

Corporate Governance Statement

Fatfish Blockchain Limited's (the **Company**) Directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations (Third Edition)* (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared this statement which sets out its corporate governance practices that were in operation throughout the financial year ended 31 December 2018, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.

The Company's corporate governance policies and charters and policies are all available on the Company's website (www.fatfish.co) (Website).

ASX Recommendation		Comply (Yes/No)	Reference/ Comment
Principle 1 – Lay solid foundations for management and oversight			
A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.			
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	Yes	The Board has adopted a charter which establishes the role of the Board and its relationship with management. The primary role of the Board is the protection and enhancement of long-term shareholder value. Its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The functions and responsibilities of the Board and management are consistent with ASX Principle 1. A copy of the Board Charter is posted on the website.
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	Yes	The Company provides information to shareholders about Directors seeking re-election at general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including their relevant qualifications and experience and the skills they bring to the Board; details of any other listed directorships held by the Director in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a

	director		<p>recommendation by the Board in respect of the re-election of the Director.</p> <p>The Company will, in the case of a candidate standing for election as a director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Board has performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgment on board matters or to act in the best interests of the Company and its shareholders generally; the Board's view on whether the candidate will be considered to be an independent Director; and a recommendation by the Board in respect of the election of the candidate.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	<p>Each director is given a letter upon his or her appointment which outlines the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies. Similarly, senior executives including the CEO and CFO, have a formal job description and services agreement describing their term of office, duties, rights, and responsibilities and entitlements on termination.</p> <p>The Company will disclose the material terms of any employment service or consultancy agreement if enters into with its CEO (or equivalent)</p>
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	Yes	<p>The Company Secretary is responsible for co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, ASX and all statutory and other filings. The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary. The decision to appoint or remove the Company Secretary is to be made or approved by the Board.</p>
1.5	A listed entity should: 1. Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to	Yes	<p>The Board has contemplated the necessity of implementing a diversity policy.</p> <p>Noting the relatively small size of the Company and the fact that the Company has only a small number of employees, the Board has resolved</p>

	<p>assess annually both the objectives and the entity's progress in achieving them;</p> <p>2. Disclose that policy or a summary of it; and</p> <p>3. Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>1) The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>2) 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>to depart from the Recommendations by not implementing a gender diversity policy.</p> <p>Whilst the Company has not set formal measurable objectives for achieving gender diversity, at such time that the Company seeks to establish and expand its workforce, the Company will be committed to the principles of employing people with a broad range of experiences, skills and views.</p>
1.6	<p>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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	No	<p>The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis, with the aid of an independent advisory, if deemed required. The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period with details of the performance evaluations conducted will be provided in the Company's Annual Report. No evaluation has taken place at the date of this report.</p>

1.7	<p>A listed entity should:</p> <p>a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process</p>	No	<p>The Company has not undertaken a performance evaluation of its senior executives noting that the Company currently does not employ any executives. Performance reviews will take place once senior executive roles are occupied.</p>
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Principle 2 – Structure the Board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

2.1	<p>The board of a listed entity should:</p> <p>a) Have a nomination committee which:</p> <ol style="list-style-type: none"> 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 	No	<p>Due to the size and nature of the existing Board, the Company does not currently have a Nomination Committee. The full Board carries out the duties that would ordinarily be assigned to the Nomination Committee and the Board devotes time on an annual basis to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>
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	<p>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>		
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.	Yes	<p>Whilst the Company does not currently disclose a board skills matrix setting out the mix of skills of the Directors, the following information is set out in the Company's Annual Report.</p> <ul style="list-style-type: none"> • The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report; and • A statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the Board.
2.3	<p>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, 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 interest, position, association 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>	Yes	<p>During the year, the Board comprised of five Directors, Dato' Larry Nyap Liou Gan (Non-Executive Chairman), Kin Wai Lau (CEO/Executive Director), Donald Han Low (Non-Executive Director), Anthony Mackay (Non-Executive Director) and Jeffrey Hua Yuen Tan (Non-Executive Director).</p> <p>The Board has considered that circumstances of each Director and determined that Directors Dato' Larry Nyap Liou Gan, Donald Han Low and Jeffrey Hua Yuen Tan were independent as described in Box 2.3 of the Recommendations.</p> <p>The Corporations Act 2001, the Company's Constitution and the Board meeting process requires Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence.</p> <p>The length of service of each Director is set out in the Company's Annual</p>

			Report.
2.4	A majority of the board of a listed entity should be independent directors	Complying	During the year, the Board comprised of five Directors, Dato' Larry Nyap Liou Gan, Kin Wai Lau, Donald Han Low, Anthony Mackay and Jeffrey Hua Yuan Tan. Of the five directors, the Board considers that only Kin Wai Lau as non-independent director.
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	Complying	Dato' Larry Nyap Liou Gan has been Chairman of the Company since 2014 and was, at the date of his appointment and continues to be, independent. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions. The positions of Chairman and Chief Executive officer are held by separate persons.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors respectively	Complying	The Company has procedures and policies in place to assist Directors in fulfilling their responsibilities. As Directors join the Board, they undertake a comprehensive induction program, which includes information on the Company's core values, key strategies, objectives, as well as its governance framework and operations. New Directors also meet with key senior management to gain a better appreciation of the Group's services and capabilities. The Board also receives ongoing governance updates as required, including in relation to recent legislative and regulatory changes and developments in corporate governance. All directors have ongoing access to information on the company's operations and to the Group's senior management. Each director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Company. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfill their duties.

Principle 3 – Act ethically and responsibly

A listed entity should act ethically and responsibly

3.1	A listed entity should: a) Have a code of conduct for its directors, senior executives and employees; and b) Discloses that code or a summary of it.	Complying	The Board has established a Code of Conduct which articulates acceptable practices for directors, senior executives and employees, to guide their behavior and to demonstrate the commitment of the Company to ethical practices. The Code of Conduct is published on the Website. The Company also seeks to ensure that advisers, consultants and contractors aware of the Company's expectations as set out in its Code of Conduct.
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Principle 4 – Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

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	No	Due to the size and nature of the existing Board, the Company currently does not have an Audit Committee. The full Board carries out the duties that would ordinarily be assigned to the Audit Committee under the written terms of reference for that committee and annually to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial report.
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	the external auditor and the rotation of the audit engagement partner.		
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.	Yes	<p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.</p> <p>The Board reviews the Group's half yearly and annual financial statements. The Board state in writing to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant accounting standards 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>
4.3	A 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	Yes	<p>Shareholders are encouraged to attend the Company's Annual General Meeting, which the Company endeavors to ensure the attendance of its auditors.</p> <p>Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p>

Principle 5 – Make timely and balance disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities

5.1	<p>A listed entity should:</p> <p>a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>b) Disclose that policy or a summary of it</p>	Yes	<p>The company has a documented policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors.</p>
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			<p>The Chief Executive officer and the Company Secretary are responsible for interpreting the Group's policy and where necessary informing the Board. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.</p> <p>The Company Secretary is responsible for all communications with the ASX. All Company announcements are vetted and authorized by the Board and senior management to ensure they are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.</p> <p>The policy on continuous disclosure is published on the Website</p>
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Principle 6 – Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively

6.1	A listed entity should provide information about itself and its governance to investors via its website	Yes	<p>The Board informs shareholders of all major developments affecting the Group's state of affairs as follows:</p> <ul style="list-style-type: none"> • Placing all relevant announcements made to the market, on the Website after they have been released to ASX; • Publishing all corporate governance policies and charters adopted by the Board on the Website; • Releasing information provided to analysts or media during briefings to ASX and placing such information on the Website; and • Placing the full text of notices of meeting and explanatory material on the Website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors	Yes	<p>The Company communicates with its shareholders and investors by posting information on the Website, and by encouraging attendance and participation of shareholders at general meetings. Investors are also able to provide feedback and seek further information about the Company via the Website. Management or Directors additionally meet with shareholders from time to time upon request and respond to any enquiries</p>

			they may make.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders	Yes	Shareholders are encouraged to attend the Company's Annual General Meeting. The AGM is an opportunity for shareholders to hear the CEO and chairman provide updates on Group performance, ask questions of the Board and vote on the various resolutions affecting the business. Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Yes	Investors are able to communicate with the Company electronically via the Website or by emailing the Company Secretary. Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.

Principle 7 – Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

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> <ol style="list-style-type: none"> 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 <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>	No	Due to the size and nature of the existing Board, the Company does not currently have a Risk Management Committee. The full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee and devotes time annually to fulfilling the rules and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
7.2	The board or a committee of the board should:	Yes	The Group has established policies and procedures to identify, assess

	<p>a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b) Disclose, in relation to each reporting period, whether such a review has taken place</p>		<p>and manage all material business and operational risks.</p> <p>The Board has responsibility for monitoring risk oversight</p> <p>The Board oversees policies on risk assessment and management.</p>
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 risk management and internal control processes</p>	Yes	<p>Management reviews the Group's major business units, organizational structure and accounting controls and processes on a regular basis and reports accordingly to the Board; the Board is satisfied that the processes in place to identify the Group's material business risks are appropriate and that these risks are being effectively managed. The Group's risk management processes continue to be monitored and reported against on an ongoing basis.</p> <p>A description of the Group's risk management policy and internal compliance and control systems is available on the Website.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks</p>	Yes	<p>The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation.</p> <p>The Directors believe that the Group has adequate systems in place for the management of its environment requirements and are not aware of any breach of those environmental requirements as they apply to the Group.</p>

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

8.1	<p>The board of a listed entity should:</p> <p>a) Have a remuneration committee which:</p> <ol style="list-style-type: none"> 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 	No	<p>Due to the size and nature of the existing Board, the Company does not currently have a Remuneration Committee. The full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee and devotes time annually to fulfilling the rules and responsibilities associated with setting the level and composition of remuneration for Directors, ensuring that such remuneration is appropriate and not excessive.</p>
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	<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>		
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	Yes	Details of the Directors and Key Senior Executives remuneration are set out in the Remuneration Report of the Annual Report. The structure of Non-Executive Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration Report of the Annual Report.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>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</p> <p>b) Disclose that policy or a summary of it.</p>	No	The Company does not currently have any equity-based remuneration schemes in place.