

The primary responsibility of the Board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has established a set of corporate governance policies and procedures that are based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles & Recommendations"). A copy of the Board Charter and corporate governance policies are available on the Company's website at www.freedomeye.com.au

The Corporate Governance Statement contains certain specific information and discloses the extent to which the Company has followed the Principles and Recommendations during the period. Where a recommendation has not been followed that fact has been disclosed, together with the reasons for the departure.

Corporate Governance Compliance

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the recommendations.

Principle 1 – Lay solid foundations for management and oversight

The Board has also adopted a Board Charter which details functions and responsibilities of the Board and those designated to management. A copy of the Board Charter has been placed on the Company's website.

1.1 There is no delineation of functions between the Board and senior executives All functions, roles and responsibilities are undertaken by the Board as there are no senior executives other than directors as at the date of this report.

Principle 2 – Structure the board to add value

Directors of the Company 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 judgment.

2.1 The Company does not have a majority of independent directors. The Board is currently comprised of three directors. Only one of the directors, Russell Barnett, is considered to be an independent. David Sparling is not considered to be an independent director as he has until recently been an executive of the Company. Grant Bennett is not considered to be an independent director as he is a substantial shareholder of the Company. It is the Board's intention to comply with this policy at a time when the size and the activities of the Company warrant such a structure.

2.2 The Chairman is an independent director.

The Company's Chairman, Russell Barnett, is a non-executive, independent director.

2.3 A separate nomination committee has not been formed.

The full Board considers those matters and issues arising that would usually fall to a Nomination Committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.

Principle 3 – Promote ethical and responsible decision-making

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices. The Company also has a policy concerning trading in the Company's securities by directors, senior executives and employees.

Principle 4 – Safeguard integrity in financial reporting

4.1 The Company does not have a separate audit committee.

4.2 The Board does not meet the compositional requirements set out in Recommendation

4.3 The Company has not adopted an audit committee charter.

The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal

controls to deal with the

effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and reliability of financial information and non financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control. At such time when the Company is of sufficient size an audit and risk management committee charter will be adopted and the committee formed.

Principle 5 – Make timely and balanced disclosure

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Principle 6 – Respect the rights of shareholders

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Principle 7 – Recognise and manage risk

This principle requires the Company to establish a system of risk oversight and management and internal control. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by the Board as a whole as there are no executives other than directors as at the date of this report.

The role of Risk Management Committee has been assumed by the full Board. The Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Principle 8 – Remunerate fairly and responsibly

8.1 The Company does not have a separate remuneration committee.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company

and considers it more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.