA calculation) and such EBITDA is confirmed by the signed attestation of a registered company auditor or is properly included in the Company's audited financial statements.

Executive directors (if any) and other senior executives are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates having regard to the individual's performance and responsibilities. Performance based remuneration (if applicable) is linked directly to specific performance targets that are aligned to both short and long term objectives. Share options and rights are aligned to longer term performance hurdles. Termination payments are detailed in individual contracts and payable on early termination with the exclusion of termination in the event of misconduct.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should:
(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
(b) disclose that policy or a summary of it

Where a director or other senior executive uses derivatives or other hedging arrangements over securities of the company, this must be disclosed to the CEO or company secretary.