

## **Corporate Governance Statement**

### **Corporate Governance at SenSen**

This Corporate Governance Statement summarises SenSen Network Limited's main corporate governance policies and outlines the extent to which the company's corporate governance policies and practices are consistent with the fourth edition of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Recommendations).

Consistent with prior years, the Board does not consider that all of the ASX Recommendations are appropriate for the company given the size and related provisions in our constitution regarding Board composition and shareholding requirements. SenSen has followed all of the ASX Recommendations during the financial year ended 30 June 2022 (reporting period), unless stated otherwise.

Copies of policies referred to in this Corporate Governance Statement and Board and Committee charters are available in the corporate governance section of the company's website [www.Sensen.ai](http://www.Sensen.ai).

This Corporate Governance Statement is current as at 30 June 2022 and has been approved by the Board.

### **SenSen FY2022 Governance highlights**

SenSen made significant investments in governance during the reporting period, including:

- Reviewing and our Board and Committee Charters.
- Reviewing and updating a number of governance policies, including the Continuous Disclosure and Shareholder Engagement Policy, Share Trading Policy, Anti-Bribery & Corruption Policy, Diversity Policy, and Code of Conduct and Whistleblower Policy
- Reviewing SenSen's Values
- Conducting an internal accredited Director workshop with accredited boardroom expert Julie Garland McLellan
- Supporting Directors to attend conferences and courses

### **Our purpose, vision, and values**

Corporate governance is of vital importance to the company and is undertaken with due regard to all the company's stakeholders. We are committed to providing our stakeholders with credible, transparent, and timely information as we seek to create and sustain value in all we do. This is supported by SenSen's values, which inform our decisions from the top down and underpin our corporate culture.

Our values are set out below.

### **Solving the impossible**

**Integrity** – Always doing the right thing, and bringing the values into all businesses, customer, and employee relations

**Ingenuity** – developing innovative AI solutions to solve our customers everyday problems, reducing labour intensive tasks. Solving the impossible

**Excellence** – partnering with our customers to deliver beyond their expectations

### **Leadership and oversight**


The SenSen Board is committed to ensuring the corporate governance frameworks, policies and practices are of a high standard. This commitment is delivered through continuous improvement and ensuring the Board has a sound understanding of current governance requirements and practices, as well as keeping abreast of emerging trends and changing stakeholder expectations.

#### ➤ **The Board and Management Team**

The Board is responsible for the governance of the company and oversees its operational and financial performance. The Board retains ultimate responsibility for the strategy, risk appetite and performance of the company, and has delegated responsibility for day-to-day management and implementation of the Board approved strategy and risk management policies to the Chief Executive Officer (CEO).

#### ➤ **The Board**

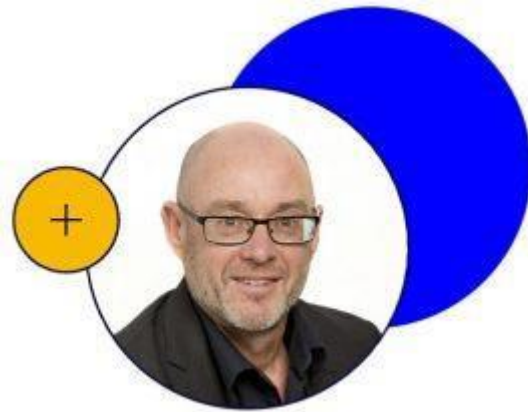
SenSen's current Directors roles and responsibilities are set out on the following page. For more information on the Directors skills and experience see the website.

<p><b>Subhash Challa</b> <b>Executive Chairman &amp; CEO</b> <b>Member of the Audit and Risk Committee</b> <b>Director since 2017</b></p>  A circular portrait of Subhash Challa, a man with dark hair wearing a dark suit and white shirt. The portrait is set against a blue circular background. To the left of the portrait is a grid of 10 squares, with the top-left square highlighted in yellow.	<p><b>David Smith</b> <b>Executive Director, COO and Company Secretary</b> <b>Member of the Audit and Risk Committee</b> <b>Director since 2011</b></p>  A circular portrait of David Smith, a man with short hair wearing a dark suit and white shirt. The portrait is set against a yellow circular background. To the right of the portrait is a blue square and a white square.
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**Heather Scheibenstock FGIA, FCGI, GAICD**  
**Executive Director, Chief Sales Officer**  
**Casinos and Gaming**  
**Chair of the Audit and Risk Committee**  
**Director since 2018**



**Zenon Pasieczny**  
**Non-Executive Director**  
**Member of the Audit and Risk Committee**  
**Director since 2017**



The names, qualifications, tenure and experience of all Board and Committee members and their attendance at Board and Committee meetings are included in the company's Annual Report.

SenSen has written agreements with all Directors setting out the key terms of their appointment.

The Board has adopted formal written charters detailing the roles and responsibilities of the Board, and each Committee, and management (through the CEO), to ensure these roles are clearly defined, separated, and enable an effective process of evaluation.

#### ➤ Board Committee

The Board has established one formal committee (Audit and Risk) and has delegated duties to assist the Board in exercising its responsibilities and discharging its duties.

The Audit and risk committee has a separate charter that sets out the conduct, objectives, and proceedings of that committee, as well as the membership and any other requirements for the running of the committee.

The Finance Audit Committee is currently chaired by an executive director and is comprised of executive directors and non-executive directors and does not comply with Recommendation 4.1 of the ASX Principles to the extent that it recommends that an audit committee consists of a majority of independent Directors and is chaired by an independent Director. However, the Board believes that in the context of the current make-up and size of the Board, the perspective and expertise that the current members bring to the Committee is appropriate. Furthermore, the Chair is discharging her role effectively and brings valuable expertise and experience to that role.

SenSen does not comply with Recommendation 2.1 and 8.1 of the ASX Principles to the extent that it recommends a Nomination committee and a remuneration committee that consists of a majority of independent Directors. However, the Board believes that, in the context of the current make-up and size of the Board, the perspective and expertise that the current members of the board is appropriate.

The Board oversees the appointment and induction process for Directors and committee members, and the selection, appointment, and succession planning process of the Company's executive management team. The appropriate skill mix, personal qualities, expertise, and diversity are factors considered in each case. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the required skills.

The audit and risk committee regularly reports to the Board on all matters relevant to the Committee's roles and responsibilities.

The number of times each committee met during FY21 is set out in the 2022 Annual Report.

#### ➤ The Chair/CEO

The Chair of the Board and CEO, Dr Subhash Challa, is an Executive Director and a resident Australian citizen. As Chair, Dr Challa is responsible to lead the Board and manage the Board function and performance in accordance with the Board Charter. The Chair's responsibilities are set out in more detail in the Board Charter. While the Chair is not an independent Director, the Board considers that the Chair is discharging his role effectively and provides valuable sector expertise and experience.

As CEO Dr Challa is responsible for the day-to-day management and implementation of Board approved strategy and risk management policies.

SenSen does not comply with recommendation 2.5 of the ASX recommendations. Given the size and scope of the Company's operations, the Board considers that it is appropriately structured relevant to the Company's current business. The Board considers that the experience, skills, and expertise that Mr Subhash Challa brings to the role outweighs the benefits of an independent chairman. However, the Board is cognisant that, as the Company expands and develops its activities, the Board will be required to review and restructure its composition to meet the most appropriate requirements.

The Board acknowledges the need to appoint an independent Chairperson to the Board and is actively looking for a suitably qualified candidate.

#### ➤ Company Secretary

The Company Secretary is appointed and removed by the Board and reports to and is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and Board Committees. Further details on the Company Secretary are provided in the Directors' Report within the 2022 Annual Report.

### **Board Governance and performance**

#### ➤ Succession Planning and Appointment Process

Board composition requirements are set out in the company's Constitution.












The procedure for the selection and appointment of new Directors and the re-election of incumbent Directors, and the Board's policy for the nomination and appointment of Directors, is set out in the Nomination Committee Charter.

Prior to the election of any Director candidate, the company provides shareholders with all material information in the company's possession that is required to support an informed decision by

shareholders. The company undertakes appropriate background checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director.

### Board Skills Matrix

The company aims to achieve a mix of strategic, technology/AI, industry knowledge, finance, risk management and other business skills among the Directors to lead and monitor the company as well as protect the interests of all stakeholders and shareholders. The table below sets out the range of skills identified as important for the Board and the current number of Directors that have been assessed as having that skill

		Directors with the mentioned skill			
	<b>Industry knowledge and Expertise</b> The directors on the board all have experience in the markets SenSen operates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Executive Leadership</b> The board has valuable capability at executive level across a broad sector	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Strategy development and Implementation</b> Experience in Strategy development and execution at large and small scales	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Investor/Public Relations</b> Experience in capital markets, IPO, investment, and mergers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>Mergers and Acquisitions</b> Experience in completing DD on mergers and/or acquisitions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Financial Reporting and Management</b> Senior experience in financial management, reporting and audit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Corporate Governance</b> Commitment to high standards of corporate governance and legal compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>Risk Management</b> Experience in managing financial and non-financial risk, crisis management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Human Resource</b> management experience in employee management, succession planning and recruitment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>Global business experience</b> Significant international exposure across the globe, particularly North America, Asia, Europe, and Africa	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Digital experience / information technology</b> Senior experience in technology, especially in software innovation and digital technology and oversight of implementation of major technology projects	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### ➤ Board, Committee and Director Performance Evaluation

SenSen has an established practice of annual evaluations, covering the Board as a whole, Committees and Director contributions.

During the reporting period, the company completed a review of the current evaluation process and has determined that an external review/evaluation should commence for the Board, each standing Committee, and each individual Director.

All Directors are members of the Australian Institute of Company Directors. Programs are in place to ensure Directors are provided with updates on corporate governance, Directors' duties, workplace health and safety and other relevant regulatory requirements.

Directors are satisfied with the role and performance of the Board, and with the program of ongoing development.

All Directors are compliant with the registration ID requirement under the Corporations Act 2001

#### ➤ Director Independence

The independence, relevant skills, experience, and expertise held by each Director in office are provided in the company's Annual Report.

Currently the company does not have any independent directors.

The Board considers a Director to be independent only where they are free of any interest, position or relationship that might influence, or reasonably be perceived to influence in a material respect, his or her 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 shareholders generally as a whole, rather than in the interest of an individual shareholder or other party.

The Board regularly reviews the independence of each Non-executive Director. Each Non-executive Director is required to provide to the Board all information that may be relevant to this assessment.

The Company does not currently comply with recommendation 2.4 of the ASX principles and does not have any independent Directors as Ms Heather Scheibenstock moved to an Executive director role within the Company on 6 July 2020. The Board is cognisant of the value of having a Board with a majority of independent Directors and will strive to achieve this in the future as SenSen grows. The Board acknowledges the need to introduce independent Directors to the Board and is actively looking for suitably qualified candidates.

#### ➤ Education and Training

The company has a program in place for inducting new Directors and providing appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

The Company is committed to a solid Corporate Governance foundation and has embarked on an internal development journey for its board and senior executives. In FY 22 the board and executive team participated in a customised Governance workshop with renowned AICD facilitator and Boardroom expert Julia Garland McLellan.

The workshop included Director's duties and governance obligations, updates on changes in legislation and information on best practice.

Directors have access to Management and external audit to seek explanations and information, if required.

Directors can also seek independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions. If the Chairman of the Board consents, SenSen will pay a Director's costs of seeking such advice. That consent may not be unreasonably withheld or delayed. Copies of the advice must be made available to, and for the benefit of, all Board members, unless the Chairman agrees otherwise.

### **Diversity and inclusion at SenSen**

SenSen is committed to creating an inclusive and diverse workplace where all employees are given equal opportunity to succeed.

The Board considers that the Company is currently too small and new to incorporate specific gender diversity targets into its hiring process. However, the Company values, recognises, and respects diversity in all respects and our workforce is made up of individuals with diverse skills, backgrounds, perspectives, growth, and needs for specific gender diversity targets periodically.

Our Diversity policy provides a framework for SenSen to achieve, amongst other things, a workforce with diverse skills and experience, a workplace culture characterised by inclusive practices and behaviours, and improved employment and career development opportunities for all.

SenSen's policy has a continued focus on inclusion and diversity and includes:

- Diversity in leadership and diversity of thought.
- Creating flexible, adaptable work practices; and
- Respectful workplaces where everyone feels they can contribute.
- Initiatives that will promote and achieve diversity goals.
- Regular reviewing of the diversity policy to assess the status of diversity within the Company and the effectiveness of this policy in achieving the measurable objectives (if any at the time) which have been set to achieve diversity.
- Regular review of the need for specific and measurable gender diversity targets periodically, and if required, setting those targets; and
- Assessment of the effectiveness of the Company's diversity objectives each year.

### **Ethical and responsible conduct at SenSen**

All Directors, Senior Management and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

The Board has approved Codes of Conduct for Directors and employees, as well as Whistleblower, Anti-bribery and Corruption and Share Trading Policies.

Copies of the relevant policies are available on the SenSen website at [SenSen.ai/corporate-governance/](https://www.sensen.ai/corporate-governance/)

#### ➤ Code of Conduct

The Board recognises the company's legal and commercial obligations to all legitimate stakeholders, and this is formally recognised in SenSen's Code of Conduct which addresses its commitment to compliance with its legal obligations to stakeholders.

The company has established a Code of Conduct which applies to all Board members, officers, employees, and contractors of the company. The company commenced a review of the Group Code of

Conduct in 2021. Directors also need to comply with the Directors' Code of Conduct. Our Audit and Risk Committee is informed of any material breaches of the Code of Conduct.

The Board strives for good corporate governance and industry best practice. It specifically requires Directors and employees to:

- avoid situations which may give rise to a conflict of interest.
- avoid situations where they may gain any benefit which competes with the Company's business.
- read and confirm that they understand the Company's policies.
- comply with laws and regulations.
- properly use the Company's assets for legitimate business purposes.
- maintain confidentiality in both the Company's business and the information of its clients and shareholders.
- respect and comply with the Company Values.
- act in accordance with Company Values.
- expect that all those covered by the code will act ethically and responsibly.
- refer to respectful behaviour, bullying, harassment, and discrimination.
- deal with customers and suppliers fairly.
- disclose, and deal with conflicts of interest
- report breaches to appropriate person or body in the Company.
- review the code of conduct annually.

#### ➤ Whistleblower Policy

We are committed to complying with all applicable laws, strong corporate governance, and good standards of conduct across our business, including SenSen's interactions with employees, contractors, customers, suppliers, the community, other stakeholders and the environment in which the SenSen operates. During the reporting period, we continued to enhance our reporting mechanism by improving accessibility for overseas employees and encouraging use of the mechanism to report on any risks.

Our Whistleblower Policy is designed to:

- encourage, protect, and support the reporting of misconduct, irregularities or any other behaviour which is corrupt or illegal.
- Establish a transparent and effective reporting and investigation mechanism to encourage disclosures of wrongdoing in a safe, secure, and timely manner; and
- Protect individuals who report a wrongdoing from detrimental treatment by any person internal or external to SenSen.

Our Audit and Risk Committee is informed of any material breaches of the Whistleblower Policy.

#### ➤ Anti-Bribery and Corruption Policy

An integral part of our business culture is to behave in a responsible, honest, and ethical way when dealing with all our stakeholders (customers, suppliers, employees, and the community). Our anti-bribery and corruption framework is based on a 'zero tolerance' approach. Our Audit and risk Committee is informed of any material breaches of the Anti-Bribery and Corruption Policy.



### ➤ Share Trading Policy

The Share Trading Policy applies to all Directors, executives, employees, consultants, and professional advisers of the company. The policy specifies the periods during which the Directors and executives of the company may purchase and sell the company's securities and sets out a notification procedure concerning trading by Directors. The company's Share Trading Policy prohibits Directors and executives from trading in financial products issued or created over the company's securities by third parties, or trading in associated products. The Policy also prohibits Directors and executives from entering into any transaction that operates to limit the economic risk of their security holding in the company.

Copies of the Directors' Code of Conduct, Group Code of Conduct, Whistleblower Policy, Anti-Bribery and Corruption Policy and Share Trading Policy are available on the company's website at [www.sensen.ai](http://www.sensen.ai).

### **Shareholder Communication and engagement**

#### ➤ Continuous Disclosure and Shareholder engagement Policy

The company has adopted a Continuous Disclosure and Shareholder engagement Policy. This policy outlines corporate governance measures adopted by the company to deliver on its commitments to the disclosure and communication of information concerning the company.

The company is committed to the objective of promoting investor confidence and protecting investor rights. This means complying with continuous disclosure obligations imposed by law; ensuring that company announcements are presented in a factual, clear, and balanced way; ensuring that investors have equal and timely access to material information concerning the company and communicating effectively with investors.

#### ➤ Other shareholder communications

The company's Continuous Disclosure and Shareholder Engagement Policy promotes effective communication with all stakeholders, including shareholders, to assist them in making informed decisions and to encourage effective participation. Communication initiatives undertaken by the company include regular business updates, grower and investor briefings, media announcements, and the company website at [www.sensen.ai](http://www.sensen.ai).

Relevant information released to the market by the company is posted on the SenSen's website after the information has been given to the ASX and the ASX has confirmed the release of this information to the market. This includes any new and substantive investor or analyst presentations, which are released on the ASX before the presentation is delivered.

All recent company announcements, media releases, details of company meetings and annual reports are also available on the company's website.

The company has a range of investor relations strategies to facilitate effective two-way communication with investors. The Company also has ad hoc interaction with brokers, institutional investors, analysts, and financial media when required. Shareholders of the company have the option to receive communications from, and send communications to, the company and its security registry electronically.

#### ➤ General meeting

All Board members attend the Annual General Meeting (AGM) and are available to answer questions. The external auditor also attends the company's AGM and is available to answer questions from shareholders relevant to the audit.

The Company has no formal process in place to facilitate and encourage participation at meeting of security holders. Shareholders are, however, encouraged to participate at general meetings

SenSen conducts all voting at the AGM on a poll, ensuring that voting outcomes reflect proportionate holdings of all shareholders who vote (whether in person or by proxy or other representative)

The Company's security holders may elect to receive information from SenSen and its registry electronically. Otherwise, the Company and its registry will communicate by post with security holders who have not elected to receive information electronically. Further, security holders can email or otherwise contact the Company by visiting the "Get in Touch" section of the website.

### **Integrity in financial reporting**

The Audit and Risk Committee meets bi-annually with the external auditors, without Senior Management, to review the scope and adequacy of their work and to consider the implementation of recommendations from the audit processes.

The Committee assesses the external auditor's performance annually and reports the outcome to the Board. The Committee also meets with the external auditor to discuss audit planning matters, statutory reporting and, as required, for any special reviews or investigations deemed necessary by the Board.

The Board has resolved that it is appropriate for the audit firm to provide ongoing taxation compliance services in addition to its normal audit function.

### **Risk Management Framework**

The Board oversees the establishment, implementation, and review of the company's risk management framework, which has been established to identify, assess, monitor, and manage operational, financial and compliance risks.

The Audit and Risk Committee assists the Board in discharging its risk oversight role. The conduct, objectives and proceedings of this Committee are governed by a charter, approved by the Board. The Audit and Risk Committee conducted a review of the company's risk management framework during the reporting period to satisfy itself that the risk management framework continues to be sound.

Management has reported to the Audit and Risk Committee and the Board on the effectiveness of the risk management system during the year, and of the company's management of its material business risks.

SenSen has established a system of internal controls that take account of key business exposures. The system is designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained, and financial information is timely and reliable.

The Company does not have an internal audit function. The processes the Company employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes include the fact that individual Directors' claims for expenses are approved by the Board.

A member of the Audit and Risk Committee periodically reviews the Company's controls and spot-checks that the necessary procedures have been followed.

The Company discloses its material exposure to economic, environmental, and social sustainability risks, and how it manages those risks in ASX announcements and in its Annual Report.

### **Assurance**

Before approving the company's full-year financial statements for the reporting period, the Board received a declaration from the CEO and the CFO. The declaration states 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 based on a sound system of risk management and internal control which is operating effectively. A declaration will also be received in respect of the financial statements for the half year ended 31 December 2022.

The Company verifies the integrity of any periodic corporate report that it releases that has not been audited or reviewed by an external auditor by thorough internal Board and senior management review, including detailed financial analysis and cross-checking contractual arrangements with customers, suppliers, and other stakeholders.

## **Company Remuneration**

Information about the company's remuneration policies for executives and Directors is set out in the Remuneration Report in the company's Annual Report. Senior executives are provided remuneration that is aligned with the strategic objectives, values, and culture of SenSen.

Non-Executive Directors are remunerated at a fixed fee for time, commitment, and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance.

Remuneration and bonuses for Executive Directors and Senior Executives consist of a base salary and performance incentives. Long-term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals.

The Board approved the Company's Long-Term Incentive Plan on 16 May 2021 and details are posted on the Company's website. Long-term incentive awards to key management personnel and staff were approved at the Company's General Meeting on 15 July 2021.

Please refer to the Remuneration Report in the Annual Report for further information

### **➤ Performance Assessment – CEO and Corporate Management Team**

SenSen is finalising a formal process for periodically evaluating the performance of its Senior Executives. Currently, the Chief Executive monitors the performance of senior executives.

When the process is finalised SenSen will disclose the formal process in its Corporate Governance Statement on the website.