

Skin Elements Limited

CORPORATE GOVERNANCE INTRODUCTION

Corporate governance is a system by which companies are directed and managed. It influences how the objectives of a company are set and achieved, how risk is monitored and assessed and how performance is optimised. Good corporate governance procedures encourage companies to create value whilst providing accountability and controls commensurate with the risks involved.

Skin Elements Limited (**Company**) is committed to high standards of corporate governance. The Company has adopted policies and procedures which follow the “Principles of Good Corporate Governance and Best Practice Recommendations, Second Edition” issued by the Australian Securities Exchange (**ASX**) Corporate Governance Council in 2007, to the extent they are applicable to the Company.

The Company acknowledges that the essential Corporate Governance Principles are to:

- Lay solid foundations for management and oversight;
- Structure the Board to add value;
- Promote ethical and responsible decision making;
- Safeguard integrity in financial reporting;
- Make timely and balanced disclosure;
- Respect the right of shareholders;
- Recognise and manage risk; and
- Remunerate fairly and responsibly.

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The policies and procedures adopted by the Company which form the basis of the Company's corporate governance system are set out below:

The Board

- 1 Board Charter
- 2 Audit and Risk Management Committee Charter
- 3 Nomination and Remuneration Committee Charter

Directors

- 4 Directors' and Executive Officers' Code of Conduct
- 5 Directors Independence Questionnaire

General

- 6 Code of Business Conduct
- 7 Dealings in Securities Policy
- 8 Communications Policy
- 9 Disclosure Policy

These corporate governance policies and practices of the Company are reflective of the Company's current status and activities in the all natural skincare products industry. As the Company's activities develop in size, nature and scope, the Board will reconsider and review the Company's corporate governance structures