

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Audio Pixels Holdings Limited

ABN/ARBN

98 094 384 273

Financial year ended:

31 December 2023

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as 31 March 2024 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 28 March 2024

Name of authorised officer authorising lodgement: Fred Bart

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

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

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

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

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(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</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: ...http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>..... <i>[insert location]</i></p> <p>and we have disclosed the information referred to in paragraph (c) at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>..... <i>[insert location]</i></p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p>[insert location]</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p>[insert location]</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/.....</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p>[insert location]</p> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p>[insert location]</p> <p>and the length of service of each director at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

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6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/.....</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/.....</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p><i>[insert location]</i></p>	<input type="checkbox"/> set out in our Corporate Governance Statement

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7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/.....</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/.....</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/.....</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: http://www.audiopixels.com.au/index.cfm/corporate/corporate-governance/ [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

AUDIO PIXELS HOLDINGS LIMITED
ACN 094 384 273
CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Audio Pixels Holdings Limited is responsible for the corporate governance of the entity. The Board guides and monitors the business and affairs of Audio Pixels Holdings Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board recognises that it has a number of legal and other obligations to non-shareholder stakeholders.

The Directors are committed to protecting stakeholders' interests and keeping investors fully informed about the performance of the Group, while meeting stakeholders' expectations of sound corporate governance practices. The Company provides ready access to its shareholders and members of the public to information about the Company and its governance on its web site <http://www.audiopixels.com.au> which is regularly updated with latest information. Price sensitive information is only loaded to the website after it is duly released to the ASX.

The Corporate Governance Statement follows the Australian Stock Exchange Corporate Governance Council's (the "Council's") amendments to the 4th edition of the Corporate Governance Principles and Recommendations released on 27 February 2019 in relation to diversity, remuneration, sustainability, trading policies and briefings. These policies commenced in the entity's first full year of operations commencing after 1 January 2020.

In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. Audio Pixels Holdings Limited's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- | | |
|--------------|--|
| Principle 1. | Lay solid foundations for management and oversight |
| Principle 2. | Structure the Board to be effective and add value |
| Principle 3. | Instil a culture of acting lawfully, ethically and responsibly |
| Principle 4. | Safeguard the integrity of corporate reports |
| Principle 5. | Make timely and balanced disclosure |
| Principle 6. | Respect the rights of security holders |
| Principle 7. | Recognise and manage risk |
| Principle 8. | Remunerate fairly and responsibly |

Audio Pixels Holdings Limited has adopted a formal Board Charter which was updated on 31 December 2021.

Audio Pixels Holdings Limited's corporate governance practices were in place throughout the year ended 31 December 2023, unless otherwise stated, and embrace the Council's best practice recommendations which are being put in place as appropriate.

AUDIO PIXELS HOLDINGS LIMITED
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The Company has adopted a code of conduct policy to comply with Recommendation 3.1 and this is included under the Corporate Governance section of the website. The Company has two executives and eleven staff based in Israel, two executives based in Australia and three Australian based directors to which the code of conduct applies. The company currently has one woman on the board and two women in executive positions in Israel.

In accordance with Recommendation 5.1, the Board has appointed Shawn van Boheemen Chief Financial Officer and Company Secretary to ensure compliance with ASX Listing Rule disclosure requirements. Due to the limitations imposed by size the Board has not established written policies and procedures. The Company Secretary is accountable directly to the Board, via the Chairman, on all matters to do with the proper functioning of the Board.

The Directors respect the rights of shareholders in accordance with Principle 6. The Company sends all financial communications to shareholders who have requested hard copy financial statements and posts all relevant information including all ASX Announcements on the Company web site. Notices of Meetings are sent to all shareholders inviting them to attend the Annual General Meeting which is held in Sydney. A representative of the auditor, Deloitte Touche Tohmatsu attends the Annual General Meeting. All resolutions at General Meetings are decided by a poll rather than a show of hands.

The Company has developed an investor relations program which includes the web site.

The company does not have an internal audit function due to the development stage of the company and its size.

Additional information regarding the Company's corporate governance policies, its Directors and other relevant information can be found on the Company's website:

www.audiopixels.com.au/index.cfm/corporate/corporate-governance/

The following policies are included under the Corporate Governance section of the website:

- Audit Committee Charter
- Board Charter
- Continuous Disclosure Policy
- Code of Conduct
- Diversity Policy
- Fraud and Corruption Policy
- Risk Management Policy
- Securities Trading Policy
- Nomination and Remuneration Committee Charter
- Whistleblower Policy
- FY24 Board Skills Matrix Summary

AUDIO PIXELS HOLDINGS LIMITED
ACN 094 384 273
CORPORATE GOVERNANCE STATEMENT

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each Director in office at the date of this Annual Report is included in the Directors' Report on page 2. Directors of Audio Pixels Holdings Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5 percent of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10 percent of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following Director of Audio Pixels Holdings Limited is considered to be independent:

Name	Position
Mr. Mark Ureda	Non-executive Director

Due to limitations imposed by the small size of the Company, the company does not comply with Recommendation 2.4 in having a majority of independent directors. The Chairman, Mr Fred Bart is not an independent Chairman as recommended by Recommendation 2.5. The Board proposes to maintain the current directors until the size of the activities of the Company warrant further changes.

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

AUDIO PIXELS HOLDINGS LIMITED
ACN 094 384 273
CORPORATE GOVERNANCE STATEMENT

The term in office held by each Director in office at the date of this report is as follows:

Name	Position	Term in Office
Mr Fred Bart	Executive Chairman and CEO	22 years
Mr. Mark Ureda	Non-Executive Director	0.75 years
Ms Cheryl Bart AO	Non-Executive Director	21 years

All Directors have a written agreement setting out the terms of their appointment as a director.

For additional details regarding board appointments, please refer to the Company's website.

Audit Committee

The Audit Committee was formally constituted on 29 August 2014 with all three directors appointed to the Audit Committee and the Audit Committee Charter adopted on that date. Mark Ureda was appointed chair of the Audit Committee and is an independent director. The relevant qualifications and experience of the member of the committee is set out in the Annual Report of the Company.

The Audit Committee meets at least twice a year to approve the full year financial statements for the financial years ended 31 December and the half year financial statements for the year ended 30 June.

Nomination and Remuneration Committee

The entire Board of Fred Bart, Cheryl Bart and Mark Ureda comprise the Nomination and Remuneration Committee with Mark Ureda as the independent chairman. The Board continues to operate within the established guidelines of the Charter on the web site, including when necessary, selecting candidates for the position of Director and, where appropriate, seeking the services of an independent consultant who is not a director of the Company to provide assistance in the recruitment of potential Directors.

Due to limitations imposed by the small size of the Company, the company does not comply with Recommendation 2.1(a)(1) in having a majority of independent directors on the Nomination and Remuneration Committee. Mark Ureda has been appointed Chairman of the Nomination and Remuneration Committee and is an independent director. The Board proposes to maintain the current directors until the size of the activities of the Company warrant further changes.

AUDIO PIXELS HOLDINGS LIMITED
ACN 094 384 273
CORPORATE GOVERNANCE STATEMENT

One of the Company's key objectives is to provide maximum stakeholder benefits from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration structure are:

- Retention and motivation of directors; and
- Attraction of quality management to the Company;

For details regarding the amount of remuneration and all monetary and non-monetary components for each of the key management personnel during the year, refer to the Remuneration Report in the Directors report.

There is no scheme to provide retirement benefits, other than statutory superannuation, to any directors. The Board may recommend the issue of options to non-executive directors provided the shareholders approve the issue of options and the Board itself may recommend the issue of options to senior executives. The Board believes this is a cost effective way to reward and retain directors and senior executives and maintain cash reserves at the same time.

The Company has an Employee Share Option Plan which was approved by shareholders on 13 January 2011. On 17 December 2018, the Company issued 203,000 unlisted options to senior staff based in Israel (excluding directors) with an original expiry date of 17 December 2021. These options were exercisable at \$16.20 each. 30,000 of these options expired during the previous year. All the remaining 173,000 options were cancelled effective on 29 December 2022 as the ASX determined that the extensions were not allowed under the listing rules. The Company obtained shareholder approval at the 22 May 2023 Annual General Meeting to reissue these 173,000 options to employees in Israel, exercisable at \$16.20 with an expiry date of 17 December 2023. None of these options were exercised, and subsequently expired on 17 December 2023.

On 16 April 2021, the Company issued 122,000 unlisted options to senior staff based in Israel (excluding directors). These options are exercisable at \$27.70 each and expire on 16 April 2025. These options are subject to continuous employment and 75% have vested at 31 December 2023.

On 1 December 2022, the Company issued 30,000 unlisted options to senior staff in Israel (excluding directors). These options are exercisable at \$14.00 and expire on 1 December 2025. On 1 December 2022, the Company issued 135,000 unlisted options to senior staff in Israel (excluding directors). These options are exercisable at \$14.00 and expire on 1 December 2026. These options are subject to continuous employment and are not vested at 31 December 2023.

These unlisted options are not transferable and participants are not permitted to enter into transactions which limit the economic risk of participating in the scheme.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves.

New Directors receive a letter of appointment, which outlines the Company's expectations in relation to participation, time commitments and compliance with policies and regulatory requirements. As with all employees, senior executives are required to sign employment agreements setting out the key terms of employment.

Performance

The performance of the Board is reviewed annually against both measurable and qualitative indicators. Directors whose performance is consistently unsatisfactory may be asked to retire.

The performance of all key management personnel is reviewed annually against both measurable and qualitative indicators. Senior executives whose performance is consistently unsatisfactory may be asked to retire.

Diversity Policy

The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has developed a diversity policy which outlines its diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress made in achieving them.

At the date of this report, the Company has two executives and eleven staff based in Israel, one executive in Australia and three Australian based directors to which this policy applies. The company currently has one woman on the board and two women in executive positions in Israel.

The Diversity Policy is included in the Corporate Governance section of the web site.

Fraud and Corruption Policy

The Group requires all Relevant Parties at all times to act honestly and with integrity and to safeguard the Group's resources for which they are responsible. The Group is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.

Any fraud or corruption committed against the Group is a major concern and as a consequence all cases will be thoroughly investigated and appropriate disciplinary action will be taken against any staff member who is found guilty of corrupt or fraudulent conduct. This may include referral to the appropriate law enforcement or regulatory agencies for independent investigation.

CEO/CFO declarations

Before the Audit Committee recommends, and the Board approves, the Company's financial statements for the half year or full year, the CEO and CFO are required to provide a declaration that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with 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.

Policy on Securities Trading

In accordance with Recommendation 3.2 the Directors have set out the policy on Securities Trading which has been lodged with ASX on 23 December 2010.

Directors and employees of Audio Pixels Holdings Limited should not buy or sell securities in Audio Pixels Holdings Limited, when Audio Pixels Holdings Limited is in possession of price sensitive information that is not generally available to the market.

Subject to the insider trading provisions of the Corporations Act and the notification requirements of the Company set out in the "Insider Trading Policy", the recommended time (in order to minimize suggestions of insider trading) for any Director or employee to deal in Securities is during the four week period commencing on the second business day after:

- (a) Audio Pixels Holdings Limited annual general meeting;
- (b) The release of Audio Pixels Holdings Limited half-yearly announcement to the ASX;
- (c) The release of Audio Pixels Holdings Limited preliminary final statement or full year announcement to ASX (whichever is earlier);
- (d) The release of a disclosure document (eg. a prospectus) by Audio Pixels Holdings Limited.
- (e) The release of the quarterly commitments test report known as Appendix 4C.

The Chairman of the Board, or the Chairman's delegate, (eg. the Company Secretary) may also notify Directors and employees of Audio Pixels Holdings Limited in writing of other ad hoc "trading windows".

The complete Securities Trading Policy of the Company is available on the Company's website at www.audiopixels.com.au

Shawn van Boheemen
Company Secretary
28 March 2024